



**World Scout Bureau – Europe Region
European Regional Office, Geneva**

Report of the
Independent Auditor
to the European Scout Committee
on the Financial Statements
for the year ended 30 September 2014



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Report of the Independent Auditor to the European Scout Committee on the Financial Statements of

World Scout Bureau – Europe Region
European Regional Office, Geneva

As independent auditor, we have been engaged to audit the accompanying financial statements for the World Scout Bureau – Europe Region, European Regional Office which comprise the balance sheet, statement of operations and notes for the year ended 30 September 2014. The audit of the prior year financial statements was performed by another independent auditor.

Responsibility of the management

The Management is responsible for the preparation of the financial statements in accordance with the accounting principles as described in the notes to the financial statements. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Management is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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



*World Scout Bureau – Europe Region
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Opinion

In our opinion, the financial statements for the year ended 30 September 2014 have been prepared in accordance with the accounting principles described in the notes.

KPMG SA

Pierre-Henri Pigeon
*Licensed Audit Expert
Auditor in Charge*

Cédric Rigoli
Licensed Audit Expert

Geneva, 27 February 2015

Enclosure:

Financial statements (balance sheet, statement of operations and notes)

WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA

BALANCE SHEET AS OF 30 SEPTEMBER 2014

	Notes	30.09.2014	30.09.2013
		CHF	CHF
ASSETS			
Current assets			
Cash	2.3	77'554	159'033
Receivables	2.4	11'049	7'259
Current account - Fund for European Scouting		60'342	242'197
Current account - European Scout Foundation		0	8'453
Prepaid expenses		1'864	1'763
Total current assets		150'809	418'705
Non-current assets			
Fixed assets	2.5	7'267	8'530
Loan to third party	2.15	60'341	0
Financial assets	2.6.	2'426'663	2'241'530
Total non-current assets		2'494'271	2'250'060
TOTAL ASSETS		2'645'080	2'668'765
LIABILITIES AND OWN FUNDS			
Current liabilities			
Accounts payable		576	489
Fees received in advance		0	158
Current account - World Scout Bureau		8'850	9'257
Current account - ASBL		39'804	96'640
Accrued liabilities and deferred income		9'050	10'000
Total current liabilities		58'280	116'544
Restricted funds			
Project funds	2.9.	41'907	30'236
Total restricted funds		41'907	30'236
Own funds			
Reserve Development of European Scout	2.10.	83'374	241'590
Reserve support for registration fees	2.11.	34'856	38'865
Reserve European Investment Fund (EIF)	2.6.	2'426'663	2'241'530
Total own funds		2'544'893	2'521'985
TOTAL LIABILITIES AND FUNDS		2'645'080	2'668'765

(The accompanying notes are an integral part of the financial statements)

WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	30.09.2014	30.09.2013
		CHF	CHF
INCOME			
Regional Registration Fees		220'757	219'318
Contribution from USFIS		85'451	90'744
Contribution from World Scout Bureau		108'673	91'723
Project income		31'378	74'792
Other operational income		2'102	1'597
Total income		<u>448'361</u>	<u>478'174</u>
EXPENSES			
Contribution to European Scout Office ASBL operations		171'117	139'325
Project expenses		19'707	133'789
Personnel costs		165'045	73'317
Office premises		59'084	56'576
Professional fees		8'303	11'394
General and office expenses		30'285	25'376
Contingencies		2'445	0
Depreciation		5'966	13'223
Total expenses		<u>461'952</u>	<u>453'000</u>
Intermediate result		<u>-13'591</u>	<u>25'175</u>
Financial result		25'661	32'291
Exchange (loss)/gain		-2'747	2'095
Gain on investments		159'021	176'631
Total net financial income		<u>181'935</u>	<u>211'017</u>
Operational surplus (prior to allocation)		<u>168'344</u>	<u>236'192</u>
CHANGES IN RESTRICTED FUNDS			
Allocation		-31'377	-74'793
Use		19'708	133'789
NET SURPLUS OF THE YEAR (prior to allocation)		<u>156'675</u>	<u>295'188</u>
Allocations			
Reserve Development of European Scouting		158'216	-136'304
Reserve Support for registration fees		4'009	1'195
Transfer from Fund for European Scouting		-133'767	49'212
Reserve European Investment Fund (EIF)		-185'133	-209'291
NET SURPLUS FOR THE YEAR		<u>0</u>	<u>0</u>

