



**World Scout Bureau – Europe Region, Geneva
Fund for European Scouting (FES) Allocation**

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, Geneva
Fund for European Scouting (FES) Allocation

As independent auditor, we have been engaged to audit the accompanying financial statements of World Scout Bureau – Europe Region, Fund for European Scouting (FES) Allocation 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.



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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 REGION
ALLOCATION FROM FUND FOR EUROPEAN SCOUTING (FES)**

BALANCE SHEET AS OF 30 SEPTEMBER 2015

	<u>Notes</u>	<u>30.09.2015</u>	<u>30.09.2014</u>
		USD	USD
ASSETS			
Current assets			
Cash	2.3	50'448	89'780
Accounts receivable		14'919	14'087
Current account - ASBL, Brussels		49'491	20'752
Prepaid expenses		8'667	42'215
		<u>123'525</u>	<u>166'834</u>
TOTAL ASSETS			
		<u>123'525</u>	<u>166'834</u>
 LIABILITIES AND OWN FUNDS			
Current liabilities			
Accounts Payable		29'122	35'068
Accrued liabilities	2.4	9'599	13'035
Accrued liabilities Partnership Fund	2.5	21'610	55'299
Current account - European Regional Office		63'194	63'432
		<u>123'525</u>	<u>166'834</u>
Total current liabilities			
		<u>123'525</u>	<u>166'834</u>
 Own funds			
		<u>0</u>	<u>0</u>
 TOTAL LIABILITIES AND OWN FUNDS			
		<u>123'525</u>	<u>166'834</u>

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

WORLD SCOUT BUREAU - EUROPEAN REGION
ALLOCATION FROM FUND FOR EUROPEAN SCOUTING (FES)
STATEMENT OF OPERATIONS FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	30.09.2015	30.09.2014
		USD	USD
INCOME			
Yearly distribution Fund for European Scouting	3	1'336'833	1'158'775
Fees for seminars		103'870	64'047
Other operational income		5'152	1'347
Total income		<u>1'445'855</u>	<u>1'224'169</u>
EXPENSES			
Youth empowerment	5	33'008	48'640
Diversity & Inclusion	5	32'984	38'347
Educational methods	5	75'318	46'527
Organisational Development (incl. Growth through Quality, Embracing change, Regional events, Global Support, Partnership Fund)	5	38'928	123'293
Governance / Institutional	5	216'545	165'917
Communication & Relations	5	30'002	40'797
General services and management	5	107'829	103'517
Personnel costs	5	693'962	788'315
Total expenses		<u>1'228'576</u>	<u>1'355'352</u>
Intermediate result		217'279	-131'183
Financial result		-2'917	-2'445
Currency fluctuations		-28'396	-8'088
Total net financial income		<u>-31'313</u>	<u>-10'533</u>
Operational surplus/deficit (prior to allocation)		<u>185'966</u>	<u>-141'716</u>
Allocation			
Allocation to WSB - European Regional office		-185'966	141'716
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 SCOUT REGION, GENEVA
ALLOCATION FROM FUND FOR EUROPEAN SCOUTING (FES)

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2015

Note 1 – General

The World Scout Bureau - European Region 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 purpose of the Allocation from Fund for European Scouting (FES), a special purpose entity, is to assist the development and growth of the Scout Movement in Europe by financing approved projects within the terms of the McIntosh bequest. The income from this Fund is an integral part of the World Scout Bureau – European Region, based in Geneva.

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 financial records of the Allocation from Fund for European Scouting (FES) are maintained in Swiss Francs (CHF). For the presentation of the financial statement in USD, the exchange rates used were 0.95129 for the balance sheet and 0.9439 for the statement of operations.

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 Allocation from Fund for European Scouting (FES) considers cash on hand, amounts due from banks and short-term deposits as cash.

2.4. Accrued liabilities

Accrued liabilities correspond to costs incurred by the Allocation from Fund for European Scouting (FES) 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.

**WORLD SCOUT BUREAU - EUROPEAN SCOUT REGION, GENEVA
ALLOCATION FROM FUND FOR EUROPEAN SCOUTING (FES)**

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2015

2.5. Accrued liabilities Partnership Fund

The accrued liabilities for the Partnership fund concern signed agreements between the WSB-European Regional Office and National Scout Associations/Organisations and are due for payment in the next fiscal years. The purpose of the Partnership Fund is to provide financial support for projects proposed by National Scout Associations/Organisations.

2.6. Income and Expense Recognition

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

Note 3 - Fund for European Scouting

The Fund for European Scouting, managed by JP Morgan Chase Guaranty Trust Company of New York, has a total market value of USD 25.246m as of 30 September 2015. (2014: USD 27.698m). The amount received each year by the European Scout Region corresponds to 5% of the average market value of the Fund during the previous three years.

The actual amount received on 15 October 2014 was USD 1'336'833, which for operational purposes was converted into CHF 1'271'715.86 at the prevailing exchange rate of .95129. The average rate at year-end closing is .9741, resulting in a differential of USD 30'493.16.

Note 4 – Forward contracts

Two forward contracts with maturity date 20 October 2014 were concluded to secure the exchange rates used for the budget.

Amount sold	Purchase date	Exchange rate	Exchange rate as at 21.10.2014	Actual value as at 21.10.2014	Realised value at exchange	Realised exchange loss
USD				CHF		CHF
752'688.17	12.9.2014	.93	.94305	742'272.41		9'822.58
480'667.00	12.9.2014	1.2991	1.27978	444'899.14		6'716.35

No further forward contracts were concluded.

