

SCOUT ASSOCIATION OF HONG KONG -  
SHATIN SCOUT CENTRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

	2013 HK\$	2012 HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	217,571	30,035
Adjustment for: Depreciation	54,485	—
<b>OPERATING SURPLUS BEFORE WORKING CAPITAL CHANGES</b>	272,056	30,035
Increase in Amount due to Headquarters	70	1,199
Increase in Accounts Receivables	(560)	—
Increase in Receipts in Advance	762	3,200
Increase/(Decrease) in Deferred Income	4,200	(50,000)
Increase in Internal Designated Fund – Amortization Reserve	8,496	—
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	285,024	(15,566)
<b>INVESTING ACTIVITY</b>		
Acquisition of Property, Plant and Equipment	(271,037)	—
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITY</b>	(271,037)	—
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	13,987	(15,566)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	76,507	92,073
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	90,494	76,507

The accompanying notes form an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

1. **ORGANISATION AND ACTIVITIES**

Scout Association of Hong Kong is a body corporate with perpetual succession established under the Scout Association of Hong Kong Ordinance (Chapter 1005 of the Laws of Hong Kong) for the purpose of furthering and promoting the Scout movement in the Hong Kong Special Administrative Region ("HKSAR"). The Association's registered office is located at 100 Tung Tsz, Ting Kok Road, Tai Po, New Territories.

2. **SIGNIFICANT ACCOUNTING POLICIES**

(a) **BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards for Private Entities issued by the Hong Kong Institute of Certified Public Accountants. The financial statements are prepared under the historical cost convention.

(b) **PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost less aggregate depreciation. Depreciation is calculated to write off their costs on a straight-line basis over their expected useful lives to the Centre. The principal annual rates used for this purpose are as follows:-

Computer Equipment	33.33%
Furniture and Fixtures	25%
Leasehold Improvement	20%

Capital expenditure of less than HK\$2,000 is written off in the statement of income and expenditure as incurred.

(c) **REVENUE**

Revenue is recognised on the following bases:-

- (i) Subventions, donations, hiring income, as received; and
- (ii) from courses and activities, upon completion of services provided.

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2. **PRINCIPAL ACCOUNTING POLICY (CONT'D)**

(d) **TAXATION**

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

(e) **IMPAIRMENT OF ASSETS**

Assets that have an indefinite useful life are not subject to amortization, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. Any impairment loss is recognised in the statement of income and expenditure to reduce the asset to its recoverable amount.

(f) **INTERNAL DESIGNATED FUND**

Internal designated fund is fund established by the Centre and earmarked for special purposes.

(i) **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.

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FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

3. **PROPERTY, PLANT AND EQUIPMENT**

	Leasehold Improvement HK\$	Computer Equipment HK\$	Furniture and Fixtures HK\$	Total HK\$
<b>COST</b>				
Balance at 1/4/2011 and 31/3/2012	—	1	1	2
<b>AGGREGATE DEPRECIATION AND IMPAIRMENT LOSSES</b>				
Balance at 1/4/2011	—	—	—	—
Depreciation for the year	—	—	—	—
Balance at 31/3/2012	—	—	—	—
<b>NET BOOK VALUE</b>				
Balance at 31/3/2012	—	1	1	2
<b>COST</b>				
Balance at 1/4/2012	—	1	1	2
Additions in the year	265,437	—	5,600	271,037
Balance at 31/3/2013	265,437	1	5,601	271,039
<b>AGGREGATE DEPRECIATION AND IMPAIRMENT LOSSES</b>				
Balance at 1/4/2012	—	—	—	—
Depreciation for the year	53,085	—	1,400	54,485
Balance at 31/3/2013	53,085	—	1,400	54,485
<b>NET BOOK VALUE</b>				
Balance at 31/3/2013	212,352	1	4,201	216,554