



**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 2016



**KPMG SA**  
**Audit Western Switzerland**  
111 Rue de Lyon  
CH-1203 Geneva

P.O. Box 347  
CH-1211 Geneva 13

Telephone +41 58 249 25 15  
Fax +41 58 249 25 13  
www.kpmg.ch

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 2016.

**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, Geneva  
Fund for European Scouting (FES) Allocation  
Report of the Independent Auditor  
on the Financial Statements for the year ended 30 September 2016*

**Opinion**

In our opinion, the financial statements for the year ended 30 September 2016 have been prepared in accordance with the accounting principles described in the notes.

KPMG SA

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

Cédric Rigoli  
*Licensed Audit Expert*

Geneva, 12 May 2017

*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 2016**

	Notes	30.09.2016	30.09.2015
		USD	USD
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	2.3	188,262	50,448
Accounts receivable		47,206	14,919
Current account - ASBL, Brussels		99,585	49,491
Prepaid expenses		81,339	8,667
		416,392	123,525
<b>TOTAL ASSETS</b>		<b>416,392</b>	<b>123,525</b>
 <b>LIABILITIES AND OWN FUNDS</b>			
<b>Current liabilities</b>			
Accounts Payable		195,665	29,122
Accrued liabilities	2.4	10,173	9,599
Accrued liabilities Partnership Fund	2.5	3,302	21,610
Current account - European Regional Office		207,252	63,194
		416,392	123,525
<b>Total current liabilities</b>		<b>416,392</b>	<b>123,525</b>
 <b>Own funds</b>		 0	 0
<b>TOTAL LIABILITIES AND OWN FUNDS</b>		<b>416,392</b>	<b>123,525</b>

(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 2016**

	Notes	30.09.2016	30.09.2015
		USD	USD
<b>INCOME</b>			
Yearly distribution Fund for European Scouting	3	1,414,647	1,336,833
Fees for seminars		119,766	103,870
Other operational income		34,943	5,152
<b>Total income</b>		<u>1,569,356</u>	<u>1,445,855</u>
<b>EXPENSES</b>			
Youth empowerment	5	42,847	33,008
Diversity & Inclusion	5	38,732	32,984
Educational methods	5	21,372	75,318
Organisational Development (incl. Growth through Quality, Embracing change, Regional events, Global Support, Partnership Fund)	5	37,098	38,928
Governance/Institutional	5	366,561	216,545
Communication & Relations	5	30,050	30,002
General services and management	5	117,887	107,829
Personnel costs	5	894,764	693,962
<b>Total expenses</b>		<u>1,549,311</u>	<u>1,228,576</u>
<b>Intermediate result</b>		20,045	217,279
Financial result		-2,468	-2,917
Currency fluctuations		-17,577	-28,396
<b>Total net financial income</b>		<u>-20,045</u>	<u>-31,313</u>
<b>Operational surplus/deficit (prior to allocation)</b>		<u>0</u>	<u>185,966</u>
Allocation to WSB - European Regional office			-185,966
<b>NET SURPLUS FOR THE YEAR</b>		<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 2016**

**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 0.969 (2015: 0.95129) for the balance sheet and monthly average rates 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 25.725m as of 30 September 2016. (2015: USD 25.246m). 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 October 8, 2015 was USD 1,414,647 and entered as such in the new multi-currency financial management system.

**Note 4 – Forward contracts**

No forward contracts were concluded for the fiscal year 2015-2016.

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

**NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2016**

**Note 5 – Operational Expenses related to Project Management**

	30.09.2016		30.09.2015
	USD		USD
<b>1. YOUTH EMPOWERMENT</b>		<b>1. YOUTH EMPOWERMENT</b>	
Agora	6,359	Agora	1,538
Meeting 1 & 2	2,938	Meeting 1 & 2	7,535
Roverway co-funding to meet EU project income	15,769	Roverway (Joint work)	2,434
Roverway admin. Support & promotion	13,822		
Young Spokesperson training	276	Develop and promote a training module	4,673
Develop and promote a training module	248	Develop a concept paper & promotional plan	270
Develop a concept paper & promotional plan		Promote and update materials	4,764
Promote and update materials	21	Plan and deliver a study session	6,167
Plan and deliver a study session		Disseminate outcomes in events	2,304
Disseminate outcomes in events		All groups meeting	3,323
All groups meeting	3,414	Total youth involvement	<b>33,008</b>
Total youth involvement	<b>42,847</b>		
		<b>2. DIVERSITY 6 INCLUSION</b>	
<b>2. DIVERSITY 6 INCLUSION</b>		Inter-religious event	7,968
Inter-religious event	2,298	ICT round table March 2015	1,419
ICT round table March 2015	292		
		Unguvu 2	666
Unguvu participation	3,304	Partnership event	8,830
Partnership event	19,572	Partnership activities with other Regions	2,505
Partnership activities with other Regions		Annual specific training for NSO/NSA - Nov. 14	2,570
Euro-Arab meeting Oman	1,472	Annual specific training for NSO/NSA - Sept. 15	2,584
Study on gender and other balance	3,000	Coordination and monitoring	3,575
Coordination and monitoring	886		
D&I Group meeting	4,916	All groups meeting	2,867
All groups meeting	2,992	Total Diversity & Inclusion	<b>32,984</b>
Total Diversity & Inclusion	<b>38,732</b>		
		<b>3. EDUCATIONAL METHODS</b>	
<b>3. EDUCATIONAL METHODS</b>		Educational Methods Forum 2015 - planning	309
TCNM - event participation	4,694	Educational Methods Forum 2015 - implementation	39,696
Working weekend on MOVIS	5,034	EM working group - 2 meetings	8,798
Update Coeducation materials	128		
		e-learning follow-up	7,304
e-learning follow-up		Follow-up on Safe from Harm project	137
Follow-up on Safe from Harm project			
ESVP	9,078	ESVP	15,163
		Adult Resources benchmark project group meetings	465
Adult Resources benchmark project group meetings		ICT network meeting	157
ICT network meeting		All groups meeting	3,289
All groups meeting	2,438	Total Educational Methods	<b>75,318</b>
Total Educational Methods	<b>21,372</b>		



