

**THE SINGAPORE SCOUT ASSOCIATION**  
Unique Entity No. S85CC0196D

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

# The Singapore Scout Association

## General Information

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### Scout Council

President - Tan Tee How  
Vice President – Professor Lui Pao Chuen  
Vice President – Professor Leo Tan Wee Hin  
Honorary Treasurer - Philip Ling Soon Hwa  
Honorary Secretary – Ong Teong Wan

Chief Commissioner - Tan Cheng Kiong  
Deputy Chief Commissioner - Nicholas Tang Ning  
Deputy Chief and International Commissioner - Chay Hong Leng

### Registered Office

1 Bishan Street 12  
Singapore 579808

### Auditors

Lixin International

### Bankers

Oversea-Chinese Banking Corporation Limited  
The Bank of East Asia Ltd  
CIMB Bank Berhad  
Sing Investments & Finance Limited

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**The Singapore Scout Association**

**Statement by Scout Council**

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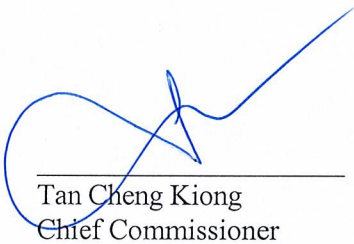
We, the undersigned, hereby state that in the opinion of the Scout Council, the financial statements of The Singapore Scout Association (“Association”) set out on pages 4 to 30 are properly drawn up so as to give a true and fair view of the state of affairs of the Association as at 31 December 2013 and of the results of its activities and cash flows for the financial year ended on that date.

On behalf of the Scout Council



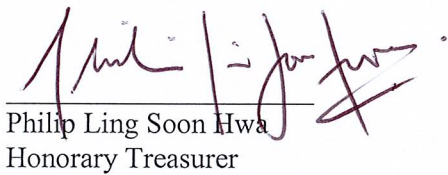
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Tan Tee How  
President



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Tan Cheng Kiong  
Chief Commissioner



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Philip Ling Soon Hwa  
Honorary Treasurer

Singapore, 24 May 2014

**INDEPENDENT AUDITORS' REPORT**  
to the members of  
**THE SINGAPORE SCOUT ASSOCIATION**

**Report on the Financial Statements**

We have audited the accompanying financial statements of The Singapore Scout Association ("Association") which comprise the statement of financial position as at 31 December 2013, and the statement of financial activities and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

*Scout Council's Responsibility for the Financial Statements*

The Association's Council is responsible for the preparation of financial statements that give a true and fair view in accordance with the Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of financial activities and statement of financial position and to maintain accountability of assets.

*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 Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 internal controls relevant to the entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

**INDEPENDENT AUDITORS' REPORT**  
to the members of  
**THE SINGAPORE SCOUT ASSOCIATION**

**Report on the Financial Statements (continued)**

*Opinion*

In our opinion, the financial statements are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Association as at 31 December 2013 and of the results of its activities and cash flows of the Association for the financial year then ended on that date.

**Report on Other Legal and Regulatory Requirements**

In our opinion:

- a) the fund-raising appeals listed below conducted by the Association during the financial year, have been carried out in accordance with the Charities Act (Cap 37) and Income Tax Act (Cap 134) and proper accounting and other records have been kept of the fund-raising appeals:-

<u>Name of fund-raising project</u>	<u>Period of fund-raising</u>
Job Week	16 March 2013 to 22 March 2013
Donation Draw	1 June 2013 to 7 September 2013

- b) the accounting and other records required by the regulations enacted under the Charities Act (Cap 37) and Boy Scouts Association Act (Cap 26) to be kept by the Association have been properly kept in accordance with these regulations.
- c) nothing has come to our attention to cause us to believe that:
- (i) the funds were not used in accordance with the objects of the Association; and
  - (ii) the fund raising expenses have exceeded 30% of the total gross receipts from fund raising held during the periods as stated in paragraph (a) above.

*Lixin International*

**Lixin International**  
Public Accountants and  
Chartered Accountants  
Singapore

24 May 2014

**The Singapore Scout Association**

**Statement of Financial Position  
As at 31 December 2013**

	Note	2013 S\$	2012 S\$
<b>ASSETS AND LIABILITIES</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	1,245,295	1,473,517
Intangible assets	4	-	-
		<u>1,245,295</u>	<u>1,473,517</u>
<b>Current Assets</b>			
Inventories	5	226,860	242,627
Trade receivables	6	45,827	135,761
Other receivables	7	463,987	153,841
Cash and cash equivalents	8	6,434,092	6,016,268
		<u>7,170,766</u>	<u>6,548,497</u>
<b>Total Assets</b>		<u>8,416,061</u>	<u>8,022,014</u>
<b>Current Liabilities</b>			
Trade payables	9	106,643	216,813
Other payables	10	386,898	246,284
Deferred income		-	713
<b>Total Liabilities</b>		<u>493,541</u>	<u>463,810</u>
<b>Net Current Assets</b>		<u>6,677,225</u>	<u>6,084,687</u>
<b>Net Assets</b>		<u>7,922,520</u>	<u>7,558,204</u>
<b>FUNDS</b>			
<b>Unrestricted Funds</b>			
General funds	11	3,771,123	3,483,406
<b>Restricted Funds</b>			
Building funds		1,276,880	1,461,663
Scout Foundation fund		773,063	574,352
Other specific funds	12	2,101,454	2,038,783
<b>Total Funds</b>		<u>7,922,520</u>	<u>7,558,204</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements

