

SCOUT ASSOCIATION OF HONG KONG -
NEW TERRITORIES REGION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2013

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(d) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statement of financial position when the Region becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Region's financial assets are classified into financial assets at fair value through profit or loss and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. Available-for-sale financial assets (comprising investments in Hong Kong Scout Foundation) that do not have quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identifiable impairment losses at the end of the reporting period subsequent to initial recognition.

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NOTES TO THE FINANCIAL STATEMENTS
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2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(d) FINANCIAL INSTRUMENTS (CONT'D)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

An impairment loss is recognised in the statement of income and expenditure when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly. If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognised, the previously recognised impairment loss is reversed through the statement of income and expenditure to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had no impairment losses been recognised for the asset in prior years.

Financial liabilities

Financial liabilities issued by the Region are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities are measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Region has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference on received and receivable is recognised in the statement of income and expenditure.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, or cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of income and expenditure.

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NOTES TO THE FINANCIAL STATEMENTS
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2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(e) TAXATION

The Region is exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance.

(f) MOVEMENT IN RESERVES AND FUND

(i) New Territories Regional Scout Fund

The New Territories Regional Scout Fund is represented by funds for the development of Scout Movement and operation of New Territories Region.

(ii) Maintenance Fund

The Maintenance Fund is represented by funds for maintenance for Regional headquarters.

(iii) Karson Choi Scout Foundation

The Karson Choi Scout Foundation is represented by funds for the thematic events and community services of New Territories Region.

(iv) New Territories Region Development Fund

The New Territories Region Development Fund is represented by funds for subsidy of scout group development and scout events of New Territories Region.

(v) Amortization Reserve

Amortization Reserve is represented by the net book value of property, plant and equipment funded by the New Territories Region Campsites & Sea Activities Centre Development Fund. Transfers from the New Territories Region Campsites & Sea Activities Centre Development Fund represent additions during the year. Transfers to the statement of income and expenditure represent the corresponding depreciation charged for the year.

(g) EMPLOYEE BENEFITS

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered service entitling them to contribution.

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3. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment HK\$	Furniture and Fixtures HK\$	Leasehold Improvement HK\$	Total HK\$
COST				
Balance at 1/4/2011	197,425	80,501	1,704,919	1,982,845
Additions in the year	25,962	17,318	—	43,280
Balance at 31/3/2012	223,387	97,819	1,704,919	2,026,125
AGGREGATE DEPRECIATION AND IMPAIRMENT LOSSES				
Balance at 1/4/2011	172,265	56,725	1,363,936	1,592,926
Depreciation for the year	26,418	14,305	340,983	381,706
Balance at 31/3/2012	198,683	71,030	1,704,919	1,974,632
NET BOOK VALUE				
Balance at 31/3/2012	24,704	26,789	—	51,493
COST				
Balance at 1/4/2012	223,387	97,819	1,704,919	2,026,125
Additions in the year	19,633	42,680	242,443	304,756
Balance at 31/3/2013	243,020	140,499	1,947,362	2,330,881
AGGREGATE DEPRECIATION AND IMPAIRMENT LOSSES				
Balance at 1/4/2012	198,683	71,030	1,704,919	1,974,632
Depreciation for the year	22,596	21,900	48,489	92,985
Balance at 31/3/2013	221,279	92,930	1,753,408	2,067,617
NET BOOK VALUE				
Balance at 31/3/2013	21,741	47,569	193,954	263,264