

Audited Consolidated Financial Statements

SCOUT ASSOCIATION OF HONG KONG

31 March 2026



SCOUT ASSOCIATION OF HONG KONG

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Independent auditor's report
To the Council of Scout Association of Hong Kong
(Incorporated under the Scout Association of Hong Kong Ordinance)

Opinion

We have audited the consolidated financial statements of Scout Association of Hong Kong (the "Association") and its subsidiary (the "Group") set out on pages 4 to 57, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of income and expenditure, the consolidated statement of comprehensive income, the consolidated statement of changes in funds and reserves and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the consolidated financial statements and auditor's report thereon

The Executive Committee members are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Committee members for the consolidated financial statements

The Executive Committee members are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA, and for such internal control as the Executive Committee members determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Executive Committee members are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee members either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

Independent auditor's report (continued)
To the Council of Scout Association of Hong Kong
(Incorporated under the Scout Association of Hong Kong Ordinance)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee members.
- Conclude on the appropriateness of the Executive Committee members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent auditor's report (continued)
To the Council of Scout Association of Hong Kong
(Incorporated under the Scout Association of Hong Kong Ordinance)

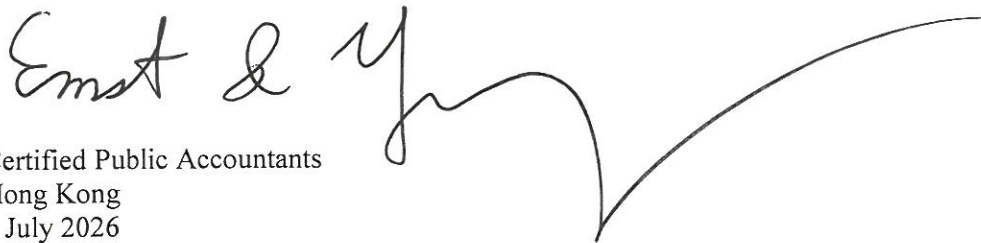
Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We communicate with the Executive Committee members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Executive Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cheung Fuk Yuet (practising certificate number: P08224).

Certified Public Accountants
Hong Kong
3 July 2026

A large, stylized handwritten signature in black ink, which appears to be "Ernst & Y", is written over the printed text of the auditor's name and the date.

SCOUT ASSOCIATION OF HONG KONG

CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

Year ended 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
REVENUE	4	317,555	329,528
Cost of sales		<u>(99,048)</u>	<u>(113,856)</u>
Gross profit		218,507	215,672
Other income and gains, net	5	53,722	56,244
Departmental and programme expenses		(22,041)	(17,111)
General and administrative expenses		<u>(170,594)</u>	<u>(171,231)</u>
SURPLUS FOR THE YEAR (BEFORE TAX AND MOVEMENTS IN DESIGNATED FUNDS)	6	79,594	83,574
Income tax	8	<u>(20,219)</u>	<u>(16,242)</u>
SURPLUS FOR THE YEAR (BEFORE MOVEMENTS IN DESIGNATED FUNDS)		<u>59,375</u>	<u>67,332</u>

SCOUT ASSOCIATION OF HONG KONG

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
SURPLUS FOR THE YEAR (BEFORE MOVEMENTS IN DESIGNATED FUNDS)		<u>59,375</u>	<u>67,332</u>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income/(loss) that will not be reclassified to surplus in subsequent periods (before movement in designated funds):			
Equity investments designated at fair value through other comprehensive income ("FVOCI"):			
Changes in fair value		23,373	17,819
Movements in designated funds:			
Additions and receipts for the year	19(b)	20,957	2,284
Interest and dividend income from investments and fixed deposits	19(b)	2,184	1,615
Utilisation	19(b)	<u>(18,934)</u>	<u>(7,292)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>27,580</u>	<u>14,426</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>86,955</u>	<u>81,758</u>

SCOUT ASSOCIATION OF HONG KONG

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	246,109	252,014
Other financial assets	10	473,219	470,742
Deferred tax assets	17	-	6,514
Total non-current assets		<u>719,328</u>	<u>729,270</u>
CURRENT ASSETS			
Inventories	11	4,583	6,605
Receivables, deposits and prepayments	12	100,873	86,778
Government grants receivable		14,572	14,572
Amounts due from related parties	13	1,707	1,242
Other financial assets	10	350,078	436,201
Tax recoverable		338	2,416
Cash and cash equivalents	14	564,012	368,739
Total current assets		<u>1,036,163</u>	<u>916,553</u>
CURRENT LIABILITIES			
Trade and other payables	15	75,603	67,272
Contract liabilities	15	4,308	3,528
Amounts due to related parties	13	37,213	30,537
Lease liabilities	16	2,276	-
Total current liabilities		<u>119,400</u>	<u>101,337</u>
NET CURRENT ASSETS		<u>916,763</u>	<u>815,216</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,636,091</u>	<u>1,544,486</u>
NON-CURRENT LIABILITIES			
Lease liabilities	16	2,398	-
Deferred tax liabilities	17	2,252	-
Total non-current liabilities		<u>4,650</u>	<u>-</u>
Net assets		<u>1,631,441</u>	<u>1,544,486</u>

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SCOUT ASSOCIATION OF HONG KONG

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
FUNDS AND RESERVES	19		
Accumulated fund		541,776	516,828
Internal designated funds		213,614	207,650
Investment revaluation reserve (non-recycling)		19,517	(3,856)
Replacement reserve/capital		315,101	283,391
Replacement amortisation reserve		25,670	29,240
Sinking fund		<u>475,208</u>	<u>475,208</u>
		1,590,886	1,508,461
Designated funds		<u>40,555</u>	<u>36,025</u>
Total funds and reserves		<u><u>1,631,441</u></u>	<u><u>1,544,486</u></u>



YIP Wing-shing David
Chairman of the Executive Committee



CHOW Shiu-hay Antonio
Treasurer

SCOUT ASSOCIATION OF HONG KONG

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS AND RESERVES

Year ended 31 March 2026

	Note	Accumulated fund HK\$'000	Internal designated funds HK\$'000	Investment revaluation reserve (non recycling) HK\$'000	Replacement reserve/capital HK\$'000	Replacement amortisation reserve HK\$'000	Sinking fund HK\$'000	Designated funds HK\$'000	Total HK\$'000
At 31 March 2024		439,178	260,832	(21,675)	257,987	31,080	456,208	39,118	1,462,728
Surplus for the year (before movements in designated funds)		67,332	-	-	-	-	-	-	67,332
Other comprehensive income/(loss) for the year:									
Changes in fair value		-	-	17,819	-	-	-	-	17,819
Movements in designated funds		-	-	-	-	-	-	(3,393)	(3,393)
Total comprehensive income/(loss) for the year		67,332	-	17,819	-	-	-	(3,393)	81,758
Allocation of surplus for the year	19(a)	(50,146)	6,342	-	35,677	(10,873)	19,000	-	-
Transfer between funds	19(a)	60,464	(59,524)	-	(10,273)	9,033	-	300	-
At 31 March 2025 and 1 April 2025		516,828	207,650	(3,856)	283,391	29,240	475,208	36,025	1,544,486
Surplus for the year (before movements in designated funds)		59,375	-	-	-	-	-	-	59,375
Other comprehensive income/(loss) for the year:									
Changes in fair value		-	-	23,373	-	-	-	-	23,373
Movements in designated funds		-	-	-	-	-	-	4,207	4,207
Total comprehensive income/(loss) for the year		59,375	-	23,373	-	-	-	4,207	86,955
Allocation of surplus for the year	19(a)	(34,368)	6,228	-	35,134	(6,994)	-	-	-
Transfer between funds	19(a)	(59)	(264)	-	(3,424)	3,424	-	323	-
At 31 March 2026		541,776	213,614	19,517	315,101	25,670	475,208	40,555	1,631,441