The Singapore Scout Association

Statement of Financial Activities  
For the year ended 31 December 2013

		←	Restricted Funds	→		
	General Funds (Note 11) S\$	Building Funds S\$	Scout Foundation Fund S\$	Other Specific Funds (Note 12) S\$	2013 Total Funds S\$	2012 Total Funds S\$
Note						
<b>Incoming resources</b>						
<u>Incoming resources from generated funds</u>						
	11,350	-	336,400	11,982	359,732	470,805
- Donation Draw	13 229,618	-	-	162,018	391,636	379,526
- Job Week	14 406,411	-	-	384,411	790,822	804,357
- Scout Guild events	15 118,240	-	-	-	118,240	99,743
- Investment income	45,065	-	-	1,575	46,640	34,364
<u>Incoming resources from charitable activities</u>						
- Grants	545,968	-	-	-	545,968	167,061
- Membership fees	98,570	-	-	-	98,570	94,438
- Fees from participants	543,784	-	-	74,871	618,655	718,499
- Scout Shop	16 184,304	-	-	-	184,304	192,402
- Scout Guild	694	-	-	-	694	-
- Scout Groups	-	-	-	7,950	7,950	-
- Use of camp	230,000	-	-	-	230,000	168,647
- Use of headquarter's facilities	12,118	-	-	-	12,118	19,319
Other incoming resources	194,637	-	-	-	194,637	130,205
<b>Total incoming resources</b>	<u>2,620,759</u>	<u>-</u>	<u>336,400</u>	<u>642,807</u>	<u>3,599,966</u>	<u>3,279,366</u>
<b>Resources expended</b>						
<u>Costs of generating funds</u>						
<u>Fundraising costs</u>						
- Donation Draw	13 32,045	-	-	22,610	54,655	53,133
- Job Week	14 5,894	-	-	5,576	11,470	11,704
- Scout Guild events	15 49,959	-	-	-	49,959	46,419
<u>Charitable activities</u>						
- Scout Shop	16 98,679	-	-	-	98,679	80,160
- Scout Guild	515	-	-	-	515	187
- Scout Groups	-	-	-	463,189	463,189	378,969
- Area activities	122,386	-	-	-	122,386	116,304
- International scout events and programme expenses	541,936	-	-	76,355	618,291	705,482
- Employee benefits expense	17 808,572	-	110,514	-	919,086	697,535
Governance costs - audit fees	12,000	-	-	-	12,000	12,000
Other resources expended	18 857,314	-	27,175	931	885,420	813,654
<b>Total resources expended</b>	<u>2,529,300</u>	<u>-</u>	<u>137,689</u>	<u>568,661</u>	<u>3,235,650</u>	<u>2,915,547</u>
<b>Net incoming resources before amortisation and transfer</b>						
Amortisation of building fund	91,459	-	198,711	74,146	364,316	363,819
Transfer of funds	184,783	(184,783)	-	-	-	-
	11,475	-	-	(11,475)	-	-
<b>Net incoming/(outgoing) resources</b>	<u>287,717</u>	<u>(184,783)</u>	<u>198,711</u>	<u>62,671</u>	<u>364,316</u>	<u>363,819</u>
<b>Total funds brought forward</b>	<u>3,483,406</u>	<u>1,461,663</u>	<u>574,352</u>	<u>2,038,783</u>	<u>7,558,204</u>	<u>7,194,385</u>
<b>Total funds carried forward</b>	<u>3,771,123</u>	<u>1,276,880</u>	<u>773,063</u>	<u>2,101,454</u>	<u>7,922,520</u>	<u>7,558,204</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements

## The Singapore Scout Association

### Statement of Cash Flows

For the year ended 31 December 2013

	Note	2013 S\$	2012 S\$
<b>Cash flows from operating activities</b>			
Surplus for the year		364,316	363,819
Adjustments for:-			
Amortisation of intangible assets		-	990
Depreciation of property, plant and equipment		251,825	484,302
Written off of property, plant and equipment		1,459	-
Interest income		(46,640)	(34,364)
		206,644	450,928
Operating surplus before working capital changes		570,960	814,747
Decrease in inventories		15,767	61,483
Increase in trade and other receivables		(220,212)	(80,954)
Increase in trade and other payables		30,444	32,234
(Decrease)/Increase in deferred income		(713)	713
		(174,714)	13,476
Net cash generated from operating activities		396,246	828,223
<b>Cash flows from investing activities</b>			
Interest received		46,640	34,364
Purchase of property, plant and equipment		(25,062)	(40,660)
Net cash generated from/(used in) investing activities		21,578	(6,296)
<b>Net increase in cash and cash equivalents</b>		417,824	821,927
<b>Cash and cash equivalents at 1 January</b>		6,016,268	5,194,341
<b>Cash and cash equivalents at 31 December</b>	8	6,434,092	6,016,268

