



**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 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, 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 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, Geneva
Fund for European Scouting (FES) Allocation
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on the Financial Statements for the year ended 30 September 2014*

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 Pingeon
*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 REGION
ALLOCTION FROM FUND FOR EUROPEAN SCOUTING (FES)

BALANCE SHEET AS OF 30 SEPTEMBER 2014

	<u>Notes</u>	<u>30.09.2014</u>	<u>30.09.2013</u>
		USD	USD
ASSETS			
Current assets			
Cash	2.3	89'780	247'932
Accounts receivable		14'087	24'060
Current account - ASBL, Brussels		20'752	130'773
Prepaid expenses		42'215	2'724
		<hr/>	<hr/>
TOTAL ASSETS		166'834	405'489
		<hr/>	<hr/>
LIABILITIES AND OWN FUNDS			
Current liabilities			
Accounts Payable		35'068	24'005
Accrued liabilities	2.4	13'035	113'984
Accrued liabilities Partnership Fund	2.5	55'299	
Current account - European Regional Office		63'432	267'500
		<hr/>	<hr/>
Total current liabilities		166'834	405'489
		<hr/>	<hr/>
Own funds		0	0
		<hr/>	<hr/>
TOTAL LIABILITIES AND OWN FUNDS		166'834	405'489
		<hr/>	<hr/>

(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 2014

	<u>Notes</u>	<u>30.09.2014</u> USD	<u>30.09.2013</u> USD
INCOME			
Yearly distribution Fund for European Scouting	3	1'158'775	1'436'516
Fees for seminars		64'047	127'427
Other operational income		<u>1'347</u>	<u>2'214</u>
Total income		<u>1'224'169</u>	<u>1'566'157</u>
EXPENSES			
Youth involvement	5	48'640	24'021
Diversity & Inclusion	5	38'347	0
Educational methods (incl. Adolescents & Volunteering)	5	46'527	29'166
An Organisation for the 21st Century	5	0	448'150
Organisational Development (incl. Growth through Quality, Embracing change, Regional events, Global Support,	5	123'293	0
Institutional	5	165'917	0
External relations & Funding	5	40'797	61'094
Scoutings profile, resources	5	0	2'395
General services and management	5	103'517	141'946
Personnel costs	5	788'315	826'994
Total expenses		<u>1'355'352</u>	<u>1'533'766</u>
Intermediate result		-131'183	32'391
Financial result		-2'445	-2'035
Currency fluctuations		<u>-8'088</u>	<u>22'340</u>
Total net financial income		<u>-10'533</u>	<u>20'305</u>
Operational surplus/ deficit (prior to allocation)		<u>-141'716</u>	<u>52'695</u>
Allocation			
Allocation to WSB - European Regional office		<u>141'716</u>	<u>-52'695</u>
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 2014

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 2014

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 27.698m as of 30 September 2014. (2013: USD 26.565m). 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, 2013 was USD 1'208'036.00, which for operational purposes was converted into CHF 1'093'767.87 at the prevailing exchange rate of .90541. The average rate at year-end closing is .9439, resulting in a differential of USD 49'260.85.

Note 4 - Forward contracts

Two forward contracts with maturity date October 21, 2013 were concluded to secure the exchange rates used for the budget.

Amount sold	Purchase date	Exchange rate	Exchange rate as at 21.10.2013	Actual value as at 21.10.2013	Realised exchange gain
USD				CHF	CHF
971'922.25	3.5.2013	.926	.9063	880'853.13	19'146'87
238'662.00	3.5.2013	1.3259	1.35704	224'237.27	5'265.75

Two further forward contracts with maturity date October 20, 2014 were concluded in September 2014.

Amount sold	Purchase date	Exchange rate	Exchange rate as at 30.9.2014	Actual value as at 30.9.2014	Unrealised exchange loss at 30.9.2014
USD				CHF	CHF
752'688.17	12.9.2014	.93	.9551	700'000	18'892.47
480'667.00	12.9.2014	1.2991	1.26308	457'253.71	12'678.22

WORLD SCOUT BUREAU - EUROPEAN REGION
ALLOCATION FROM FUND FOR EUROPEAN SCOUTING (FES)
NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2014