SCOUT ASSOCIATION OF HONG KONG

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year (before tax and movements in designated funds)		79,594	83,574
Adjustments for:			
Amortisation of financial assets at amortised cost	6	(4,093)	(4,697)
Bank interest income	5	(387)	(741)
Fair value gains on financial assets at fair value through profit or loss, net	5	(8,378)	(29,971)
Depreciation of property, plant and equipment	6	15,029	19,697
Depreciation of right-of-use assets recognised under property, plant and equipment	6	2,803	2,672
Interest on lease liabilities	6	297	52
Interest and dividend income from investments and fixed deposits	5	(34,665)	(33,483)
Property, plant and equipment written-off	6	56	43
		50,256	37,146
Decrease/(increase) in inventories		2,022	(946)
Increase in receivables, deposits and prepayments		(46,947)	(9,045)
Increase/(decrease) in trade and other payables and contract liabilities		9,111	(7,191)
Increase in net amounts to related parties		6,211	1,381
Cash generated from operations		20,653	21,345
Hong Kong profit tax paid		(9,375)	(32,124)
Net receipts/(payments) in designated funds		2,023	(5,008)
Net cash flows generated from/(used in) operating activities		13,301	(15,787)
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease/(increase) in receivables, deposits and prepayments		33,302	(38,590)
Interest and dividend income received from investments and fixed deposits		36,831	35,070
Government grants received		-	4,922
Interest received		8,970	9,091
Dividend received from listed investment		1,356	1,490
Decrease/(increase) in bank deposits with maturity greater than three months at acquisition		14,908	(8,110)
Purchase of other financial assets, net		(421,473)	(283,417)
Purchase of property, plant and equipment		(5,151)	(11,290)
Proceeds from disposal of other financial assets		530,593	291,165
Net cash flows generated from investing activities		199,336	331

SCOUT ASSOCIATION OF HONG KONG

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

Year ended 31 March 2026

	2026 HK\$'000	2025 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal portion of lease payments	(2,159)	(2,255)
Interest element of lease liabilities	<u>(297)</u>	<u>(52)</u>
Net cash flows used in financing activities	<u>(2,456)</u>	<u>(2,307)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	210,181	(17,763)
Cash and cash equivalents at beginning of year	<u>343,134</u>	<u>360,897</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>553,315</u>	<u>343,134</u>
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	310,657	170,313
Time deposits	<u>253,355</u>	<u>198,426</u>
Cash and cash equivalents as stated in the statement of financial position	564,012	368,739
Time deposits with original maturity of more than three months	<u>(10,697)</u>	<u>(25,605)</u>
Cash and cash equivalents as stated in the statement of cash flows	<u>553,315</u>	<u>343,134</u>

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS

31 March 2026

1. GENERAL INFORMATION

(a) Organisation and activities

Scout Association of Hong Kong (the "Association") 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").

(b) Operations included in the consolidated financial statements

The consolidated financial statements include the operations of the following:

- (i) Headquarters of Scout Association of Hong Kong ("Scout Headquarters");
- (ii) The Hong Kong Scout Foundation (the "Foundation");
- (iii) The Scout Shop of Hong Kong (the "Scout Shop");
- (iv) B P International House ("Hostel");
- (v) Baden-Powell International Limited ("BPIL")
- (vi) Hong Kong Island Region, Kowloon Region, East Kowloon Region, New Territories Region and New Territories East Region, including New Territories Region Development Fund Commission and New Territories Campsites & Sea Activities Centre Development Fund (collectively known as the "Regions"); and
- (vii) Gilwell Campsite, Pak Sha Wan Tam Wah Ching Sea Activity Centre, Tai Tam Scout Centre, Tung Tsz Scout Centre, Shatin Scout Centre, Tai Mei Tuk Sea Activity Centre and Choi Chee Ming Luen Kwong Scout Centre (collectively known as the "Campsites").

Their principal activities are as follows:

Scout Headquarters, the Regions and the Campsites:

- furthering and promoting the Scout Movement in the HKSAR.

The Foundation:

- managing any funds assigned by the Executive Committee of the Group;
- receiving any donations for the Foundation; and
- managing the surplus generated from the investment of the funds.

The Scout Shop:

- selling of Scout uniforms and other accessories.

Hostel and BPIL:

- operating a hostel, restaurant, event hall and vehicle park ("Hostel operation").

The Hostel business was operated by B P International House until 31 March 2025, and since then it has been operated by Baden-Powell International Limited.

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

1. GENERAL INFORMATION (continued)

(c) Information about the subsidiary

Particulars of the Group's principal subsidiary is as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Association		Principal activities
			Direct	Indirect	
Baden-Powell International Limited	Hong Kong	HK\$10,000	100	-	Hostel operation

2.1 STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2.2 BASIS OF PREPARATION

These consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which have been measured at fair value. These consolidated financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Association and its subsidiary (collectively referred to as the "Group") for the year ended 31 March 2026. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Association. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Association has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiary is prepared for the same reporting period as the Association, using consistent accounting policies. The results of subsidiary is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

31 March 2026

2.2 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has not adopted amendments to HKAS 21 *Lack of Exchangeability*, which is not applicable to the Group in the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

2.4 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not early applied any of the amended HKFRS Accounting Standards that have been issued but are not yet effective for the accounting year ended 31 March 2026 in these consolidated financial statements. Among these HKFRS Accounting Standards, the following are expected to be relevant to the Group's consolidated financial statements upon becoming effective:

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

31 March 2026

2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS
(Continued)

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's consolidated financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; and (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. The Group is not eligible to elect to apply HKFRS and its amendments as it is not a subsidiary. The Company's subsidiary is considering the application of HKFRS 19 and its amendments in its specified financial statements.

31 March 2026

2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS
(Continued)

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

31 March 2026

2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS
(Continued)

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- *HKFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.
- *HKFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.
- *HKAS 7 Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's consolidated financial statements.

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2.5 MATERIAL ACCOUNTING POLICIES

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

Fair value measurement

The Group measures its financial assets at fair value through profit or loss, equity investments designated at fair value through other comprehensive income at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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2.5 MATERIAL ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group or organisation;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

Property, plant and equipment and depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to income and expenditure in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

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2.5 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Owned assets

Buildings	50 years
Leasehold improvements	Over the shorter of the lease terms and 8 years
Machinery, motor vehicles, furniture, fixtures and computer equipment	3 years to 15 years
Programme and training equipment	4 years

Right-of-use assets

Leasehold land	Over the lease terms
Other properties leased for own use	Over the lease terms

The gain or loss on disposal of items of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset and is recognised in income and expenditure.

The assets' residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in income and expenditure in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

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2.5 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is an indication that a non-financial asset may be impaired. If such an indication exists, the Group makes an estimate of the asset's recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).

An impairment loss is recognised in income and expenditure whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of the impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. The reversal of the impairment loss is credited to income and expenditure in the year in which it arises.

Leases

Group as a lessee

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. All leases with a term of more than 12 months are recognised as assets representing the right of use of the underlying asset and liabilities representing the obligation to make lease payments, unless the underlying asset is of low value. Both the assets and the liabilities are initially measured on a present value basis. Right-of-use assets are recognised under property, plant and equipment and are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful lives of the assets and the lease terms. Lease liabilities are initially measured at the present value of lease payments to be made under the lease terms and subsequently adjusted by the effect of the interest on and the settlement of the lease liabilities, and the re-measurement arising from any reassessment of the lease liabilities or lease modifications.

Group as a lessor

Where the Group is the lessor, assets leased by the Group are included in non-current assets, and rentals receivable are credited to income and expenditure on the straight-line basis over the lease terms.

31 March 2026

2.5 MATERIAL ACCOUNTING POLICIES (continued)

Financial assets

Trade receivables that do not contain a significant financial component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financial component are measured at the transaction price determined under HKFRS 15. All the other financial assets are initially recognised at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the assets.

(a) Classification and measurement

Debt instruments are measured at amortised cost using the effective interest rate method, subject to impairment if the assets are held for the collection of contractual cash flows where those contractual cash flows represent solely payments of principal and interest.

Debt instruments that do not meet the criteria for amortised cost or as financial assets at fair value through other comprehensive income are measured at fair value through profit or loss. Interest income for these financial assets is included in finance income.