The annexed notes form an integral part of and should be read in conjunction with these financial statements



## **The Singapore Scout Association**

### **Notes to the financial statements – 31 December 2013**

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These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

#### **1. General information**

The Association (Unique Entity No. S85CC0196D) was registered on 4 January 1912 under the powers granted by the Royal Charter issued under the hand of King George V and Boys Scout Association Act (Cap 26, Singapore Statutes, 1985 Revised edition).

The Association is registered as a Charity under the Charities Act (Cap 37) and has been granted an Institution of Public Character (IPC) status up to 31 August 2016 by its Sector Administrator, the Ministry of Education.

The objects of the Association are to develop good citizenship among young people by forming their character, training them in habits of observation, obedience and self-reliance, inculcating loyalty and thoughtfulness for others, teaching them services useful to the public and skills useful to themselves and promoting their physical, mental and spiritual development.

The Association is domiciled and registered in Singapore. The registered address and principal place of activities of the Association are situated at 1 Bishan Street 12, Singapore 579808.

#### **2. Summary of significant accounting policies**

##### **2.1 Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies, and the provisions of Singapore Financial Reporting Standards (“FRS”).

The Association has not applied any new or revised FRS or interpretations that have been issued as of the date of the statement of financial position but are not yet effective. The initial application of these standards and interpretations are not expected to have any material impact on the Association’s financial statements. The Association has not considered the impact of the accounting standards issued after the date of the statement of financial position.

##### **2.2 Financial assets**

Financial assets within the scope of FRS 39 (“FRS 39”) are classified as either financial assets at fair value through profit or loss, loans and receivables or available-for-sale financial assets, as appropriate. Financial assets are recognised on the statement of financial position when, and only when, the Association becomes a party to the contractual provisions of the financial instrument.

# The Singapore Scout Association

## Notes to the financial statements – 31 December 2013

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### 2. Summary of significant accounting policies (continued)

#### 2.2 Financial assets (continued)

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Association determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

##### Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the statement of financial activities when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

#### 2.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated on the straight line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives are as follows:

HQ building	Leasehold period of 30 years
Sarimbun Camp/Sands Training Institute	Leasehold period of 30 years
Furniture and fittings	5 years
Sundry equipment	5 years
Air-conditioners	5 years
Computers	3 years
Motor vehicles	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation methods are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. The effect of any changes in estimate is accounted for on a prospective basis.

On disposal of an item of equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of financial activities.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

**2. Summary of significant accounting policies (continued)**

**2.4 Intangible assets**

Intangible assets comprising computer software, are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised from the date the assets are available for use. Amortisation is charged to the statement of financial activities using a straight-line method over the assets' useful lives of 3 years.

Fully amortised intangible assets are retained in the financial statements until they are no longer in use.

**2.5 Inventories**

Inventories comprising goods like uniforms, camping equipment and their related accessories, and souvenir items held for resale are stated at the lower of cost and net realisable value with cost being determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

**2.6 Trade and other receivables**

Trade and other receivables are accounted for as loans and receivables under FRS 39. They are recognised and carried at original invoiced amount, which represents their fair value on initial recognition, less allowance for any uncollectible amounts. Allowance for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Trade receivables are non-interest bearing and are generally granted 30 day terms.

**2.7 Impairment**

**(i) Impairment of non-financial assets**

The carrying amounts of the Association's assets are reviewed at each date of the statement of financial position to determine whether there is any objective evidence that a financial asset is impaired. If such indication exists, the assets' recoverable amount is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the management estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

**2. Summary of significant accounting policies (continued)**

**2.7 Impairment (continued)**

**(i) Impairment of non-financial assets (continued)**

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The impairment loss is recognised immediately in the statement of financial activities unless it reverses a previous revaluation, credited to funds, in which case it will be charged to funds.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of financial activities, unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

**(ii) Impairment of financial assets**

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of financial activities.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of financial activities, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

**2.8 Financial liabilities**

Financial liabilities are recognised on the statement of financial position when the Association becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognised initially at their fair values, plus in the case of financial liabilities other than derivatives, directly attributable transaction costs. Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

**2. Summary of significant accounting policies (continued)**

**2.8 Financial liabilities (continued)**

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

**2.9 Trade and other payables**

Trade and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Association and subsequently measured at amortised cost using the effective interest method. Trade payables are normally settled on 30 to 90 day terms.

