

THE BOYS' BRIGADE, HONG KONG
香港基督少年軍

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2022



**REVIEW REPORT TO THE EXECUTIVE COMMITTEE MEMBERS OF
THE BOYS' BRIGADE, HONG KONG (the "Charity")
(incorporated in Hong Kong with limited liability by guarantee)**

We have audited the financial statements of the Charity for the year ended 31 March 2022 and have issued an unqualified auditor's report thereon dated 14 June 2022.


We conducted our review of the attached Annual Financial Report on pages 2 to 8 of the Charity for the year ended 31 March 2022 in accordance with Practice Note 851 "*Review of the Annual Financial Reports of Non-governmental Organisations*" issued by the Hong Kong Institute of Certified Public Accountants. The review includes considering the procedures and records relevant to the preparation of the Annual Financial Report and performing procedures to satisfy ourselves that the Annual Financial Report has been properly prepared from the books and records of the Charity, on which the above audited financial statements of the Charity are based.

REVIEW CONCLUSIONS

On the basis of the results of our review and having regard to the audit procedures performed by us in relation to the audit of the financial statements of the Charity for the year ended 31 March 2022:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Charity; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Charity has not:
 - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund, Tide-over Grant and other social welfare subventions and expenditure in respect of Funding and Services Agreement activities and support services;
 - ii. kept separate Operating Income and Expenditure Account for each subvented service unit as required by the Lump Sum Grant Manual (LSG Manual) published by the Social Welfare Department of the Government of the HKSAR;
 - iii. prepared the Annual Financial Report in accordance with the format and requirements set out in the LSG Manual; and
 - iv. employed the staff quoted in the Tide-over Grant and Provident Fund arrangements during the year ended 31 March 2022.

This report is intended for filing with the Social Welfare Department of the Government of the HKSAR and should not be used for any other purpose.



Roger Kam & Co.
Certified Public Accountants (Practising)

Hong Kong, 26 October 2022


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	Note	2021-22	2020-21
A. INCOME		\$	\$
1. Lump Sum Grant			
a. Lump Sum Grant(excluding Provident Fund)	1b	5,951,311.00	5,858,579.00
b. Provident Fund	1c	449,152.00	443,178.00
2. Fee Income	2	-	-
3. Central Items	3	-	-
4. Rent and Rates	4	38,935.00	66,674.00
5. Others Income	5	-	-
6. Interest Received		6.77	6.87
TOTAL INCOME		6,439,404.77	6,368,437.87
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		5,511,528.00	5,410,158.25
b. Provident Fund	1c	467,466.91	455,185.68
c. Allowances		-	-
Sub-total	6	5,978,994.91	5,865,343.93
2. Other Charges	7	148,180.95	89,665.87
3. Central Items	3	-	-
4. Rent and Rates	4	39,318.78	38,922.63
TOTAL EXPENDITURE		6,166,494.64	5,993,932.43
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	272,910.13	374,505.44

The Annual Financial Report from pages 2 to 8 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.


Mr. Lo Wing Ching
Chairman

Date : 26 October 2022


Ms. Ng Suk Ling
NGO Head

Date : 26 October 2022

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NOTES ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant (LSG)

- a. Basis of preparation** The Annual Financial Report (AFR) is prepared in respect of all Funding and Service Agreement (FSA) activities (including support services to FSA activities) funded by the Social Welfare Department under the Lump Sum Grant Subvention System. AFR is prepared **on cash basis**, that is, income is recognised upon receipt of cash and expenditure is recognised when expenses are paid. **Non-cash items** such as depreciation, provisions and accruals **have not be included** in the AFR.
- b. Lump Sum Grant (excluding Provident Fund)** This represents LSG (excluding Provident Fund) received for the year.
- c. Provident Fund** This is Provident Fund received and contributed during the year. Snapshot staff are defined as those staff occupying recognised or holding against subvented posts as at 1 April 2000. 6.8% and other posts represent those staff that are employed after 1 April 2000. The Provident Fund received and contributed for staff under the Central Items have been shown under **Note 3**. Details are analysed below :