Equity investments are measured at fair value through profit or loss unless, on initial recognition, the Group has irrevocably elected to designate such investments that are not held for trading as equity investments at fair value through other comprehensive income. Dividends of such investments are recognised in profit or loss when the Group's right to receive payment is established. Changes in the fair value of such investments are recognised in other comprehensive income and are never recycled to profit or loss even when the assets are sold.

(b) Impairment

The Group applies the expected credit loss model on all the financial assets that are subject to impairment. For trade receivables without a significant financing component, the Group applies the simplified approach which requires impairment allowances to be measured at lifetime expected credit losses.

For other financial assets, impairment allowances are recognised under the general approach where expected credit losses are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Group is required to provide for credit losses that result from possible default events within the next 12 months. For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default.

The Group considers that a default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more appropriate default criterion should be applied.

31 March 2026

2.5 MATERIAL ACCOUNTING POLICIES (continued)

Financial assets (continued)

(c) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired; or where the Group has transferred its contractual rights to receive the cash flows of the financial assets and has transferred substantially all the risks and rewards of ownership; or where control is not retained.

Financial liabilities

Financial liabilities include lease liabilities, trade payables, other payables, accruals and amounts due to related parties. They are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when they are extinguished, i.e., when the obligation is discharged or cancelled, or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits, as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in income and expenditure.

31 March 2026

2.5 MATERIAL ACCOUNTING POLICIES (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside income and expenditure is recognised outside income and expenditure, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (a) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- (b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- (a) when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- (b) in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

31 March 2026

2.5 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

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2.5 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

- (a) **Hostel room and hall revenue**
Revenue from hostel room and hall is recognised when the services have been rendered. Hostel room and hall revenue are recognised over the stay of customers within the hostel and usage of the hall, respectively. The Group receives deposits from customers when the reservation is made. The deposits received from the contracts prior to meeting the criteria for revenue recognition are recognised as contract liabilities. Prices invoiced to the customers are representative of their stand-alone selling prices.
- (b) **Sale of merchandise, food and beverages**
Revenue from the sale of merchandise, food and beverages is recognised at the point in time when the control of the assets is transferred to the customer, generally when the customer takes possession of and accepts the merchandise, food and beverages.
- (c) **Others**
Revenue from the rendering of services is recognised when the services have been rendered.

Revenue from other sources

Subventions and donations are recognised when there is a reasonable assurance that the Group will comply with all conditions attaching to it and that the subventions and donations will be received.

License income is recognised on a time proportion basis over the lease terms.

Income from fund raising activities is recognised when the events are completed.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probably that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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2.5 MATERIAL ACCOUNTING POLICIES (continued)

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of such transactions and from the retranslation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in income and expenditure.

Employee benefits

The Group pays contributions to a defined contribution retirement scheme and a mandatory provident fund scheme (the "MPF Scheme") in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due and, for the defined contribution retirement scheme, are reduced by contributions forfeited by those employees who leave the defined contribution retirement scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Designated funds

Designated funds are funds established from specific donations which are earmarked for specific purposes at the request of the donors.

(a) Air Activities Development Fund

The Air Activities Development Fund is represented by funds available for purchasing facilities related to the development of air activities.

(b) Foundation Fund for The Aged

The Foundation Fund for The Aged is represented by funds available for functions organised for the aged.

31 March 2026

2.5 MATERIAL ACCOUNTING POLICIES (continued)

Designated funds (continued)

(c) Karson Choi Scout Foundation

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

(d) Lee Kui Nang Foundation

The Lee Kui Nang Foundation is represented by funds available for Scout development and camping activities.

(e) Lo Koon Wing Fund

The Lo Koon Wing Fund is represented by funds available for subsidies the youth members and leaders for training or activities.

(f) New Territories East Regional Headquarters Fund

The New Territories East Regional Headquarters Fund is represented by funds available for repair, maintenance and other operating expenses of the New Territories East Regional headquarters.

(g) Ng Tor Tai Scout Fund

The Ng Tor Tai Scout Fund is represented by funds available for provision of financial assistance for activities with the aim of developing the Scout Movement of the East Kowloon Region.

(h) Promoting and Developing Scout Fund

The Promoting and Developing Scout Fund is represented by funds available for assisting the Group to promote and develop scouting.

(i) Scout Performing Arts Foundation

The Scout Performing Arts Foundation is represented by funds available for assisting the Group for performing arts development of Scouts.

(j) Samson Sun Scout Fund

The Samson Sun Scout Fund is represented by funds available for provision of subsidies for the procurement of uniforms for under-privileged youth members of the Group.

(k) Sichuan Relief Fund

The Sichuan Relief Fund is represented by funds available for donation to support the rehabilitation work and related service plans for earthquake victims in Sichuan.

(l) SAHK Leadership Training Institute Foundation

The SAHK Leadership Training Institute Foundation is represented by funds available for supporting leaders' training and continuing education.

(m) Tai Tam Scene Project Fund

The Tai Tam Scene Project Fund is represented by funds available for scene project of the Tai Tam Scout Centre.

31 March 2026

2.5 MATERIAL ACCOUNTING POLICIES (continued)

Internal designated funds

Internal designated funds are funds established by the Group and are earmarked for special purposes.

(a) Amortisation Reserves

The Amortisation Reserves are represented by the net book value of property, plant and equipment funded by various internal designated funds. Transfers from the internal designated funds represent additions during the year. Transfers to income and expenditure represent the corresponding depreciation charged for the year.

(b) Baden-Powell Scout Fund

The Baden-Powell Scout Fund is represented by funds available for provision of grants, loans or revolving funds for major units of the Scout Movement in the HKSAR.

(c) Building Fund

The Building Fund is represented by funds available for future renovation, decoration and repair of the Scout Headquarters.

(d) Campsite Development Fund

The Campsite Development Fund is represented by funds available for the major development and improvement projects of campsites and activity centres.

(e) Centennial Building Reserve

The Centennial Building Reserve is represented by funds available for major repair and maintenance, improvement works and facilities upgrading of the Hong Kong Scout Centennial Building.

(f) Chau Cham Son World Jamboree Fund

The Chau Cham Son World Jamboree Fund is represented by funds available for subsidising Scout members to participate in the World Jamboree.

(g) Development Fund

The Development Fund is represented by funds available for provision of funds and assistance for the development of the Scout Movement in the HKSAR.

(h) District Fund

The District Fund is represented by funds available for subsidising District activities in the Kowloon Region.

(i) General Project Fund

The General Project Fund is represented by funds available for provision of grants, loans or revolving funds for the Scout Movement in the Kowloon Region.

(j) International Brotherhood Fund

The International Brotherhood Fund is represented by funds available for the development of the Scout Movement in other countries, especially in developing countries.

31 March 2026

2.5 MATERIAL ACCOUNTING POLICIES (continued)

Internal designated funds (continued)

(k) New Territories East Region Eddie Kwan Scout Fund

The New Territories East Region Eddie Kwan Scout Fund is represented by funds available for the operations of the New Territories East Region.

(l) New Territories East Region Scout Band Fund

The New Territories East Region Scout Band Fund is represented by funds available for subsidising the New Territories East Region Scout Band activities

(m) New Territories East Region Training Team Development Fund

The New Territories East Region Training Team Development Fund is represented by funds available for provision of funds and assistance for the development of the training team of the New Territories East Region.

(n) Programme and Training Project Fund

The Programme and Training Project Fund is available for provision of funds for supporting programmes and training of the Scout Movement of the Kowloon and East Kowloon Regions.

(o) Redevelopment Fund

The Redevelopment Fund is represented by funds available for future redevelopment of the Tai Tam Scout Centre and the Hong Kong Island Regional Headquarters.

(p) Regional Headquarters Maintenance Fund

The Regional Headquarters Maintenance Fund is represented by funds available for operations of the Regional Headquarters and the Pak Sha Wan Tam Wah Ching Sea Activity Centre.