**2.10 Derecognition of financial assets and liabilities**

**(i) Financial assets**

A loan or receivable is derecognised where the contractual rights to receive cash flows from the asset have expired which usually coincides with receipt of payments for the asset. On derecognition, the difference between the carrying amount and the sum of the consideration received is recognised in the statement of financial activities.

**(ii) Financial liabilities**

Financial liabilities are derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in the statement of financial activities when the liabilities are derecognised as well as through the amortisation process.

**2.11 Grants**

A grant is recognised at its fair value where there is a reasonable assurance that the grant will be received and the Association will comply with all the attached conditions. Grants relating to costs are deferred and recognised in the statement of financial activities over the period necessary to match them with the costs they are intended to compensate. Grants relating to assets are recognised as deferred capital grants on the statement of financial position and are amortised to the statement of financial activities on a straight line basis over the expected useful life of the relevant assets.

## The Singapore Scout Association

### Notes to the financial statements – 31 December 2013

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#### 2. Summary of significant accounting policies (continued)

##### 2.12 Funds

Funds of the Association comprise mainly the general funds, the building fund, the Scout Foundation Fund and other funds designated for specific objectives (as further described in note 12 to the financial statements).

##### (i) General Funds

General funds are unrestricted and expendable at the discretion of the Scout Council in furtherance of the Association's objects.

##### (ii) Building Fund

Designated donations for the renovation/construction of the HQ building, Sarimbun Camp and Sands Training Institute are credited to the Building Fund account. The Building Fund account is amortised to the statement of financial activities to match the depreciation in respect of these buildings and camp.

##### (iii) Scout Foundation Fund

The Scout Foundation Fund is for projects which support the development of scouting in Singapore, including upgrading of camping and other infrastructure for scouting activities, development of Scout Groups in schools and the community and providing financial support for disadvantaged scouts.

##### 2.13 Income

- (i) Donations, membership fees and other income are recognised to the extent that it is probable that the economic benefits will flow to the Association and the income can be reliably measured. These income are measured at fair value of consideration received or receivable.
- (ii) Interest income from bank deposits are recognised using the effective interest method.
- (iii) Revenue from sale of goods in Scout Shop is measured at the fair value of the consideration received or receivable, net of returns and allowances. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and the amount of revenue can be measured reliably.
- (iv) Rental income is recognised on the straight-line basis over the term of the lease.

**2. Summary of significant accounting policies (continued)**

**2.14 Currency**

**(i) Functional currency**

Items included in the financial statements of the Association are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Association (“functional currency”). The financial statements of the Association are presented in Singapore dollars, which is also the functional currency of the Association.

**(ii) Foreign currency transaction**

Transactions in foreign currencies are measured in the functional currency of the Association and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the date of the statement of financial position are recognised in the statement of financial activities.

**2.15 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of financial activities on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

## **The Singapore Scout Association**

### **Notes to the financial statements – 31 December 2013**

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#### **2. Summary of significant accounting policies (continued)**

##### **2.16 Employee benefits**

As required by law, the Association makes contributions to the state pension scheme, the Central Provident Fund (“CPF”). CPF contributions are recognised as an expense in the same period as the employment that gives rise to the contributions.

##### **2.17 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and bank balances. Restricted deposits are excluded from cash and cash equivalents.

##### **2.18 Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party when making financial or operational decisions. In considering each possible related party relationship, attention is paid to the substance of the relationship, not merely the legal form.

Related parties include the Association’s members, key management personnel, associates and enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the Association’s members or key management personnel.



The Singapore Scout Association

Notes to the financial statements – 31 December 2013

3. Property, plant and equipment

Cost	HQ building S\$	Sarimbun Camp S\$	Sands Training Institute S\$	Furniture and fittings S\$	Sundry equipment S\$	Air conditioners S\$	Computers S\$	Motor vehicles S\$	Total S\$
As at 1 January 2012	4,012,982	3,943,237	1,958,125	158,364	96,575	82,838	69,752	60,000	10,381,873
Additions	-	-	-	-	36,160	524	3,976	-	40,660
As at 31 December 2012	4,012,982	3,943,237	1,958,125	158,364	132,735	83,362	73,728	60,000	10,422,533
Additions	4,827	-	-	2,912	3,280	-	14,043	-	25,062
Write-off	-	(3,943,237)	(1,958,125)	-	-	-	(2,188)	-	(5,903,550)
As at 31 December 2013	4,017,809	-	-	161,276	136,015	83,362	85,583	60,000	4,544,045
<b>Accumulated depreciation</b>									
As at 1 January 2012	2,476,187	3,764,112	1,798,033	154,883	82,250	75,781	65,468	48,000	8,464,714
Depreciation charge for the year	170,762	149,271	133,410	1,392	10,974	3,025	3,468	12,000	484,302
As at 31 December 2012	2,646,949	3,913,383	1,931,443	156,275	93,224	78,806	68,936	60,000	8,949,016
Depreciation charge for the year	171,341	29,854	26,682	1,873	11,631	3,025	7,419	-	251,825
Write-off	-	(3,943,237)	(1,958,125)	-	-	-	(729)	-	(5,902,091)
As at 31 December 2013	2,818,290	-	-	158,148	104,855	81,831	75,626	60,000	3,298,750
<b>Carrying amount</b>									
As at 31 December 2013	1,199,519	-	-	3,128	31,160	1,531	9,957	-	1,245,295
As at 31 December 2012	1,366,033	29,854	26,682	2,089	39,511	4,556	4,792	-	1,473,517