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

**NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2016**

**Note 5 – Operational Expenses related to Project Management (continued)**

	30.09.2016 USD		30.09.2015 USD
<b>4. ORGANISATIONAL DEVELOPMENT</b>		<b>4. ORGANISATIONAL DEVELOPMENT</b>	
Educational Methods Forum participation		Educational Methods Forum participation	1,696
Advanced management planning		Advanced management planning	151
1 Core group meeting	8,156	1 Core group meeting	4,097
Global support actions	23,330	Global support actions	28,768
Promote Global Support - best practices publicati	882		
Evaluation meeting	1,387		
All groups meeting	3,343	All groups meeting	4,216
<b>Total Organisational Development</b>	<b>37,098</b>	<b>Total Organisational Development</b>	<b>38,928</b>
<b>5. GOVERNANCE</b>		<b>5. GOVERNANCE</b>	
ESC meeting 1	16,606	ESC meeting 1	9,417
ESC meeting 2 incl. Additional meeting Baden	13,563	ESC meeting 2	10,973
ESC meeting 3	7,331	ESC meeting 3	3,781
European Scout Committee - induction meeting	7,169		
ESC travel	74,702	ESC travel	56,146
Regional Director travel	15,527	Regional Director travel	8,171
ESF Board meeting	3,719	ESF Board meeting	4,341
ESF Super-friends meeting	1,726	ESF Super-friends meeting	4,188
ESF promotional meeting	10,797	ESF promotional meeting	3,494
The Academy	62,073	The Academy	86,390
Chief Volunteers Event - delivery and participatio	11,050		
Chief Executives Event - delivery and participatio	6,290		
World events participation	814	World events participation	33
European Scout Conference (ESC)- gifts	385	World Scout Jamboree	981
ESC - staff part. & extra Committee costs	22,325	Work in partnership (Roverway 2000, Volunteer recognition)	2,252
ESC - planning team	7,581		
ESC - documentation	1,359		
ESC - promotion material	915		
ESC - additional electronic services - streaming	10,037		
ESC - solidarity	12,280		
ESC - guests and hospitality	8,019		
ESC - contingencies	15,110		
Symposium	47,147		
IC Forum - planning team	1,022		
Partnership Fund	9,014	Partnership Fund	26,378
<b>Total Governance</b>	<b>366,561</b>	<b>Total Governance</b>	<b>216,545</b>

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

**NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2016**

**Note 5 – Operational Expenses related to Project Management (continued)**

	30.09.2016		30.09.2015
	USD		USD
6. COMMUNICATION & RELATIONS		6. COMMUNICATION & RELATIONS	
1 Core group meeting	382	1 Core group meeting	8,464
Network Meeting of youth representatives	305		
Advocacy training/European Youth event	6,707		
External representation	3,892	External representation	5,196
		Memberships	2,985
Impact of Scouting in Europe publication	334		
Communications and Marketing event (with OD s	6,098		
Youth Policy symposium	1,116	Training on Advocacy for Scout Reps. in NYC	3,482
Establish Scout European Parliament Network	214	Scout European Parliament network launch	45
External representation in EU, CoE	2,270	Big 6 Seminar Youth Empowerment	2,004
		Training for Fundraisers	5,815
Volunteering recognition	1,502	Volunteering recognition	146
All groups meeting	7,230	All groups meeting	1,865
<b>Total Communication &amp; Relations</b>	<b>30,050</b>	<b>Total Communication &amp; Relations</b>	<b>30,002</b>
7. GENERAL SERVICES & MANAGEMENT		7. GENERAL SERVICES & MANAGEMENT	
Staff meetings & training	21,704	Staff meetings & training	33,501
Audit fees for FES	11,188	Audit fees for FES	52
Volunteer insurance	3,855	Volunteer insurance	3,893
web presence	5,871	web presence	6,407
External offices	5,361	External offices	2,380
Contingencies/KISC support	69,908	Contingencies/KISC support	61,596
<b>Total General services &amp; management</b>	<b>117,887</b>	<b>Total General services &amp; management</b>	<b>107,829</b>
8. Personnel costs	894,764	8. Personnel costs	693,962
<b>Total Operational Expenses</b>	<b>1,549,311</b>	<b>Total Operational Expenses</b>	<b>1,228,576</b>