(q) Regional Scout Fund

The Regional Scout Fund is represented by funds available for the development and operations of the East Kowloon Region, the New Territories Region and the New Territories East Region.

(r) Scout Development Fund

The Scout Development Fund is represented by funds available for financing scouting activities for the purpose of retaining and/or expanding membership in the District and Scout Groups.

(s) Staff Welfare Fund

The Staff Welfare Fund is represented by funds available for staff welfare and recreation.

(t) Subsidy Scheme for Needy Youth Members' Training

The Subsidy Scheme for Needy Youth Members' Training is represented by funds available for Scout members who have financial difficulties to participate in training courses or activities organised by the Group.

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

2.5 MATERIAL ACCOUNTING POLICIES (continued)

Internal designated funds (continued)

(u) Tai Tam Scout Centre Development Fund

The Tai Tam Scout Centre Development Fund is represented by funds available for development of the Tai Tam Scout Centre.

(v) Wong Fuk Hong Memorial Fund

The Wong Fuk Hong Memorial Fund is represented by funds available for the development of the Scout Movement in the HKSAR.

Replacement reserve/capital

The Replacement reserve/capital is to provide for future capital expenditure relating to the Hostel or the Hong Kong Scout Centre building of the Group. The provision for the current year is HK\$25,000,000 (2025: HK\$25,000,000). If capital expenditure from this reserve/capital is capitalised as property, plant and equipment, an equal amount will be transferred out of this reserve/capital into the Replacement amortisation reserve.

Replacement amortisation reserve

The Replacement amortisation reserve is represented by the net book value of property, plant and equipment funded by the Replacement reserve/capital. Transfers from the Replacement reserve/capital represent additions of HK\$3,424,000 (2025: HK\$9,033,000) during the year. Transfers to the Accumulated fund represent the corresponding depreciation charged for the year.

The gains or losses arising from the disposal of property, plant and equipment are credited/(charged) to income and expenditure. The net book value of the disposed assets is transferred from the Accumulated fund to the Replacement amortisation reserve.

Sinking fund

The Sinking fund is represented by funds provided for future redevelopment of the Hong Kong Scout Centre building of the Group. The provision for the current year is Nil (2025: HK\$19,000,000).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements apart from those involving estimations which have the most significant effect on the amounts recognised in the consolidated financial statements.

Income taxes

Significant judgements on the future tax treatment of certain transactions are required in determining income tax provisions. The Group carefully evaluates tax implications of transactions and tax provisions are recorded accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

4. REVENUE

Revenue is analysed as follows:

	Notes	2026 HK\$'000	2025 HK\$'000
<i>Revenue from contract with customers</i>	(i)		
Accommodation and equipment fee		3,712	3,914
Air-conditioning, management fee and utilities recovered from related parties		1,012	1,006
Camp fee		1,717	2,196
Course fee		6,206	4,390
Hostel room and hall revenue		214,522	220,652
Sale of merchandise, food and beverages		26,329	35,661
Vehicle park		33,321	31,519
Subtotal		286,819	299,338
<i>Revenue from other sources</i>			
Donations		3,648	3,191
License fee		2,135	2,101
Raffle income	(ii)	682	666
Subvention and other government grants	(iii)	24,271	24,232
Subtotal		30,736	30,190
Total revenue		317,555	329,528

(i) Disaggregated revenue information for revenue from contracts with customers

	2026 HK\$'000	2025 HK\$'000
Timing of revenue recognition		
Goods and services transferred at a point in time	26,329	35,661
Services transferred over time	260,490	263,677
Total revenue from contracts with customers	286,819	299,338

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

4. REVENUE (continued)

(i) Disaggregated revenue information for revenue from contracts with customers (continued)

The following table shows the amounts of revenue recognised in the current reporting period that was included in contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2026 HK\$'000	2025 HK\$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Hostel room and hall revenue	3,064	4,018
Others	<u>461</u>	<u>493</u>
Total	<u>3,525</u>	<u>4,511</u>

(ii) Raffle income

	2026 HK\$'000	2025 HK\$'000
Raffle sales and donations	4,420	4,370
Less: Expenditure for the year	(451)	(439)
Transfer to funds and projects	<u>(646)</u>	<u>(711)</u>
Subtotal	3,323	3,220
Less: Allocation to Districts and Scout groups	<u>(2,641)</u>	<u>(2,554)</u>
Total	<u>682</u>	<u>666</u>

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

4. REVENUE (continued)

(iii) Subvention and other government grants

	Notes	2026 HK\$'000	2025 HK\$'000
Subvention from the Government of the HKSAR for			
- Uniformed units	(a)	18,129	18,499
- Campsites and activity centre	(b)	4,969	4,837
- The Friends of Scouting	(c)	<u>56,162</u>	<u>56,446</u>
Subtotal		79,260	79,782
Less: Transfer to the Friends of Scouting	(c)	<u>(56,162)</u>	<u>(56,446)</u>
Subtotal		23,098	23,336
Other government grants	(d)	<u>1,173</u>	<u>896</u>
Total		<u><u>24,271</u></u>	<u><u>24,232</u></u>

Notes:

- (a) This subvention was received in respect of Scout Headquarters and Regions.
- (b) This subvention was received in respect of two campsites and one sea activity centre.
- (c) The Friends of Scouting is a separate body of the Group which supplements the Group's services to the community by conducting training, developmental activities and other programmes with an emphasis on young people who are not uniformed members of the Group. Subvention funds from the Government of the HKSAR are received initially by Scout Headquarters and then transferred to the Friends of Scouting.
- (d) The other government grants include subvention from Leisure and Cultural Services Department in respect of repair and maintenance of Campsites.

There are no unfulfilled conditions or contingencies relating to these subventions and grants.

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

5. OTHER INCOME AND GAINS, NET

Other income and gains include the following:

	2026 HK\$'000	2025 HK\$'000
Bank interest income	387	741
Interest and dividend income from investments and fixed deposits	34,665	33,483
Donations and other income of internal designated funds and reserves	5,075	4,735
Foreign exchange differences, net	1,354	(15,415)
Fair value gains on financial assets at fair value through profit or loss, net	8,378	29,971
Other income	<u>3,863</u>	<u>2,729</u>
Total	<u>53,722</u>	<u>56,244</u>

6. SURPLUS FOR THE YEAR (BEFORE TAX AND MOVEMENTS IN DESIGNATED FUNDS)

The Group's surplus for the year (before tax and movements in designated funds) is arrived at after charging/(crediting):

	2026 HK\$'000	2025 HK\$'000
Cost of sales – Hostel	94,831	108,517
Cost of sales - Scout Shop	4,217	5,339
Depreciation of property, plant and equipment	15,029	19,697
Depreciation of right-of-use assets recognised under property, plant and equipment	2,803	2,672
Amortisation of financial assets at amortised cost	(4,093)	(4,697)
Auditors' remuneration	532	530
Staff costs		
Wages and salaries	90,961	90,589
Pension scheme contributions	5,289	5,576
Other staff benefits	<u>2,957</u>	<u>3,841</u>
Total	<u>99,207</u>	<u>100,006</u>
Electricity, water, fuel and gas	11,063	11,694
Government rent, rates and permit fee	8,831	8,572
Hostel management fee	6,415	5,795
Interest on lease liabilities	297	52
Property, plant and equipment written-off	<u>56</u>	<u>43</u>

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

6. SURPLUS FOR THE YEAR (BEFORE TAX AND MOVEMENTS IN DESIGNATED FUNDS)
(continued)

To provide additional information, the Executive Committee presents the major operations' results of the Group as follows:

For the year ended 31 March 2026

	Hostel operation excluding Vehicle Park HK\$'000	Vehicle Park HK\$'000	Scout Shop HK\$'000	Scout Headquarters Offices HK\$'000	Others including Regions, Campsites and the Foundation HK\$'000	Total HK\$'000
Revenue, other income and net income	235,030	33,321	9,272	5,448	88,206	371,277
Cost of sales, departmental and programme expenses and general and administrative expenses	<u>(150,558)</u>	<u>(7,016)</u>	<u>(9,013)</u>	<u>(71,023)</u>	<u>(54,073)</u>	<u>(291,683)</u>
Surplus/(deficit) for the year (before tax and movements in designated funds)	<u>84,472</u>	<u>26,305</u>	<u>259</u>	<u>(65,575)</u>	<u>34,133</u>	<u>79,594</u>