The location and the corresponding lease expiry dates of the leasehold properties are as follows: -

HQ building: 1 Bishan Street 12, Singapore 579808. (Expiry date: 22 April 2021)

Sarimbun camp: Lot 746 SL MK 12, 70 Jalan Bahtera Singapore 719921. (Expiry date: 15 February 2013)

The title deeds to the HQ building are jointly held in trust on behalf of the Association by the Chief Commissioner and the Executive Director.

Sundry equipment comprises training equipment, sea activities equipment, training library, camp equipment, programme equipment and resource library.

Depreciation charge for the year comprises depreciation amounting to S\$247,849 (2012 - S\$483,777) in respect of HQ's property, plant and equipment and S\$3,976 (2012 - S\$525) in respect of Scout Shop's property, plant and equipment.

**The Singapore Scout Association**

**Notes to the financial statements – 31 December 2013**

**4. Intangible assets**

	<b>2013</b>	<b>2012</b>
	<b>S\$</b>	<b>S\$</b>
<b>Software</b>		
<b>Cost</b>		
Balance at beginning and end of year	<u>74,222</u>	<u>74,222</u>
<b>Accumulated amortisation</b>		
Balance at beginning of year	74,222	73,232
Amortisation for the year	<u>-</u>	<u>990</u>
Balance at end of year	<u>74,222</u>	<u>74,222</u>
<b>Carrying amount</b>		
Balance at end of year	<u><u>-</u></u>	<u><u>-</u></u>

**5. Inventories**

	<b>2013</b>	<b>2012</b>
	<b>S\$</b>	<b>S\$</b>
Goods held for resale	199,341	215,287
Medals and plaques	<u>27,519</u>	<u>27,340</u>
	<u><u>226,860</u></u>	<u><u>242,627</u></u>

**6. Trade receivables**

Trade receivables are denominated in Singapore dollars, non-interest bearing and are recognised at their original invoice amounts which approximate their fair values on their initial recognition.

At the date of the statement of financial position, trade receivables amounting to S\$39,912 (2012 – S\$104,161) are past due but not impaired. The analysis of their aging at the date of the statement of financial position is as follows:

	<b>2013</b>	<b>2012</b>
	<b>S\$</b>	<b>S\$</b>
<u>Trade receivables past due</u>		
1 to 30 days	27,566	26,812
31 to 60 days	3,090	11,322
Above 60 days	<u>9,256</u>	<u>66,027</u>
	<u><u>39,912</u></u>	<u><u>104,161</u></u>

## The Singapore Scout Association

### Notes to the financial statements – 31 December 2013

#### 7. Other receivables

	2013 S\$	2012 S\$
Grant and donation receivables	317,827	111,156
Other receivables	37,492	24,690
Prepayments	16,348	7,695
Deposits	92,320	10,300
	<u>463,987</u>	<u>153,841</u>

#### 8. Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and fixed deposits that are denominated in Singapore dollars as follows :-

	2013 S\$	2012 S\$
Fixed deposits	4,547,771	4,290,454
Cash and bank balances	1,886,321	1,725,814
	<u>6,434,092</u>	<u>6,016,268</u>

The fixed deposits bear interest at interest rates ranging from 0.60% to 1.10% (2012 – 0.60% to 1.09%) per annum and mature within 1 - 12 (2012 – 6 - 12) months from the end of the financial year.

#### 9. Trade payables

Trade payables are denominated in Singapore dollars, non-interest bearing and are normally settled on 30 to 90 day terms.

#### 10. Other payables

	2013 S\$	2012 S\$
Other payables	12,483	9,602
Accrued expenses	165,295	147,212
Grants received in advance	198,177	68,555
Fees received in advance	10,943	20,915
	<u>386,898</u>	<u>246,284</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2013