Note 5 – Operational Expenses related to Project Management

	30.09.2014		30.09.2013
	USD		USD
1. YOUTH INVOLVMENT		1. YOUTH INVOLVMENT	
Agora	28'096	Agora PT meeting & event	5'489
Management & coordination	5'929	2 Youth empowerment working group meeti	4'416
		European Scout voluntary programme	8'698
		e-learning tool wg meeting	763
		e-learning tool - dev. meeting	148
Rover/venturenet PT	6'028	Rovernet on Life skills - PT meeting	2'700
Rover/venturenet event	8'363	Rovernet on Life skills - meeting	1'807
Young spokesperson training	224		
Total youth involvment	<u>48'640</u>	Total youth involvment	<u>24'021</u>
2. ADOLESCENTS		2. ADOLESCENTS	
		2 Educational Methods core group meetings	12'512
Total Adolescents	<u>0</u>	Total Adolescents	<u>12'512</u>
4. DIVERSITY 6 INCLUSION			
Internal training	3'835		
Inclusion training module	3'836		
Expert team meeting	4'728		
Unguvu 2 project implementation	1'611		
Partnership event	23'590		
Management & coordination	747		
Total Diversity & Inclusion	<u>38'347</u>		
5. EDUCATIONAL METHODS		5. VOLUNTEERING	
EM working group - 1 meeting	5'528	2 Volunteering working group meetings	3'384
Post-congress EM reflection group	6'979		
Quality in youth program definition	522		
e-learning follow-up	6'628		
Training Commissioners network mtg.	14'358	Training Commissioners network mtg.	13'270
ESVP	11'657		
CMC planning team meeting	855		
Total Educational Methods	<u>46'527</u>	Total Volunteering	<u>16'654</u>
6. ORGANISATIONAL DEVELOPMENT			
Improve structure toolkit	27		
ICT round table pt & participation	4'076		
Advanced management planning	1'058		
1 Core group meeting	2'137		
Global support actions	24'904		
Partnership fund	63'405		
All groups meeting	27'686		
Total Organisational Development	<u>123'293</u>		

WORLD SCOUT BUREAU - EUROPEAN REGION
ALLOCATION FROM FUND FOR EUROPEAN SCOUTING (FES)
NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2014

Note 5 – Operational Expenses related to Project Management

	30.09.2014		30.09.2013
	USD		USD
6. INSTITUTIONAL		6. AN ORGANISATION FOR THE 21ST CENTURY	
ESC meeting 1	15'258	European Scout Committee meetings & travel	45'031
ESC meeting 2	14'745	European Scout Committee - contact visits	38'121
ESC meeting 3	12'090	Regional Director - constitutional support	4'114
ESC travel	43'000	2 Growth through quality working group meetings	10'396
Regional Director travel	11'693	2 Organisational Development Core group meetings	13'716
		2 Embracing change working group meeting	7'223
		Technologies in Scouting/MS database	981
		Overtures participation/ support	8'158
		Think tank	162
ESF Board meeting	3'051		
ESF Super-friends meeting	3'362	European Scout Foundation	10'983
ESF promotional meeting	8'062	The Academy	13'057
The Academy	14'346	Chief executives meeting	3'207
World events participation	3'317	World events participation	4'144
		IC Forum	43'571
		Symposium	60'825
World Scout Conference	36'993	European Conference	71'181
		Tailored support to NSOs	41'824
		Partnership fund	71'456
Total Institutional	165'917	Total An Organisation for the 21st century	448'150
7. EXTERNAL RELATIONS AND FUNDING		7.1 SCOUTING'S PROFILE, COMMUNICATION	
1 Core group meeting	3'450	2 Ext. Relations & Funding Core Group meetings	6'971
External representatives meeting	3'328	Funding support teams	1'182
Network meeting	14'791	Ext. relations project teams	1'394
External representation	5'832	WOSM representation in YFJ	6'301
Memberships	2'354	NYC network meeting	6'238
Training CSR	6'246	Institutional relationsh. & events	2'839
Think tanks	2'408	Memberships	3'295
SFH information meeting	2'388		
		Daphne project costs	2'108
		Total Communication	30'328
		7.2 SCOUTING'S PROFILE, PARTNERSHIPS	
		2 Partnership w. other Regions	6'375
		working group meetings	
		Euro-Arab meeting	22'608
		Euro Africa Cooperation	1'497
		Participation AP Conf.	286
		Total Partnerships	30'766
		7.3 SCOUTING'S PROFILE, RESOURCES	
		NS network meetings	2'395
		Total Resources	2'395
Total External Relations and Funding	40'797	Total Relationships & funding	63'489

WORLD SCOUT BUREAU - EUROPEAN REGION
ALLOCATION FROM FUND FOR EUROPEAN SCOUTING (FES)
NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2014

Note 5 – Operational Expenses related to Project Management

	<u>30.09.2014</u>		<u>30.09.2013</u>
	USD		USD
8. GENERAL SERVICES & MANAGEMENT		8. GENERAL SERVICES & MANAGEMENT	
Staff meetings & training	30'973	Staff meetings & training	23'333
Audit fees for FES	8'821	Audit fees for FES	13'832
Volunteer insurance	4'026	Volunteer insurance	4'069
web presence	5'564	Europak, scouthub & websites	6'206
		World Scout Bureau	9'969
		KISC support	-
External offices	2'956	External offices	4'228
Contingencies/KISC support	51'177	Contingencies/KISC support	80'309
	<u>103'517</u>		<u>141'946</u>
Total General services & managment		Total General services & managment	
	<u>103'517</u>		<u>141'946</u>
9. Personnel costs	<u>788'315</u>	9. Personnel costs	<u>826'994</u>
	<u>788'315</u>		<u>826'994</u>
Total Operational Expenses	<u>1'355'352</u>	Total Operational Expenses	<u>1'533'766</u>