WORLD SCOUT BUREAU - EUROPEAN REGION
ALLOCATION FROM FUND FOR EUROPEAN SCOUTING (FES)
NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2015

Note 5 – Operational Expenses related to Project Management

	30.09.2015		30.09.2014
	USD		USD
1. YOUTH EMPOWERMENT		1. YOUTH INVOLVMENT	
Agora	1'538	Agora	28'096
Meeting 1 & 2	7'535	Management & coordination	5'929
Roverway (Joint work)	2'434	Rover/venturenet PT	6'028
		Rover/venturenet event	8'363
		Young spokesperson training	224
Develop and promote a training module	4'673		
Develop a concept paper & promotional plan	270		
Promote and update materials	4'764		
Plan and deliver a study session	6'167		
Disseminate outcomes in events	2'304		
All groups meeting	3'323		
Total youth involvment	33'008	Total youth involvment	48'640
2. DIVERSITY 6 INCLUSION		4. DIVERSITY 6 INCLUSION	
Inter-religious event	7'968	Internal training	3'835
ICT round table March 2015	1'419	Inclusion training module	3'836
		Expert team meeting	4'728
Unguvu 2	666	Unguvu 2 project implementatic	1'611
Partnership event	8'830	Partnership event	23'590
Partnership activities with other Regions	2'505		
Annual specific training for NSO/NSA - Nov. :	2'570	Management & coordination	747
Annual specific training for NSO/NSA - Sept.	2'584		
Coordination and monmitoring	3'575		
All groups meeting	2'867		
Total Diversity & Inclusion	32'984	Total Diversity & Inclusion	38'347
3. EDUCATIONAL METHODS		5. EDUCATIONAL METHODS	
Educational Methods Forum 2015 - planning	309	EM working group - 1 meeting	5'528
Educational Methods Forum 2015 - implemer	39'696	Post-congress EM reflection gro	6'979
EM working group - 2 meetings	8'798	Quality in youth program definit	522
		e-learning follow-up	6'628
e-learning follow-up	7'304		
Follow-up on Safe from Harm project	137	Training Commissioners network	14'358
		ESVP	11'657
ESVP	15'163	CMC planning team meeting	855
Adult Resources benchmark project group m	465		
ICT network meeting	157		
All groups meeting	3'289		
Total Educational Methods	75'318	Total Educational Methods	46'527
4. ORGANISATIONAL DEVELOPMENT		6. ORGANISATIONAL DEVELOPMENT	
Educational Methods Forum participation	1'696	Improve structure toolkit	27
Advanced management planning	151	ICT round table pt & participatic	4'076
1 Core group meeting	4'097	Advanced management plannin	1'058
Global support actions	28'768	1 Core group meeting	2'137
		Global support actions	24'904
All groups meeting	4'216	Partnership fund	63'405
Total Organisational Development	38'928	All groups meeting	27'686
		Total Organisational Developme	123'293

WORLD SCOUT BUREAU - EUROPEAN REGION
ALLOCATION FROM FUND FOR EUROPEAN SCOUTING (FES)
NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2015

Note 5 – Operational Expenses related to Project Management

	30.09.2015		30.09.2014
	USD		USD
5. GOVERNANCE		6.cor INSTITUTIONAL	
ESC meeting 1	9'417	ESC meeting 1	15'258
ESC meeting 2	10'973	ESC meeting 2	14'745
ESC meeting 3	3'781	ESC meeting 3	12'090
ESC travel	56'146	ESC travel	43'000
Regional Director travel	8'171	Regional Director travel	11'693
ESF Board meeting	4'341	ESF Board meeting	3'051
ESF Super-friends meeting	4'188	ESF Super-friends meeting	3'362
ESF promotional meeting	3'494	ESF promotional meeting	8'062
The Academy	86'390	The Academy	14'346
World events participation	33	World events participation	3'317
World Scout Jamboree	981	World Scout Conference	36'993
Work in partnership (Roverway 2000, Volunteer re	2'252		
Partnership Fund	26'378		
Total Governance	216'545	Total Institutional	165'917
6. COMMUNICATION & RELATIONS		7. EXTERNAL RELATIONS AND FUNDING	
1 Core group meeting	8'464	1 Core group meeting	3'450
		External representatives meetin	3'328
		Network meeting	14'791
External representation	5'196	External representation	5'832
Memberships	2'985	Memberships	2'354
		Training CSR	6'246
		Think tanks	2'408
		SFH information meeting	2'388
Training on Advocacy for Scout Reps. in NYC	3'482		
Scout European Parliament network launch	45		
Big 6 Seminar Youth Empowerment	2'004		
Training for Fundraisers	5'815		
Volunteering recognition	146		
All groups meeting	1'865		
Total Communication & Relations	30'002	Total External Relations and Fur	40'797
7. GENERAL SERVICES & MANAGEMENT		8. GENERAL SERVICES & MANAGEMENT	
Staff meetings & training	33'501	Staff meetings & training	30'973
Audit fees for FES	52	Audit fees for FES	8'821
Volunteer insurance	3'893	Volunteer insurance	4'026
web presence	6'407	web presence	5'564
External offices	2'380	External offices	2'956
Contingencies/KISC support	61'596	Contingencies/KISC support	51'177
Total General services & managment	107'829	Total General services & manag	103'517
8. Personnel costs	693'962	9. Personnel costs	788'315
Total Operational Expenses	1'228'576	Total Operational Expenses	1'355'352