11. General funds

	Headquarter S\$	North Area S\$	South Area S\$	East Area S\$	West Area S\$	Scout Shop S\$	Scout Guild S\$	New Unit Development Funds S\$	Total S\$
<b>Incoming resources</b>									
<b>Incoming resources from generated funds</b>									
Voluntary income	11,350	-	-	-	-	-	-	-	11,350
Activities for generating funds									
- Donation Draw	205,390	6,719	4,953	5,181	7,375	-	-	-	229,618
- Job Week	348,749	14,297	15,381	13,024	14,960	-	-	-	406,411
- Scout Guild events	-	-	-	-	-	-	118,240	-	118,240
Investment income	31,387	552	552	552	552	10,359	1,111	-	45,065
<b>Incoming resources from charitable activities</b>									
- Grants	545,968	-	-	-	-	-	-	-	545,968
- Membership fees	98,570	-	-	-	-	-	-	-	98,570
- Fees from participants	383,900	28,004	59,620	23,425	48,835	-	-	-	543,784
- Scout Shop	-	-	-	-	-	184,304	-	-	184,304
- Scout Guild	-	-	-	-	-	-	694	-	694
- Use of camp	230,000	-	-	-	-	-	-	-	230,000
- Use of headquarter's facilities	12,118	-	-	-	-	-	-	-	12,118
Other incoming resources	188,634	-	-	-	-	6,003	-	-	194,637
<b>Total incoming resources</b>	<b>2,056,066</b>	<b>49,572</b>	<b>80,506</b>	<b>42,182</b>	<b>71,722</b>	<b>200,666</b>	<b>120,045</b>	<b>-</b>	<b>2,620,759</b>

The Singapore Scout Association

Notes to the financial statements – 31 December 2013

11. General funds (continued)

	Headquarter S\$	North Area S\$	South Area S\$	East Area S\$	West Area S\$	Scout Shop S\$	Scout Guild S\$	New Unit Development Funds S\$	Total S\$
<b>Resources expended</b>									
<b>Costs of generating funds</b>									
Fundraising costs									
- Donation Draw	28,663	938	691	723	1,030	-	-	-	32,045
- Job Week	5,058	207	223	189	217	-	-	-	5,894
- Scout Guild events	-	-	-	-	-	-	49,959	-	49,959
<b>Charitable activities</b>									
- Scout Shop	-	-	-	-	-	98,679	-	-	98,679
- Scout Guild	-	-	-	-	-	-	515	-	515
- Area activities	-	29,681	29,679	27,819	35,207	-	-	-	122,386
- International scout events and programme expenses	478,451	3,705	37,086	-	22,694	-	-	-	541,936
- Employee benefits expense	808,572	-	-	-	-	-	-	-	808,572
Governance costs - audit fees	12,000	-	-	-	-	-	-	-	12,000
Other resources expended	857,314	-	-	-	-	-	-	-	857,314
<b>Total resources expended</b>	<b>2,190,058</b>	<b>34,531</b>	<b>67,679</b>	<b>28,731</b>	<b>59,148</b>	<b>98,679</b>	<b>50,474</b>	<b>-</b>	<b>2,329,300</b>
<b>Net (outgoing)/incoming resources before transfer</b>	<b>(133,992)</b>	<b>15,041</b>	<b>12,827</b>	<b>13,451</b>	<b>12,574</b>	<b>101,987</b>	<b>69,571</b>	<b>-</b>	<b>91,459</b>
Amortisation of building fund	184,783	-	-	-	-	-	-	-	184,783
Transfer of funds	1,178	-	-	-	-	-	-	9,757	11,475
<b>Net incoming resources</b>	<b>52,509</b>	<b>15,041</b>	<b>12,827</b>	<b>13,451</b>	<b>12,574</b>	<b>101,987</b>	<b>69,571</b>	<b>9,757</b>	<b>287,717</b>
<b>Total funds brought forward</b>	<b>1,118,176</b>	<b>150,423</b>	<b>145,606</b>	<b>150,006</b>	<b>133,821</b>	<b>1,332,015</b>	<b>159,609</b>	<b>293,750</b>	<b>3,483,406</b>
<b>Total funds carried forward</b>	<b>1,170,685</b>	<b>165,464</b>	<b>158,433</b>	<b>163,457</b>	<b>146,395</b>	<b>1,434,002</b>	<b>229,180</b>	<b>303,507</b>	<b>3,771,123</b>

