



**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 2015



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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**

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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 2015. 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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Report of the Independent Auditor on the Financial  
Statements for the year ended 30 September 2015*

*Opinion*

In our opinion, the financial statements for the year ended 30 September 2015 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, 15 February 2016

*Enclosure:*

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

**WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA**

**BALANCE SHEET AS OF 30 SEPTEMBER 2015**

	Notes	30.09.2015	30.09.2014
		CHF	CHF
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	2.3	26'136	77'554
Receivables	2.4	103'696	11'049
Current account - Fund for European Scouting		61'548	60'342
Current account - World Scout Bureau Kuala Lumpur		41'280	
Prepaid expenses		3'645	1'864
<b>Total current assets</b>		<u>236'305</u>	<u>150'809</u>
<b>Non-current assets</b>			
Fixed assets	2.5	7'840	7'267
Loan to third party	2.15	50'761	60'341
Financial assets	2.6	2'265'647	2'426'663
<b>Total non-current assets</b>		<u>2'324'248</u>	<u>2'494'271</u>
<b>TOTAL ASSETS</b>		<u>2'560'553</u>	<u>2'645'080</u>
<b>LIABILITIES AND OWN FUNDS</b>			
<b>Current liabilities</b>			
Accounts payable		9'086	576
Current account - ASBL		60'475	39'804
Current account - World Scout Bureau Geneva		634	8'850
Accrued liabilities and deferred income		24'000	9'050
<b>Total current liabilities</b>		<u>94'195</u>	<u>58'280</u>
<b>Restricted funds</b>			
Project funds	2.9	46'075	41'907
<b>Total restricted funds</b>		<u>46'075</u>	<u>41'907</u>
<b>Own funds</b>			
Reserve Development of European Scouting	2.10	132'258	83'374
Reserve support for registration fees	2.11	22'378	34'856
Reserve European Investment Fund (EIF)	2.6	2'265'647	2'426'663
<b>Total own funds</b>		<u>2'420'283</u>	<u>2'544'893</u>
<b>TOTAL LIABILITIES AND FUNDS</b>		<u>2'560'553</u>	<u>2'645'080</u>

(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 2015**

	Notes	30.09.2015	30.09.2014
		CHF	CHF
<b>INCOME</b>			
Regional Registration Fees		205'305	220'757
Contribution from USFIS		92'585	85'451
Contribution from World Scout Bureau		120'235	108'673
Project income		67'959	31'378
Other operational income		622	2'102
<b>Total income</b>		<b>486'706</b>	<b>448'361</b>
<b>EXPENSES</b>			
Contribution to European Scout Office ASBL operations		168'257	171'117
Project expenses		63'791	19'707
Personnel costs		237'903	165'045
Office premises		58'069	59'084
Professional fees		22'280	8'303
General and office expenses		43'630	30'285
Contingencies		11'285	2'445
Depreciation		3'927	5'966
<b>Total expenses</b>		<b>609'142</b>	<b>461'952</b>
<b>Intermediate result</b>		<b>-122'436</b>	<b>-13'591</b>
Financial result		28'090	25'661
Exchange (loss)/gain		-94'319	-2'747
Gain on investments		-112'811	159'021
<b>Total net financial income</b>		<b>-179'040</b>	<b>181'935</b>
<b>Operational surplus (prior to allocation)</b>		<b>-301'476</b>	<b>168'344</b>
<b>CHANGES IN RESTRICTED FUNDS</b>			
Allocation		-67'959	-31'377
Use		63'791	19'708
<b>NET SURPLUS OF THE YEAR (prior to allocation)</b>		<b>-305'644</b>	<b>156'675</b>
<b>Allocations</b>			
Reserve Development of European Scouting		-48'884	158'216
Reserve Support for registration fees		12'478	4'009
Transfer from Fund for European Scouting		181'034	-133'767
Reserve European Investment Fund (EIF)		161'016	-185'133
<b>NET SURPLUS FOR THE YEAR</b>		<b>0</b>	<b>0</b>

(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 2015**

**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 2015**

<b>EUROPEAN INVESTMENT FUND PORTFOLIO AS OF 30 SEPTEMBER 2015</b>				
<b>Investment category</b>	<b>Market value</b>	<b>Accrued interests</b>	<b>Total</b>	<b>% NV</b>
<b>Liquidities</b>	<b>255'959</b>	<b>9'716</b>	<b>265'675</b>	<b>11.73</b>
bank accounts	137'467	0	137'467	6.07
withholding tax	0	9'716	9'716	0.43
money market	118'492	0	118'492	5.23
<b>Bonds</b>	<b>463'618</b>	<b>3'140</b>	<b>466'758</b>	<b>20.60</b>
investments in bonds	397'042	3'140	400'182	17.66
structured products & warrants	66'576	0	66'576	2.94
<b>Shares</b>	<b>1'533'214</b>	<b>0</b>	<b>1'533'214</b>	<b>67.67</b>
investments in shares	1'533'214	0	1'533'214	67.67
<b>Total net CHF</b>	<b>2'252'791</b>	<b>12'856</b>	<b>2'265'647</b>	<b>100.00</b>

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 2015**

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 recognized on the accrual basis and registered in the period to which they relate.

2.15. Loan to a Related Party

In September 2015, 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.

In March 2015 another loan was granted to a different Related Party for a duration of 2.5 years at an interest rate of 1% p.a.

**Note 3 – Tax exemption**

The World Scout Bureau – European Regional Office has been granted the status of exemption from tax on local, cantonal and federal level according to Art. 9, al. 1f & al. 3 of the taxation law for legal entities (LIPM). This was decided on 7 October 2014 by the Cantonal Tax authorities and applied retroactively to extend from 2012 to 10 years.

**Note 4 – Commitments**

An office rent guarantee of CHF 9'210 in favor of Livit SA was issued in April 2015 by UBS SA, as a conditional commitment for which the collateral is hold on the current Swiss Franc account.