

THE BOYS' BRIGADE, HONG KONG
香港基督少年軍

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017**



**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 2017 and have issued an unqualified auditor's report thereon dated 14 June 2017.


We conducted our review of the attached Annual Financial Report on pages 2 to 13 of the Charity for the year ended 31 March 2017 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 2017:

- 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 2017.

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)

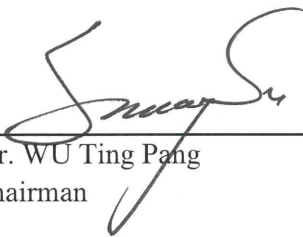
Hong Kong, 15 August 2017

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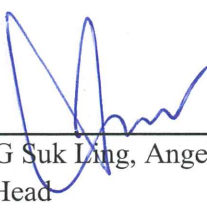
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FOR THE YEAR ENDED 31 MARCH 2017

	Note	2016-2017	2015-2016	Remarks
		HK\$	HK\$	
A. INCOME				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1b	3,552,816.00	3,398,287.00	
b. Provident Fund	1c	290,931.00	252,241.00	
2. Special One-off Grant		-	-	
3. Fee Income	2	-	-	
4. Central Items	3	-	-	
5. Rent and Rates	4	69,575.00	63,589.00	
6. Other Income	5	4,328.20	4,000.00	
7. Interest Received		51.64	60.50	
TOTAL INCOME		3,917,701.84	3,718,177.50	
B. EXPENDITURE				
1. Personal Emoluments				
a. Salaries		3,484,747.00	3,358,683.00	
b. Provident Fund	1c	306,152.75	285,826.46	
c. Allowances		-	-	
Sub-total	6	3,790,899.75	3,644,509.46	
2. Other Charges	7	113,037.45	121,351.40	
3. Central Items	3	-	-	
4. Rent and Rates	4	39,006.43	34,569.50	
5. Special One-off Grant Payments	7a	-	-	
TOTAL EXPENDITURE		3,942,943.63	3,800,430.36	
C. DEFICIT FOR THE YEAR	8	(25,241.79)	(82,252.86)	


Mr. WU Ting Pang
Chairman

Date : 15 August 2017


Ms. NG Suk Ling, Angel
NGO Head

Date : 15 August 2017

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FOR THE YEAR ENDED 31 MARCH 2017

1. Lump Sum Grant

a. Basis of preparation (i) 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 during 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 should be shown under 3.

Please note that the PF received and contributed for staff under the Central Items should be shown under 3. In other words, such PF should **not** be included here (LSG Circular No.1/2001).

Details are analysed below :

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u>	<u>6.8% and Other Posts</u>	<u>Total</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
Subvention Received	117,270.00	173,661.00	290,931.00
Provident Fund Contribution paid during the year	(117,270.00)	(188,882.75)	(306,152.75)
Deficit for the year	-	(15,221.75)	(15,221.75)
Add: Surplus b/f	2,439.62	261,780.56	264,220.18
Surplus c/f	<u>2,439.62</u>	<u>246,558.81</u>	<u>248,998.43</u>

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

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:

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	<u>2016-17</u>	<u>2015-16</u>
	<u>HK\$</u>	<u>HK\$</u>
a. Income		
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	-	-
Dementia Supplement for Day Care Centres / units for the Elderly	-	-
Foster Care Allowance/Emergency Foster Care Allowance	-	-
After School Care Programme	-	-
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	-	-
One-off Supplementary Grant for Service Re-engineering Plan of the Factory for the Blind	-	-
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 Subsidy	-	-
NSCCP - Subsidy for Fee Reduction/waiving	-	-
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy Programmes	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Subsidy for Integrated Support Services for Persons with Severe Physical Enhanced After School Care Programme	-	-
Cluster-based Foster Home Pool	-	-
	<hr/>	<hr/>
Total	<hr/> <hr/>	<hr/> <hr/>

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	<u>2016-17</u>	<u>2015-16</u>
	HK\$	HK\$
b. Expenditure		
Dementia Supplement for Elderly with Disabilities	-	-
Infirmiry Care Supplement for the Aged Blind Person	-	-
Dementia Supplement for Residential Elderly Services	-	-
Infirmiry Care Supplement for Residential Elderly Services	-	-
Dementia Supplement for Day Care Centres / units for the Elderly	-	-
Foster Care Allowance/Emergency Foster Care Allowance	-	-
After School Care Programme	-	-
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	-	-
One-off Supplementary Grant for Service Re-engineering Plan of the Factory for the Blind	-	-
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 Subsidy	-	-
NSCCP - Subsidy for Fee Reduction/waiving	-	-
Training Sponsorship Scheme for Master in Occupational Therapy and Physiotherapy Programmes	-	-
Time-defined Subsidy Scheme for Occasional Child Care Service	-	-
Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Subsidy for Integrated Support Services for Persons with Severe Physical Enhanced After School Care Programme	-	-
Cluster-based Foster Home Pool	-	-
	<hr/>	<hr/>
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