For the year ended 31 March 2025

	Hostel operation excluding Vehicle Park HK\$'000	Vehicle Park HK\$'000	Scout Shop HK\$'000	Scout Headquarters Offices HK\$'000	Others including Regions, Campsites and the Foundation HK\$'000	Total HK\$'000
Revenue, other income and net income	248,513	31,519	10,895	3,365	91,480	385,772
Cost of sales, departmental and programme expenses and general and administrative expenses	<u>(176,557)</u>	<u>(4,893)</u>	<u>(9,672)</u>	<u>(74,501)</u>	<u>(36,575)</u>	<u>(302,198)</u>
Surplus for the year (before tax and movements in designated funds)	<u>71,956</u>	<u>26,626</u>	<u>1,223</u>	<u>(71,136)</u>	<u>54,905</u>	<u>83,574</u>

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

7. REMUNERATION OF EXECUTIVE COMMITTEE MEMBERS

No Executive Committee members received any fees or emoluments in respect of their services rendered to the Group during the year (2025: Nil).

8. INCOME TAX

The Group is exempted from Hong Kong Profit Tax by virtue of Section 88 of the Inland Revenue Ordinance, except for the taxable profit arising from Hostel operation.

The Inland Revenue Department granted a transition period of profit tax exemption of all taxable profits of the Group arising from Hostel operation up to the year of assessment 2021/2022.

Hong Kong profits tax has been provided in accordance with the two-tiered profit tax rate regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the Group will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

	2026 HK\$'000	2025 HK\$'000
Provision for the year	11,488	15,802
Over provision of current tax in prior year	(35)	(2)
Deferred tax charge	<u>8,766</u>	<u>442</u>
Tax charge for the year	<u>20,219</u>	<u>16,242</u>

A reconciliation of the tax expense applicable to surplus for the year (before tax and movements in designated funds) at the statutory rate to the tax expense at the effective tax rate is as follows:

	2026 HK\$'000	2025 HK\$'000
Surplus for the year (before tax and movements in designated funds)	<u>79,594</u>	<u>83,574</u>
Tax at the statutory tax rate of 16.5%	13,133	13,790
Income not subject to tax	(16,990)	(17,465)
Expenses not deductible for tax	15,513	20,086
Tax effect of two-tiered profits tax regime	(165)	(165)
Tax rebate	(3)	(2)
Adjustment in respect of current tax of previous periods	(35)	(2)
Tax effect of temporary differences not recognised	<u>8,766</u>	<u>-</u>
Tax charge at the effective rate	<u>20,219</u>	<u>16,242</u>

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land HK\$'000	Other properties leased for own use HK\$'000	Buildings HK\$'000	Leasehold improvements HK\$'000	Machinery, motor vehicles, furniture, fixtures and computer equipment HK\$'000	Programme and training equipment HK\$'000	Total HK\$'000
Cost							
At 1 April 2024	30,200	8,597	301,031	335,902	182,410	442	858,582
Additions	-	-	-	3,782	7,508	-	11,290
Written-off and disposals	-	-	-	-	(1,651)	-	(1,651)
At 31 March 2025 and 1 April 2025	30,200	8,597	301,031	339,684	188,267	442	868,221
Additions	-	6,833	-	1,312	3,838	-	11,983
Written-off and disposals	-	-	-	(230)	(2,160)	-	(2,390)
At 31 March 2026	<u>30,200</u>	<u>15,430</u>	<u>301,031</u>	<u>340,766</u>	<u>189,945</u>	<u>442</u>	<u>877,814</u>
Accumulated Depreciation:							
At 1 April 2024	(17,988)	(6,448)	(82,474)	(320,271)	(167,828)	(437)	(595,446)
Charge for the year	(525)	(2,147)	(6,021)	(5,579)	(8,092)	(5)	(22,369)
Written-off and disposals	-	-	-	-	1,608	-	1,608
At 31 March 2025 and 1 April 2025	(18,513)	(8,595)	(88,495)	(325,850)	(174,312)	(442)	(616,207)
Charge for the year	(525)	(2,278)	(6,021)	(4,128)	(4,880)	-	(17,832)
Written-off and disposals	-	-	-	230	2,104	-	2,334
At 31 March 2026	<u>(19,038)</u>	<u>(10,873)</u>	<u>(94,516)</u>	<u>(329,748)</u>	<u>(177,088)</u>	<u>(442)</u>	<u>631,705</u>
Net Carrying Amount:							
Net book value at 31 March 2026	<u>11,162</u>	<u>4,557</u>	<u>206,515</u>	<u>11,018</u>	<u>12,857</u>	<u>-</u>	<u>246,109</u>
Net book value at 31 March 2025	<u>11,687</u>	<u>2</u>	<u>212,536</u>	<u>13,834</u>	<u>13,955</u>	<u>-</u>	<u>252,014</u>

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

9. PROPERTY, PLANT AND EQUIPMENT (continued)

Notes:

- (a) The Group's right of use of leasehold land represents prepaid lease payments. The leasehold land, together with the owned buildings, is held for own use.

Leasehold land includes a piece of land owned by the Group which was bequeathed by the late Mr. Wong Fuk Hong and is held under a medium-term lease and situated at Lot 3934 RP, 3936, 4679 and 4680 RP in Demarcation District No. 51 in Fanling, the New Territories. It is stated at a nominal value of HK\$4 in the consolidated financial statements.

Leasehold land also includes the following parcels of land which were donated to the Group in previous years for no consideration. They are stated at a nominal value of HK\$1 in the consolidated financial statements.

Location of leasehold land	Lease period
1. Inland Lot No. 8961, North Point, Hong Kong	Up to year 2026
2. Lot No. 131 in DD 60, Au Tau, Yuen Long, New Territories	Up to year 2026
3. Tai Po Town Lot No. 190, Tai Po, New Territories	Up to year 2026
4. New Kowloon Inland Lot No. 6530, Kowloon Tong, Kowloon	Up to year 2026
5. Lot No. 1207 in DD 217, Sai Kung, New Territories	Up to year 2027
6. 4th & 5th of Tang Shiu Kiu Scout & Guide Centre, Kwai Chung, New Territories	Up to year 2027
7. Sha Tin Town Lot No. 591, Shatin, New Territories	Up to year 2027
8. Sha Tin Town Lot No. 592, Shatin, New Territories	Up to year 2027
9. Inland Lot No. 8261, Wan Chai, Hong Kong	Up to year 2047
10. Flat A & B on 7 th Floor, Lee Ka Industrial Building, No. 8 Ng Fong Street, Kowloon	Up to year 2047
11. Rural Building Lot No. 873, Tai Tam, Hong Kong	Up to year 2060

- (b) The Group holds several buildings and is the registered owner of these property interests, including the whole or part of undivided share in the underlying land. Lump sum payments were made upfront to acquire these property interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.
- (c) The Group leases certain of its offices and centres through tenancy agreements. Leases for these assets are negotiated for terms of three years with extension options. All the lease payments are fixed and are usually reviewed every 3 years to reflect market rentals.
- (d) At 31 March 2026, the Group had right-of-used assets, including leasehold land and other properties leased for own use, with an aggregate carrying amount of HK\$15,719,000 (2025: HK\$11,689,000).