(The accompanying notes are an integral part of the financial statements)

WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA
NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2014

Note 1 - General

The World Scout Bureau - European Regional Office, Geneva, is a regional branch of the World Scout Bureau, Geneva, in conformity with Article XVI (2) of the constitution and by-laws of the World Organization of the Scout Movement. It is a not-for-profit organization.

The financial statements for the Fund for European Scouting (FES) Geneva and Bureau European du Scoutisme ASBL, Brussels, both part of the European Scout Region, are presented in separate reports.

Note 2 – Summary of significant accounting policies

The accompanying financial statements have been prepared under the historical cost convention as follows:

2.1. General principles

The European Regional Office maintains its books and records in Swiss Francs (CHF)

2.2 Foreign currency conversion

Assets and liabilities in foreign currencies are converted at the prevailing rate of exchange at balance sheet date.

Revenue and expenses in currencies other than CHF are converted at the exchange rate prevailing at the beginning of the month of the transaction.

2.3. Cash

The European Regional Office considers cash on hand, amounts due from banks and short-term deposits as cash

2.4. Accounts receivable

Accounts receivable are stated at nominal value, less a provision for doubtful Receivable

2.5. Fixed assets

Fixed assets are stated at cost, net of accumulated depreciation. Depreciation is calculated on a straight line basis over the estimated useful lives of the assets.

2.6. Financial assets

Financial assets, held in trust by the European Scout Foundation, are kept in a medium- to long-term investment portfolio as detailed below. The financial assets are valued at market value. The movement in fair value of financial assets is recognized in the financial income and allocated to the Reserve European Investment Fund (EIF).

WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA
NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2014

EUROPEAN INVESTMENT FUND PORTFOLIO AS OF 30 SEPTEMBER 2014				
Investment category	Market value	Accrued interests	Total	% NV
Liquidities	269'752	6'974	276'726	11.40
bank accounts	154'008	0	154'008	6.35
withholding tax		6'974	6'974	0.29
money market	115'744	0	115'744	4.77
Bonds	560'896	3'890	564'786	23.27
investments in bonds	438'985	3'474	442'459	18.23
structured products & warrants	121'911	416	122'327	5.04
Shares	1'585'151	0	1'585'151	65.32
investments in shares	1'585'151	0	1'585'151	65.32
Total net CHF	2'415'799	10'864	2'426'663	100.00

2.7. Accounts payable

Accounts payable are recorded at nominal value.

2.8. Accrued liabilities

Accrued liabilities correspond to costs incurred by the European Regional Office for which no invoices have been received at year-end. These costs are recorded based on management's best estimate of future cash outflows or based on invoices received subsequent to the year-end.

2.9. Restricted funds

Restricted funds (Projects) consist of earmarked funds granted for specific project activities. These funds either cover current obligations for specific projects or activities still in progress at year-end or need to be used for implementing the same project activities in the next year subject to approval by the donor.

2.10. Reserve for Development of European Scouting

The reserve for the Development of European Scouting should serve to finance long-term strategic priorities.

WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2014

2.11. Reserve for registration fees

This reserve is destined to cover the fees of National Scout Organisations who cannot afford this expenditure.

2.12. Reserve European Investment Fund (EIF)

This reserve constitutes the invested financial assets of the European Region (see note 2.6.)

2.13. Regional registration fees

The European Regional Office follows the cash receipts method for the recognition of registration fees (current and arrears) in accordance with the decisions of the World Scout Committee.

2.14. Income and expense recognition

Other income and expenses are recognised on the accrual basis and registered in the period to which they relate.

2.15. Loan to a Related Party

In September 2014, an interest-free loan was granted to a Related Party for a duration of 4 years. The Related Party has provided a guarantee covering the principal of the loan.