	<u>2016-17</u>	<u>2015-16</u>
	HK\$	HK\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services	-	-
(b) Others	-	-
	<u> </u>	<u> </u>
TOTAL	<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 HK\$700,000 each paid under LSG is appended below:

<u>Analysis of Personal Emoluments</u>	<u>No of Posts</u>	<u>HK\$</u>
HK\$700,001-HK\$800,000 p.a.	-	-
HK\$800,001-HK\$900,000 p.a.	1	899,070.00
HK\$900,001-HK\$1,000,000 p.a.	-	-
HK\$1,000,001-HK\$1,100,000 p.a.		
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>2016-17</u>	<u>2015-16</u>
	HK\$	HK\$
<u>Other Charges</u>		
a. Utilities	25,755.60	25,390.83
b. Food	-	-
c. Administrative Expenses	13,383.12	17,229.63
d. Stores and Equipment	4,779.80	1,475.41
e. Repairs and Maintenance	2,134.00	4,346.00
f. Specific Allowance	-	-
g. Programme Expenses	12,690.56	21,524.53
h. Transportation and Travelling	588.80	889.40
i. Insurance	27,337.01	27,610.29
j. Miscellaneous	26,368.56	22,885.31
	<u> </u>	<u> </u>
TOTAL	<u>113,037.45</u>	<u>121,351.40</u>

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7a. **Special One-off Grant Payments** Details of Special One-off Grant Payments are as follows:

	<u>2016-17</u>	<u>2015-16</u>
	\$	\$
Special one-off Grant Payments		
a. Voluntary Retirement Scheme	-	-
b. Compensation Scheme	-	-
c. Staff Training and Development	-	-
d. Other Staff-related Initiatives	-	-
	<hr/>	<hr/>
TOTAL	<hr/> <hr/>	<hr/> <hr/>

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

	Analysis of Reserve Fund					Remark
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total	
	HK\$	HK\$	HK\$	HK\$	HK\$	
<u>INCOME</u>						
Lump Sum Grant	3,843,747.00	-	-	-	3,843,747.00	
Special One-off Grant	-	-	-	-	-	
Fee Income	-	-	-	-	-	
Other Income	4,328.20	-	-	-	4,328.20	
Interest Received (Noted (1))	51.64	-	-	-	51.64	
Rent and Rates	-	-	69,575.00	-	69,575.00	
Central Items	-	-	-	-	-	
Total Income (a)	3,848,126.84	-	69,575.00	-	3,917,701.84	
<u>EXPENDITURE</u>						
Personal emoluments	3,790,899.75	-	-	-	3,790,899.75	
Others Charges	113,037.45	-	-	-	113,037.45	
Rent and Rates	-	-	39,006.43	-	39,006.43	R1: R&R
Central Items	-	-	-	-	-	
Special One-off Grant Payments	-	-	-	-	-	
Total Expenditures (b)	3,903,937.20	-	39,006.43	-	3,942,943.63	
Surplus / (Deficit) for the Year (a)-(b)	(55,810.36)	-	30,568.57	-	(25,241.79)	
Less: Deficit of Provident Fund	(15,221.75)	-	-	-	(15,221.75)	
	(40,588.61)	-	30,568.57	-	(10,020.04)	
Deficit b/f (Note 2)	(45,038.35)	-	(39,825.99)	-	(84,864.34)	
	(85,626.96)	-	(9,257.42)	-	(94,884.38)	
Less: Refund to Governmnet	-	-	-	-	-	
Add/(Less): Transfer from Special One-off Grant to cover the salary for Lump Sum Grant (LSG) staff	-	-	-	-	-	
Add/(Less): Transfer from LSG Reserve to cover the salary adjustment for Programme Assistants, Care Assistant, Dementia Supplement and Infirmiry Care Supplementary (Note 2)	-	-	-	-	-	
	(85,626.96)	-	(9,257.42)	-	(94,884.38)	
Deficit c/f (Note 4)	(85,626.96)	-	(9,257.42)	-	(94,884.38)	

Remarks:

R1 Apply for claim for Rent \$35,970 & Rates \$3,036.43 for 2016-17

Notes:

- Interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant is included as one item under LSG; and the items is considered as part of LSG reserve.
- Accumulated balance Lump Sum Grant 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.
- Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmiry Care Supplement, if any, as per Schedule of Central Items.
- The level of LSG cumulative reserve less LSG Reserve kept in holding account, will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.
 (A) Total Expenditures excluding Provident Fund Expenditure:-
 HK\$3,903,937.20 - HK\$306,152.75 = HK\$3,597,784.45 (capped at 25% is HK\$899,446.11)
 (B) Total deficit of LSG = HK\$85,626.96 (less than 25% of (A))