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u>	<u>6.8% and Other</u>	
		<u>Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	132,796.00	316,356.00	449,152.00
Provident Fund Contribution Paid during the year	(132,795.00)	(334,671.91)	(467,466.91)
Surplus/(Deficit) for the year	1.00	(18,315.91)	(18,314.91)
Add: Surplus/(Deficit) b/f	2.95	235,726.28	235,729.23
Additional subvention received for previous year(s)	-	-	-
Less: Refund to Government	(1.00)	-	(1.00)
Surplus/(Deficit) c/f	2.95	217,410.38	217,413.33

- 2. Fee Income** This represents social welfare fee income received for the year in respect of the fees and charges recognised for the purpose of subvention as set out in the LSG Manual.

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3. Central Items

These are subvented service activities which are not included in LSG and are subject to their own procedures as set out in other SWD's papers and correspondence with the NGOs. The Provident Fund received and contributed for staff under the Central Items have been separately included as part of the income and expenditure of the relevant items (paragraph 3.14 of the LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	<u>2021-22</u>	<u>2020-21</u>
	\$	\$
a. <u>Income</u>		
Dementia Supplement for Elderly with Disabilities	-	-
Infirmity Care Supplement for the Aged Blind Person	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmity Care Supplement for Residential Elderly Services	-	-
Foster Care Allowance/Emergency Foster Care Allowance	-	-
After School Care Programme - Fee Waiving Subsidy Scheme	-	-
Temporary Financial Aid	-	-
Emergency Fund	-	-
Time-defined Subsidy Scheme for Extended Hours Service Users	-	-
Training Subsidy Programme for Child Care Supervisors and Special	-	-
Child Care Workers in Pre-school Rehabilitation Services	-	-
Short-term Rental Assistance and Enhanced Employment Service0	-	-
Allowances for Specific Services Arising from the Implementation of	-	-
the Minimum Wage Ordinance (Overnight On-site-on call Allowance)	-	-
Neighbourhood Support Child Care Project (NSCCP) - Contract	-	-
NSCCP - Subsidy for Fee Reduction/waiving	-	-
NSCCP – Subsidy for Incentive Payment	-	-
NSCCP - Rent & Rates	-	-
Training Sponsorship Scheme for Master in Occupational Therapy and	-	-
Physiotherapy programmes	-	-
Training Subsidy Programme for Children on the Waiting List for	-	-
Subvented Pre-school Rehabilitation Services	-	-
Financial Incentive Scheme for Mentors of Employees with	-	-
Cash Subsidy for Integrated Support Services for Persons with Severe	-	-
Physical Disabilities	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
Enhanced After School Care Programme - Fee Waiving Subsidy	-	-
Navigation Scheme for Young Persons in Care Services - Operating	-	-
Navigation Scheme for Young Persons in Care Services - Training	-	-
Grant under the Pilot Scheme on On-Site Pre-school Rehabilitation	-	-
Pilot Scheme on Multi-disciplinary Outreaching Support Teams for the	-	-
Elderly (MOSTE) - Annual Funding Allocation	-	-
MOSTE - Annual Rent and Rates	-	-
Child Care Training for Grandparents	-	-
Special Grant on Manpower Support for Residential and Home-based	-	-
Care Service Units in respect of the Severe Respiratory Disease	-	-
associated with a Novel Infectious Agent	-	-
Special Allowance for Staff of Subvented Residential Service Units in	-	-
respect of COVID-19	-	-
Subsidy for Enhanced Support for Ethnic Minority Children in Special	-	-
Care Centre	-	-
Subsidy for Enhanced Support for Ethnic Minority Children in Early	-	-
Education and Training Centres	-	-
Ethnic Minority District Ambassador Posts	-	-
Time-limited programme on Enhancing Infection Control and	-	-
Ventilation of Residential Care Homes for the Elderly and Residential	-	-
Care Homes for Persons with disabilities - On-site Ventilation	-	-
Assessment	-	-
Total	<u>-</u>	<u>-</u>