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

10. OTHER FINANCIAL ASSETS

	Notes	2026 HK\$'000	2025 HK\$'000
Financial assets at fair value through other comprehensive income			
Listed equity investments, Hong Kong	(i)	81,321	56,021
Financial assets at fair value through profit or loss			
Unlisted funds, overseas	(ii)	58,487	136,247
Listed equity investments, overseas	(iii)	79,180	73,046
Listed debt investments, overseas	(iii)	167,623	130,393
Financial assets at amortised cost			
Listed debt investments, Hong Kong	(iv)	<u>436,686</u>	<u>511,236</u>
Total		823,297	906,943
Financial assets included in current assets		<u>(350,078)</u>	<u>(436,201)</u>
Financial assets included in non-current assets		<u>473,219</u>	<u>470,742</u>

Notes:

- (i) The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.
- (ii) The Group invested in the fund managed by a creditworthy licensed corporation. The above unlisted funds were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.
- (iii) The Group appointed a licensed corporation as an investment manager to invest on behalf of the Group, in order to preserve the Group's capital and seek for a steady and stable return in the long run. The above equity and debt investments were mandatory classified as financial assets at fair value through profit or loss as the investment manager will monitor the market condition and adjust the investment strategy of the equity and debt investments, when necessary.

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

10. OTHER FINANCIAL ASSETS (Continued)

Notes: (Continued)

- (iv) The above listed debt investments were classified as financial assets at amortised cost as their contractual cash flows are solely payments of principal and interest.

Impairment assessment of debt investments at amortised cost

As at 31 March 2026, none of the debt investments were overdue (2025: Nil) and all the debt investments were categorised within Stage 1 for the measurement of expected credit losses. The debt instruments are bonds issued by corporations that are graded as investment grade among rating agencies, therefore the loss allowance for the impairment of these debt investments was considered to be not significant to the Group during the years ended 31 March 2026 and 2025.

11. INVENTORIES

	2026 HK\$'000	2025 HK\$'000
Food and beverages	311	973
Uniforms and accessories	<u>4,272</u>	<u>5,632</u>
Total	<u>4,583</u>	<u>6,605</u>

12. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Notes	2026 HK\$'000	2025 HK\$'000
Trade receivables	(i)	3,599	3,995
Other receivables	(ii), (iii)	86,859	74,839
Deposits		1,527	1,358
Prepayments		<u>8,888</u>	<u>6,586</u>
Total		<u>100,873</u>	<u>86,778</u>

The credit period granted by the Group is generally within one month. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise the credit risk and overdue balances are reviewed regularly. Trade receivables are non-interest-bearing.

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

12. RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes:

- (i) The Group's customers normally settle their bills in a timely manner and the Group's trade receivables as at the end of the reporting period aged less than three months. As such, the Group's exposure to credit risk is insignificant and management of the Group was of the opinion that the expected credit losses of these trade receivables are minimal.
- (ii) The carrying amounts of other receivables approximated to their fair values as at 31 March 2026 and 2025. Their recoverability was assessed with reference to the credit status of the debtors, and the expected credit loss as at 31 March 2026 and 2025 is considered to be minimal.
- (iii) Other receivables include the net balances of HK\$58,759,000 (2025: HK\$17,988,000), Nil (2025: HK\$1,481,000) and HK\$1,375,000 (2025: Nil) for capital redevelopment of Tai Tam Scout Centre, Pak Sha Wan Tam Wah Ching Sea Activity Centre and Choi Chee Ming Luen Kwong Scout Centre respectively. During the year, donation received from The Hong Kong Jockey Club Charities Trust for these three projects were Nil (2025: HK\$11,007,000), HK\$2,098,000 (2025: HK\$3,393,000) and HK\$146,000 (2025: Nil) respectively.

13. AMOUNTS DUE FROM/TO RELATED PARTIES

Related parties represent other Scout Units, mainly the Friends of Scouting, Commissioners' Club, the Baden-Powell Scout Club of Hong Kong, Education Centre, Asia-Pacific Regional Scout Foundation, Scout Districts and Scout Groups.

The balance due from/to related parties are unsecured, interest-free and recoverable/repayable on demand.

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

14. CASH AND CASH EQUIVALENTS

	2026 HK\$'000	2025 HK\$'000
Cash and bank balances	310,657	170,313
Time deposits	<u>253,355</u>	<u>198,426</u>
Cash and cash equivalents	<u>564,012</u>	<u>368,739</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The carrying amounts of the cash and cash equivalents are approximate to their fair values.

At the end of the reporting period, the Group had the following cash and cash equivalents that were denominated in the following currencies:

	2026 HK\$'000	2025 HK\$'000
HK\$	442,818	299,891
Renminbi ("RMB")	17,419	10,906
United States dollar ("USD")	<u>103,775</u>	<u>57,942</u>
Total	<u>564,012</u>	<u>368,739</u>

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

15. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	Notes	2026 HK\$'000	2025 HK\$'000
Trade payables and non-trade payables		42,869	24,911
Receipts in advance	(i)	24,013	23,540
Deferred income		17	114
Accrued expenses, deposits and temporary receipts	(ii)	8,704	18,707
Total		<u>75,603</u>	<u>67,272</u>
Contract liabilities	(iii)	<u>4,308</u>	<u>3,528</u>

The trade and other payables of the Group are non-interest-bearing and are normally settled within one year (2025: one year).

Notes:

- (i) Receipts in advance include receipts of HK\$337,000 (2025: HK\$1,792,000) from The Hong Kong Jockey Club Charities Trust in the current year. During the year, HK\$2,204,000 (2025: HK\$1,287,000) was expended for "Jockey Club Badges: Preparing Tomorrow's Leaders". As at 31 March 2026, the remaining balance was HK\$229,000 (2025: HK\$2,096,000).
- (ii) Temporary receipts include receipts of HK\$432,000 (2025: HK\$441,000) from the Home and Youth Affairs Bureau of the HKSAR in the current year. During the year, HK\$522,000 (2025: HK\$663,000) was expended for "Assistance Scheme operated by Uniformed Groups and the Hong Kong Award for Young People for Needy Student Members". As at 31 March 2026, the remaining balance was Nil (2025: Nil).
- (iii) Details of contract liabilities are as follows:

	31 March 2026 HK\$'000	31 March 2025 HK\$'000	1 April 2024 HK\$'000
Short-term advances received from customers			
Hostel room and hall revenue	3,870	3,067	4,021
Others	<u>438</u>	<u>461</u>	<u>493</u>
Total contract liabilities	<u>4,308</u>	<u>3,528</u>	<u>4,514</u>

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

16. LEASES

The Group as a lessee

The Group has lease contracts for properties used for its operations with lease periods of 3 years

Maturity profile of lease liabilities

	2026 HK\$'000	2025 HK\$'000
Within one year	2,456	-
After one year but within five years	<u>2,456</u>	<u>-</u>
Lease liabilities (undiscounted)	4,912	-
Discount amount	<u>(238)</u>	<u>-</u>
Lease liabilities (discounted)	<u>4,674</u>	<u>-</u>
Current	<u>2,276</u>	<u>-</u>
Non-current	<u>2,398</u>	<u>-</u>

Movements of carrying amounts of lease liabilities as at 31 March 2026 and 2025

	2026 HK\$'000	2025 HK\$'000
At the beginning of the year	-	2,255
Additions	6,833	-
Accretion of interest	297	52
Payments	<u>(2,456)</u>	<u>(2,307)</u>
At 31 March	<u>4,674</u>	<u>-</u>

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

16. LEASES (Continued)

Amounts recognised in income and expenditure for years ended 31 March 2026 and 2025

	2026 HK\$'000	2025 HK\$'000
Depreciation expense of right-of-use assets	2,803	2,672
Interest expense on lease liabilities	<u>297</u>	<u>52</u>
Total	<u><u>3,100</u></u>	<u><u>2,724</u></u>

The Group had total cash outflows for leases of HK\$2,456,000 in 2026 (2025: HK\$2,307,000). The Group does not have non-cash additions of right-of-use assets and lease liabilities in 2026 (2025: Nil).

The Group as lessor

Rental income recognised by the Group during the year was HK\$2,135,000 (2025: HK\$2,101,000).