The Singapore Scout Association

Notes to the financial statements – 31 December 2013

12. Other specific funds

	Scout Groups S\$	Benjamin Henry Sheares S\$	IT Project S\$	Scout Discovery Centre S\$	Total S\$
<b>Incoming resources</b>					
<u>Incoming resources from generated funds</u>					
Voluntary income	11,982	-	-	-	11,982
Activities for generating funds					
- Donation Draw	162,018	-	-	-	162,018
- Job Week	384,411	-	-	-	384,411
Investment income	218	1,357	-	-	1,575
<u>Incoming resources from charitable activities</u>					
- Fees from participants	74,734	-	-	137	74,871
- Scout Groups	7,950	-	-	-	7,950
<b>Total incoming resources</b>	<b>641,313</b>	<b>1,357</b>	<b>-</b>	<b>137</b>	<b>642,807</b>
<b>Resources expended</b>					
<u>Costs of generating funds</u>					
Fundraising costs					
- Donation Draw	22,610	-	-	-	22,610
- Job Week	5,576	-	-	-	5,576
<u>Charitable activities</u>					
- Scout Groups	463,189	-	-	-	463,189
- International scout events and programme expenses	76,355	-	-	-	76,355
Other resources expended	-	-	-	931	931
<b>Total resources expended</b>	<b>567,730</b>	<b>-</b>	<b>-</b>	<b>931</b>	<b>568,661</b>
<b>Net incoming/(outgoing) resources before transfer</b>	<b>73,583</b>	<b>1,357</b>	<b>-</b>	<b>(794)</b>	<b>74,146</b>
Transfer of funds to general funds	(9,757)	-	(1,718)	-	(11,475)
<b>Net incoming/(outgoing) resources</b>	<b>63,826</b>	<b>1,357</b>	<b>(1,718)</b>	<b>(794)</b>	<b>62,671</b>
<b>Total funds brought forward</b>	<b>1,882,028</b>	<b>133,647</b>	<b>1,718</b>	<b>21,390</b>	<b>2,038,783</b>
<b>Total funds carried forward</b>	<b>1,945,854</b>	<b>135,004</b>	<b>-</b>	<b>20,596</b>	<b>2,101,454</b>

12. **Other specific funds** (continued)

**Scout Groups Fund**

The Scout Groups Fund is a designated fund of the Association that supports scouting activities of the scout groups registered with the Association. The Fund is set up using donations received that are designated for use by specific scout groups, the share of Donation Draw and Job Week proceeds that each scout group receives and other fund raising activities by the scout groups. As at 31 December 2013, there are 229 (2012 – 230) scout groups registered with the Association.

**Dr. Benjamin Henry Sheares Scholarship Fund**

The Dr. Benjamin Henry Sheares Scholarship Fund was set up for the purpose of using the income from the fund to provide educational scholarships for needy scouts.

**IT Project**

The IT project fund is used to fund the repair and upgrading of second hand computers which are then given to needy families in the community.

**Scout Discovery Centre**

The Scout Discovery Centre fund is used for the maintenance and upkeep of the centre and for the requisition of relevant scouting artifacts as part of the upgrading process.

# The Singapore Scout Association

## Notes to the financial statements – 31 December 2013

### 13. Donation Draw

	2013 S\$	2012 S\$
<b>Income</b>		
Sale of tickets	323,860	350,316
Donations (tax exempt)	67,776	29,210
	<u>391,636</u>	<u>379,526</u>
<b>Less: Expenses</b>		
Administration and advertising expenses	3,777	2,733
Printing, stationery and miscellaneous	7,078	6,600
Prizes	40,400	42,400
Unclaimed prizes donated to Community Chest	3,400	1,400
	<u>54,655</u>	<u>53,133</u>
<b>Net Income</b>	<u>336,981</u>	<u>326,393</u>
<b>Net income allocated as follows:</b>		
<u>Area (Note 11)</u>		
North Area	5,781	6,729
South Area	4,262	4,830
East Area	4,458	4,680
West Area	6,345	6,237
Total Area	20,846	22,476
Scout groups (Note 12)	139,408	150,314
Headquarter	176,727	153,603
<b>Net Income</b>	<u>336,981</u>	<u>326,393</u>



# The Singapore Scout Association

## Notes to the financial statements – 31 December 2013

### 14. Job Week

	2013 S\$	2012 S\$
<b>Income</b>		
Collections	790,822	784,357
Donations (tax exempt)	-	20,000
	<u>790,822</u>	<u>804,357</u>
<b>Less: Expenses</b>		
Administration expenses	2,165	2,335
Incentive awards	6,067	7,544
Printing of cards	2,856	1,825
Photography, stationery and miscellaneous	382	-
	<u>11,470</u>	<u>11,704</u>
<b>Net Income</b>	<u>779,352</u>	<u>792,653</u>
<b>Net income allocated as follows:</b>		
<u>Area (Note 11)</u>		
North Area	14,090	13,737
South Area	15,158	17,108
East Area	12,835	13,729
West Area	14,743	13,249
Total Area	56,826	57,823
Scout groups (Note 12)	378,835	385,487
Headquarter	343,691	349,343
<b>Net Income</b>	<u>779,352</u>	<u>792,653</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2013

15. Scout Guild events

	Charity Golf S\$	Charity Show S\$	2013 Total S\$	2012 Total S\$
<b>Income</b>				
Advertisement	-	-	-	1,000
Donations (tax exempt)	82,500	31,160	113,660	94,943
Fees collected	3,650	-	3,650	3,800
Sale of tickets	-	930	930	-
	<u>86,150</u>	<u>32,090</u>	<u>118,240</u>	<u>99,743</u>
<b>Less: Expenses</b>				
Cinema expenses	-	10,656	10,656	13,320
Green fees and dinner	37,412	-	37,412	18,458
Miscellaneous expenses	639	-	639	13,396
Souvenir programme	1,252	-	1,252	1,245
	<u>39,303</u>	<u>10,656</u>	<u>49,959</u>	<u>46,419</u>
<b>Net Surplus</b>	<u>46,847</u>	<u>21,434</u>	<u>68,281</u>	<u>53,324</u>