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	<u>2021-22</u>	<u>2020-21</u>
	\$	\$
b. Expenditure		
Dementia Supplement for Elderly with Disabilities	-	-
Infirmity Care Supplement for the Aged Blind Person	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmity Care Supplement for Residential Elderly Services	-	-
Foster Care Allowance/Emergency Foster Care Allowance	-	-
After School Care Programme - Fee Waiving Subsidy Scheme	-	-
Temporary Financial Aid	-	-
Emergency Fund	-	-
Time-defined Subsidy Scheme for Extended Hours Service Users	-	-
Training Subsidy Programme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services	-	-
Short-term Rental Assistance and Enhanced Employment Service	-	-
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on call Allowance)	-	-
Neighbourhood Support Child Care Project (NSCCP) - Contract	-	-
NSCCP - Subsidy for Fee Reduction/waiving	-	-
NSCCP – Subsidy for Incentive Payment	-	-
NSCCP - Rent & Rates	-	-
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy programmes	-	-
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services	-	-
Financial Incentive Scheme for Mentors of Employees with	-	-
Cash Subsidy for Integrated Support Services for Persons with Severe Physical Disabilities	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
Enhanced After School Care Programme - Fee Waiving Subsidy	-	-
Navigation Scheme for Young Persons in Care Services - Operating	-	-
Navigation Scheme for Young Persons in Care Services - Training	-	-
Grant under the Pilot Scheme on On-Site Pre-school Rehabilitation	-	-
Pilot Scheme on Multi-disciplinary Outreaching Support Teams for the Elderly (MOSTE) - Annual Funding Allocation	-	-
MOSTE - Annual Rent and Rates	-	-
Child Care Training for Grandparents	-	-
Special Grant on Manpower Support for Residential and Home-based	-	-
Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	-	-
Subsidy for Enhanced Support for Ethnic Minority Children in Special Care Centre	-	-
Subsidy for Enhanced Support for Ethnic Minority Children in Early Education and Training Centres	-	-
Ethnic Minority District Ambassador Posts	-	-
Time-limited programme on Enhancing Infection Control and Ventilation of Residential Care Homes for the Elderly and Residential Care Homes for Persons with disabilities - On-site Ventilation Assessment	-	-
Total	<u>-</u>	<u>-</u>

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4. **Rent and Rates** This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditure on rent and rates in respect of premises not recognised by SWD have not been included in AFR.
5. **Other Income** This includes programme income and all income other than recognised social welfare fee income received during the year. Non-SWD subventions and donations received have not be included as Other Income in AFR. In this respect, donations have been included if it is used to finance expenditure reflected in the AFR

The breakdown on Other Income (paragraph 2.29 of LSG Manual (October 2016)) is as follows:

	<u>2021-22</u>	<u>2020-21</u>
	\$	\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	-	-
(b) Subsidy from Central Intems (CI) - After School Care Programme (ASCP) / Enhanced ASCP - Fee Waiving Subsidy Scheme (FWSS)*	-	-
(c) Others	-	-
Sub-Total	<u>-</u>	<u>-</u>
<u>Less:</u> Utilised allocation under CI-ASCP / Enhanced ASCP - FWSS which forms as part of Other Income*	-	-
Total	<u><u>-</u></u>	<u><u>-</u></u>

6. **Personal Emoluments** Personal Emoluments include salary, provident fund and salary-related allowances. The analysis on number of posts with annual Personal Emoluments over \$700,000 each paid under LSG is appended below:

<u>Analysis of Personal Emoluments</u>	<u>No of Posts</u>	<u>\$</u>
HK\$700,001-HK\$800,000 p.a.	1	706,200.00
HK\$800,001-HK\$900,000 p.a.	-	-
HK\$900,001-HK\$1,000,000 p.a.	-	-
HK\$1,000,001-HK\$1,100,000 p.a.	1	1,018,095.00
HK\$1,100,001-HK\$1,200,000 p.a.	-	-
>HK\$1,200,000 p.a.	-	-

7. **Other Charges** The breakdown on Other Charges is as follows:

	<u>2021-22</u>	<u>2020-21</u>
	\$	\$
Other Charges		
a. Utilities	21,923.57	8,968.00
b. Food	-	-
c. Administrative Expenses	24,220.43	5,741.36
d. Stores and Equipment	7,228.00	24,145.80
e. Repair and Maintenance	6,699.30	5,758.88
f. Specific Allowance	-	-
g. Programme Expenses	12,456.41	5,073.30
h. Transportation and Travelling	1,597.74	898.73
i. Insurance	33,159.41	32,305.60
j. Miscellaneous	40,896.09	6,774.20
Sub-Total	<u>148,180.95</u>	<u>89,665.87</u>

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<u>Less:</u>	Utilised allocation under CI-ASCP / Enhanced ASCP - FWSS which forms as part of Other Income to fund the operating expenses of FSA-related activities	-	-
	TOTAL	<u>148,180.95</u>	<u>89,665.87</u>

*For those programmes which are regarded as FSA-related activities only.

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8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP - FWSS	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$
INCOME					
Lump Sum Grant	6,400,463.00	-	-	-	6,400,463.00
Fee Income	-	-	-	-	-
Other Income	-	-	-	-	-
Interest Received (Note (1))	6.77	-	-	-	6.77
Rent and Rates	-	-	38,935.00	-	38,935.00
Central Items	-	-	-	-	-
Total Income (a)	6,400,469.77	-	38,935.00	-	6,439,404.77
EXPENDITURE					
Personal emoluments	5,978,994.91	-	-	-	5,978,994.91
Others Charges	148,180.95	-	-	-	148,180.95
Rent and Rates	-	-	39,318.78	-	39,318.78
Central Items	-	-	-	-	-
Total Expenditure (b)	6,127,175.86	-	39,318.78	-	6,166,494.64
Surplus/(Deficit) for the Year (a)-(b)	273,293.91	-	(383.78)	-	272,910.13
Less: Surplus/(Deficit) of Provident Fund	(18,314.91)	-	-	-	(18,314.91)
Surplus/(Deficit) b/f (Note (2))	291,608.82	-	(383.78)	-	291,225.04
	1,039,655.44	-	(9,139.99)	-	1,030,515.45
Add : Refund from Government	1,331,264.26	-	(9,523.77)	-	1,321,740.49
	-	-	-	-	-
Less : Refund to Government	(1.00)	-	(349.00)	-	(350.00)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))					
Adjustment for Utilised allocation under Enhanced ASCP - FWSS* (over-estimated) / under-estimated in previous year(s)	-	-	-	-	-
Surplus/(Deficit) c/f (Note (4))	1,331,263.26	-	(9,872.77)	-	1,321,390.49

Remarks:

R1 Apply for claim for Rent \$38,585.63 & Rates \$733.15 for 2021-22

R2 (i) Provident Fund (PF) Adjustment for 2019-20 (refer to 2021/22 Allocation Summary - Attachment B)

(ii) Clawed back for provisional subvention surpluses for R&R 2020-21 \$349, refer to SWD letter SF/SAS/4-35/2/18 dated 21/2/2022

Notes:

Including an amount \$Z being the utilised allocation under CI-ASCP / Enhanced ASCP - FWSS*

* For those programmes which are regarded as FSA-related activities only

- (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items are included as one item under LSG; and the items is considered as part of LSG reserve.
- (2) Accumulated balance of LSG Surplus b/f from previous years (including holding account) and all interest received in previous years should be included in the surplus b/f under LSG.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule of Central Items.
- (4) The level of LSG cumulative reserve (i.e. S), less LSG Reserve kept in holding account, will be capped at 25% of the NGO's operating expenditure (excluding Provident Fund expenditure) for the year.
 - (a) Total Expenditures excluding Provident Fund Expenditure
= \$6,127,175.86 - \$467,466.91
= \$5,659,708.95 (cap at 25% is \$1,414,927.23)
 - (b) Total surplus of LSG
= \$1,331,263.26 (Therefore (b) is less than 25% of (a)), no clawback