As 31 March 2026, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	2026 HK\$'000	2025 HK\$'000
Within one year	<u>484</u>	<u>488</u>

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

17. DEFERRED TAX

The movements in deferred tax assets during the year are as follows:

	Depreciation allowance in excess of related depreciation HK\$'000
At 1 April 2024	6,956
Deferred tax charged to income and expenditure during the year (note 8)	<u>(442)</u>
At 31 March 2025 and 1 April 2025	6,514
Deferred tax charged to income and expenditure during the year (note 8)	<u>(8,766)</u>
Gross deferred tax liabilities at 31 March 2026	<u><u>(2,252)</u></u>

18. NOTES TO THE STATEMENT OF CASH FLOWS

The table below details the cash flows and non-cash changes in the Group's liabilities arising from financing activities. Except as disclosed below, there were no non-cash changes in the Group's liabilities arising from financing activities.

	Lease liabilities HK\$'000
At 1 April 2024	2,255
Changes from financing cash flows	(2,307)
Other changes:	
Finance charges on lease liabilities	<u>52</u>
At 31 March 2025 and 1 April 2025	-
New lease	6,833
Changes from financing cash flows	(2,456)
Other changes:	
Finance charges on lease liabilities	<u>297</u>
At 31 March 2026	<u><u>4,674</u></u>

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

19. FUNDS AND RESERVES

(a) Funds and reserves other than designated funds

Movements in funds and reserves other than designated funds during the year ended 31 March 2026 were as follows:

	Balance as at 1 April 2025 HK\$'000	Net transfer (to)/from Accumulated fund HK\$'000	Transfer between funds HK\$'000	Net movement in investment revaluation reserve HK\$'000	Balance as at 31 March 2026 HK\$'000
Internal designated funds:					
Amortisation Reserves	795	(398)	-	-	397
Baden-Powell Scout Fund	5,799	142	-	-	5,941
Building Fund	93,826	4,174	-	-	98,000
Campsite Development Fund	6,269	272	-	-	6,541
Centennial Building Reserve	8,899	363	-	-	9,262
Chau Cham Son World Jamboree Fund	1,551	584	-	-	2,135
Development Fund	1,649	68	-	-	1,717
District Fund	85	(12)	-	-	73
General Project Fund	12,114	464	(264)	-	12,314
International Brotherhood Fund	334	-	-	-	334
New Territories East Region Eddie Kwan Scout Fund	1,044	2	-	-	1,046
New Territories East Region Scout Band Fund	246	2	-	-	248
New Territories East Region Training Team Development Fund	78	(6)	-	-	72
Programme & Training Project Fund	1,458	45	-	-	1,503
Redevelopment Fund	111	-	-	-	111
Regional Headquarters Maintenance Fund	13,192	33	-	-	13,225
Regional Scout Fund	18,924	(38)	-	-	18,886
Scout Development Fund	10,580	959	-	-	11,539
Staff Welfare Fund	3,370	86	-	-	3,456
Subsidy Scheme for Needy Youth Member's Training	2,616	3	-	-	2,619
Tai Tam Scout Centre Development Fund	2,391	(519)	-	-	1,872
Wong Fuk Hong Memorial Fund	22,319	4	-	-	22,323
Sub-total of internal designated funds	207,650	6,228	(264)	-	213,614
Accumulated fund	516,828	25,007	(59)	-	541,776
Investment revaluation reserve	(3,856)	-	-	23,373	19,517
Replacement reserve/capital	283,391	35,134	(3,424)	-	315,101
Replacement amortisation reserve	29,240	(6,994)	3,424	-	25,670
Sinking fund	475,208	-	-	-	475,208
Total	1,508,461	59,375	(323)	23,373	1,590,886

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

19. FUNDS AND RESERVES (continued)

(a) Funds and reserves other than designated funds (continued)

Movements in funds and reserves other than designated funds during the year ended 31 March 2025 were as follows:

	Balance as at 1 April 2024 HK\$'000	Net transfer (to)/from Accumulated fund HK\$'000	Transfer between funds HK\$'000	Net movement in investment revaluation reserve HK\$'000	Balance as at 31 March 2025 HK\$'000
Internal designated funds:					
Amortisation Reserves	971	(176)	-	-	795
Baden-Powell Scout Fund	5,615	184	-	-	5,799
Building Fund	88,950	4,876	-	-	93,826
Campsite Development Fund	6,025	244	-	-	6,269
Centennial Building Reserve	8,593	306	-	-	8,899
Chau Cham Son World Jamboree Fund	1,492	59	-	-	1,551
Development Fund	1,644	2	3	-	1,649
District Fund	83	-	2	-	85
General Project Fund	11,659	-	455	-	12,114
International Brotherhood Fund	332	2	-	-	334
New Territories East Region Eddie Kwan Scout Fund	1,046	(2)	-	-	1044
New Territories East Region Scout Band Fund	238	8	-	-	246
New Territories East Region Training Team Development Fund	82	(4)	-	-	78
Programme & Training Project Fund	1,412	39	7	-	1,458
Redevelopment Fund	111	-	-	-	111
Regional Headquarters Maintenance Fund	13,340	(148)	-	-	13,192
Regional Scout Fund	18,859	65	-	-	18,924
Scout Development Fund	9,804	776	-	-	10,580
Staff Welfare Fund	3,368	2	-	-	3,370
Subsidy Scheme for Needy Youth Member's Training	2,602	14	-	-	2,616
Tai Tam Scout Centre Development Fund	2,742	(351)	-	-	2,391
Wong Fuk Hong Memorial Fund	81,864	446	(59,991)	-	22,319
Sub-total of internal designated funds	260,832	6,342	(59,524)	-	207,650
Accumulated fund	439,178	17,186	60,464	-	516,828
Investment revaluation reserve	(21,675)	-	-	17,819	(3,856)
Replacement reserve/capital	257,987	35,677	(10,273)	-	283,391
Replacement amortisation reserve	31,080	(10,873)	9,033	-	29,240
Sinking fund	456,208	19,000	-	-	475,208
Total	<u>1,423,610</u>	<u>67,332</u>	<u>(300)</u>	<u>17,819</u>	<u>1,508,461</u>

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

19. FUNDS AND RESERVES (continued)

(b) Designated funds

Movements in designated funds during the year ended 31 March 2026 are as follows:

	Balance as at 1 April 2025 HK\$'000	Additions and receipts for the year from Accumulated fund HK\$'000	Interest and dividend income from investments and fixed deposits between funds HK\$'000	Utilisation HK\$'000	Transfer between funds HK\$'000	Balance as at 31 March 2026 HK\$'000
Air Activities Development Fund	747	-	6	-	-	753
Foundation Fund for the Aged	2,021	-	87	(66)	-	2,042
Karson Choi Scout Foundation	7,267	-	-	-	323	7,590
Lee Kui Nang Foundation	458	-	30	(13)	-	475
Lo Koon Wing Fund	8,682	-	373	(22)	-	9,033
Ng Tor Tai Scout Fund	673	-	24	(10)	-	687
Promoting & Developing Scout Fund	4,851	527	209	(263)	-	5,324
Scout Performing Arts Foundation	197	-	-	-	-	197
Samson Sun Scout Fund	3,167	-	136	-	-	3,303
Sichuan Relief Fund	943	-	22	-	-	965
SAHK Leadership Training Institute Foundation	2,319	263	75	(44)	-	2,613
Tai Tam Scene Project Fund	4,700	20,167	71	(17,365)	-	7,573
Trust accounts for other Scout Units	-	-	1,151	(1,151)	-	-
Total	<u>36,025</u>	<u>20,957</u>	<u>2,184</u>	<u>(18,934)</u>	<u>323</u>	<u>40,555</u>

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

19. FUNDS AND RESERVES (continued)

(b) Designated funds (continued)

Movements in designated funds during the year ended 31 March 2025 are as follows:

