

SCOUT ASSOCIATION OF HONG KONG -  
CHOI CHEE MING LUEN KWONG SCOUT CENTRE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 and New Territories Regional Scout Fund. Transfers from the New Territories Region Campsites & Sea Activities Centre Development Fund and New Territories Regional Scout 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

Contributions to Mandatory Provident Fund as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognised as an expense in the statement of income and expenditure as incurred.

3. DEFICIT FOR THE YEAR

Deficit for the year is arrived after charging:

	2013 HK\$	2012 HK\$
Depreciation	125,964	106,054
Staff costs - Salary	60,936	57,576
Staff costs - Mandatory Provident Fund	3,047	2,879

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4. PROPERTY, PLANT AND EQUIPMENT

	Furniture and Fixtures HK\$	Leasehold Improvement HK\$	Total HK\$
<b>COST</b>			
Balance at 1/4/2011	—	494,306	494,306
Additions in the year	—	36,000	36,000
Balance at 31/3/2012	—	530,306	530,306
<b>AGGREGATE DEPRECIATION AND IMPAIRMENT LOSSES</b>			
Balance at 1/4/2011	—	188,306	188,306
Depreciation in the year	—	106,054	106,054
Balance at 31/3/2012	—	294,360	294,360
<b>NET BOOK VALUE At 31/3/2012</b>	—	235,946	235,946
<b>COST</b>			
Balance at 1/4/2012	—	530,306	530,306
Additions in the year	22,400	71,550	93,950
Balance at 31/3/2013	22,400	601,856	624,256
<b>AGGREGATE DEPRECIATION AND IMPAIRMENT LOSSES</b>			
Balance at 1/4/2012	—	294,360	294,360
Depreciation in the year	5,600	120,364	125,964
Balance at 31/3/2013	5,600	414,724	420,324
<b>NET BOOK VALUE At 31/3/2013</b>	16,800	187,132	203,932

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INDEPENDENT AUDITOR'S REPORT  
TO THE EXECUTIVE COMMITTEE OF  
SCOUT ASSOCIATION OF HONG KONG -  
NEW TERRITORIES REGION  
CAMPSITES & SEA ACTIVITIES  
CENTRE DEVELOPMENT FUND ("THE FUND")

Report on the financial statements

We have audited the financial statements of Scout Association of Hong Kong - New Territories Region Campsites & Sea Activities Centre Development Fund ("The Fund") set out on pages 3 to 7 which comprise the statement of financial position as at 31<sup>st</sup> March, 2013, and the statement of income and expenditure and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Executive Committee's responsibility for the financial statements

The Executive Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the Hong Kong Financial Reporting Standards for Private Entities issued by the Hong Kong Institute of Certified Public Accountants and the Scout Association of Hong Kong Ordinance (Chapter 1005 of the Laws of Hong Kong), and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with the Scout Association of Hong Kong Ordinance (Chapter 1005 of the Laws of Hong Kong) and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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CAMPSITES & SEA ACTIVITIES  
CENTRE DEVELOPMENT FUND ("THE FUND")  
(Continued)

Auditor's responsibility (Cont'd)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at 31<sup>st</sup> March, 2013, and of its surplus and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standards for Private Entities and have been properly prepared in accordance with the Scout Association of Hong Kong Ordinance (Chapter 1005 of the Laws of Hong Kong).

*Paul W. C. Ho*

Paul W. C. Ho & Company  
Certified Public Accountants (Practising)

Hong Kong  
31<sup>st</sup> May, 2013