	Balance as at 1 April 2024 HK\$'000	Additions and receipts for the year from Accumulated fund HK\$'000	Interest and dividend income from investments and fixed deposits between funds HK\$'000	Utilisation HK\$'000	Transfer between funds HK\$'000	Balance as at 31 March 2025 HK\$'000
Air Activities Development Fund	743	-	4	-	-	747
Foundation Fund for the Aged	2,007	10	80	(76)	-	2,021
Karson Choi Scout Foundation	6,967	-	-	-	300	7,267
Lee Kui Nang Foundation	430	-	29	(1)	-	458
Lo Koon Wing Fund	8,512	-	170	-	-	8,682
New Territories East Regional Headquarters Fund	2,178	-	-	(2,178)	-	-
Ng Tor Tai Scout Fund	652	-	24	(3)	-	673
Promoting & Developing Scout Fund	4,410	702	90	(351)	-	4,851
Scout Performing Arts Foundation	196	-	1	-	-	197
Samson Sun Scout Fund	3,105	-	62	-	-	3,167
Sichuan Relief Fund	1,043	-	13	(113)	-	943
SAHK Leadership Training Institute Foundation	1,980	351	34	(46)	-	2,319
Tai Tam Scene Project Fund	6,895	1,221	228	(3,644)	-	4,700
Trust accounts for other Scout Units	-	-	880	(880)	-	-
Total	<u>39,118</u>	<u>2,284</u>	<u>1,615</u>	<u>(7,292)</u>	<u>300</u>	<u>36,025</u>

20. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2026 HK\$'000	2025 HK\$'000
Contracted, but not provided for		
Purchase of property, plant and equipment and improvement projects	1,163	1,915
Redevelopment of Tai Tam Scout Centre	9,418	53,356
Redevelopment of Pak Sha Wan Tam Wah Ching Sea Activity Centre	180	178
Redevelopment of Choi Chee Ming Luen Kwong Scout Centre	5,163	-
Renovation of the Hong Kong Scout Centre	<u>3,636</u>	<u>4,267</u>
Total	<u>19,560</u>	<u>59,716</u>

31 March 2026

21. FINANCIAL INSTRUMENTS BY CATEGORY

Except for equity investments which are categorised as financial assets at fair value through other comprehensive income and financial assets at fair value through profit and loss, the financial assets of the Group comprise debt investments, trade and other receivables, deposits, amounts due from related parties and cash and bank balances which are categorised as financial assets at amortised cost. The carrying amounts of these financial assets are the amounts shown in the consolidated statement of financial position or notes to the financial statements.

The financial liabilities of the Group comprise trade and other payables, contract liabilities, lease liability, and amounts due to related parties which are categorised as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown in the consolidated statement of financial position or notes to the financial statements.

22. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments as at 31 March 2026 and 2025:

As at 31 March 2026*Financial assets measured at fair value*

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Equity investment at fair value through other comprehensive income				
Listed equity investments	81,321	-	-	81,321
Financial assets at fair value through profit or loss				
Unlisted funds	-	58,487	-	58,487
Listed equity investments	79,180	-	-	79,180
Listed debt investments	167,622	-	-	167,622
Total	328,123	58,487	-	386,610

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

22. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES (continued)

As at 31 March 2025*Financial assets measured at fair value*

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000
Equity investment at fair value through other comprehensive income				
Listed equity investments	56,021	-	-	56,021
Financial assets at fair value through profit or loss				
Unlisted funds	-	136,247	-	136,247
Listed equity investments	73,046	-	-	73,046
Listed debt investments	130,393	-	-	130,393
Total	<u>259,460</u>	<u>136,247</u>	<u>-</u>	<u>395,707</u>

There have been no transfers between Level 1 and Level 2 during the year (2025: Nil). The fair values of listed equity investments in Hong Kong are derived from quoted prices in active markets.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's financial instruments are foreign currency risk, equity price risk, interest rate risk, credit risk and liquidity risk. The Executive Committee members review and agree policies for managing such risk and it is summarised below.

Foreign currency risk

In the opinion of the Executive Committee, the Hong Kong dollar to United States dollar exchange rate is reasonably stable under the Linked Exchange Rate System. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies and, therefore, the Group considers the risk of movements in exchange rates between the Hong Kong dollar and the United States dollar to be insignificant. In respect of balances denominated in Renminbi, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in RMB exchange rate, with all other variables held constant, of the Group's surplus for the year and total funds (due to changes in the fair values of monetary assets and liabilities).

	Increase/ (decrease) in RMB rate %	Increase/ (decrease) in surplus and total fund HK\$'000
2026		
If the Hong Kong dollar weakens against the RMB	5	871
If the Hong Kong dollar strengthens against the RMB	(5)	(871)
2025		
If the Hong Kong dollar weakens against the RMB	5	545
If the Hong Kong dollar strengthens against the RMB	(5)	(545)

Equity price risk

The Group's equity investments are listed on the Stock Exchange of Hong Kong and have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations. The portfolio is diversified in terms of industry distribution, in accordance with the limits set by the Group.

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23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Equity price risk (continued)

The following table demonstrates the sensitivity to every 5% change in the fair values of the equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the equity investments at fair value through other comprehensive income, the impact is deemed to be on the investment revaluation reserve.

	Carrying amount of equity investments HK\$'000	Increase/ (decrease) in profit before tax HK\$'000	Increase/ (decrease) in equity HK\$'000
2026			
Investments listed in:			
Hong Kong – Equity investments at fair value through other comprehensive income	81,321	-	4,066
Overseas – Equity investments at fair value through profit or loss	79,180	3,959	-
2025			
Investments listed in:			
Hong Kong – Equity investments at fair value through other comprehensive income	56,021	-	2,801
Overseas – Equity investments at fair value through profit or loss	73,046	3,652	-

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to debt instruments at amortised cost and at fair value through profit or loss. The Group mitigates the risk by monitoring closely the movements in interest rates and has not used any derivative to hedge its exposure to interest rate risk.

The Group is exposed to cash flow interest rate risk through the impact of rate changes on interest bearing financial assets. Interest bearing financial assets are mainly cash and deposits at banks which are all short term in nature. Therefore, any future variations in interest rates will not have a significant impact on the results of the Group.

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group's credit risk is primarily attributable to listed debt investments, cash and bank deposits and receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Investments are normally only in liquid securities quoted on a recognised stock exchange and with counterparties that have high credit ratings.

Cash and bank deposits are placed with financial institutions with sound credit ratings to minimise credit exposure.

Maximum exposure and year-end staging as at 31 March 2026

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March 2026. The amounts presented are gross carrying amounts for financial assets.

	12-month expected credit losses	Lifetime expected credit losses			
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	Total HK\$'000
Trade receivables	-	-	-	3,599	3,599
Financial assets included in other receivables and due from related parties					
- Normal*	88,566	-	-	-	88,566
Financial assets measured at amortised cost included in other financial assets					
- Normal*	436,686	-	-	-	436,686
Cash and cash equivalent					
- Not yet past due	564,012	-	-	-	564,012
Total	1,089,264	-	-	3,599	1,092,863

* The credit quality of the financial assets included in other receivables and financial assets measured at amortised cost in other financial assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging as at 31 March 2025

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March 2025. The amounts presented are gross carrying amounts for financial assets.

	12-month expected credit losses	Lifetime expected credit losses			
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	Total HK\$'000
Trade receivables	-	-	-	3,995	3,995
Financial assets included in other receivables and due from related parties					
- Normal*	76,081	-	-	-	76,081
Financial assets measured at amortised cost included in other financial assets					
- Normal*	511,236	-	-	-	511,236
Cash and cash equivalent					
- Not yet past due	368,739	-	-	-	368,739
Total	956,056	-	-	3,995	960,051

* The credit quality of the financial assets included in other receivables and financial assets measured at amortised cost in other financial assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient liquid cash. Due to the nature of the underlying operations, the Group aims to maintain flexibility in funding by keeping sufficient cash and bank balances to fulfil its commitments and current working capital requirements.

The remaining contractual maturities at the end of the reporting period of the Group's financial liabilities are within one year or on demand.

In order to manage the above liquidity demands, at 31 March 2026, cash and cash equivalents amounting to HK\$553,315,000 (2025: HK\$343,134,000) is considered readily realisable.

Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern in order to maintain an optimal capital structure.

SCOUT ASSOCIATION OF HONG KONG

NOTES TO FINANCIAL STATEMENTS (continued)

31 March 2026

24. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Executive Committee members on 3 July 2026.