16. Scout Shop

	2013 S\$	2012 S\$
<b>Income</b>		
Sales, net of discount allowed	462,115	413,706
Cost of goods sold	<u>(277,811)</u>	<u>(221,304)</u>
<b>Gross profit</b>	184,304	192,402
<b>Other operating income</b>		
Interest income	10,359	5,460
Write back of long outstanding creditors	<u>6,003</u>	<u>-</u>
<b>Total operating income</b>	<u>200,666</u>	<u>197,862</u>
<b>Less:</b>		
Selling and distribution expenses	1,000	-
Other operating expenses	<u>97,679</u>	<u>80,160</u>
	<u>98,679</u>	<u>80,160</u>
<b>Net Surplus from Scout Shop</b>	<u>101,987</u>	<u>117,702</u>

Included in the cost of goods sold of the Scout Shop is a reversal of write-down of inventories for the year amounting to S\$7,785 (2012 - S\$1,395). The reversal of write-down of inventories was made when the related inventories were sold above their carrying amounts.

**The Singapore Scout Association**

**Notes to the financial statements – 31 December 2013**

**17. Employee benefits expense**

	<b>2013</b>	<b>2012</b>
	<b>S\$</b>	<b>S\$</b>
Staff salaries	830,723	629,451
CPF contributions and skills development levies	83,426	63,786
Staff training	3,645	3,398
Staff welfare	1,292	900
	<u>919,086</u>	<u>697,535</u>

**18. Other resources expended**

	<b>2013</b>	<b>2012</b>
	<b>S\$</b>	<b>S\$</b>
<u>General Funds</u>		
AGM expenses	1,000	764
Adult resources expenses	28,286	24,143
Amortisation of intangible assets	-	990
Bank charges	443	399
Depreciation of property, plant and equipment	247,849	483,777
Entertainment and refreshments	3,051	3,620
General expenses	3,475	3,158
Infrastructure	381,311	72,894
Insurance	24,306	25,403
Rental of office equipment	10,259	10,259
Recruitment	-	828
Medical	3,165	3,763
Membership expenses	15,710	16,082
Printing, stationery and postage	3,440	5,889
Public relations	9,158	8,759
Property tax	4,607	36,000
Repairs and maintenance	5,079	1,906
Software maintenance	24,295	23,628
Temporary staff	1,602	2,307
Telephone and internet	3,123	8,834
Training and courses	31,588	15,499
Travelling and transport expenses	1,024	1,262
Water and electricity	39,499	37,462
Production of Scout Song CD	12,295	-
Other resources expended	3,478	2,242
	<u>857,314</u>	<u>789,868</u>
<u>Scout Foundation Fund</u>		
Scout Foundation Fund expenses	27,175	20,428
<u>Other Specific Funds</u>		
Scout Discovery Centre expenses	931	3,358
	<u>885,420</u>	<u>813,654</u>

## The Singapore Scout Association

### Notes to the financial statements – 31 December 2013

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#### 19. Taxation

The Association is registered as a charity under the Charities Act and is exempted from tax.

#### 20. Related party transactions

Key management compensation

	2013 S\$	2012 S\$
Staff salaries	223,988	209,623
CPF contributions	15,215	14,838
	<u>239,203</u>	<u>224,461</u>

The number of the Association's key management personnel which falls within the following remuneration bands is as follows:

	2013	2012
S\$50,000 - S\$100,000	1	1
S\$101,000 - S\$150,000	<u>1</u>	<u>1</u>

There are no other related party transactions.

#### 21. Lease commitment

At the date of the statement of financial position, the association has commitment for future minimum lease payments in respect of its Sarimbun Camp as follows :-

	2013 S\$	2012 S\$
Commitments due :-		
- within one year	352,073	-
- between two to five years	396,082	-
	<u>748,155</u>	<u>-</u>

**22. Significant accounting estimates and judgements**

The preparation of financial statements, in conformity with FRSs, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

**22.1 Judgements made in applying accounting policies**

The following are the judgements made by management in the process of applying the Association's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

**(i) Impairment of property, plant and equipment**

The carrying values of property, plant and equipment are reviewed for impairment when there are indications of impairment. As at 31 December 2013, there is no indication of impairment and the carrying value of the Association's property, plant and equipment was S\$1,245,295.

**22.2 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below :-

**(i) Useful lives of property, plant and equipment**

The cost of property, plant and equipment for the Association's activities is depreciated on a straight line basis over the useful lives of the property, plant and equipment. Management estimates the useful lives of these property, plant and equipment to be within 3 to 30 years. These are common life expectancies applied in the industry. Changes in the expected levels of usage could impact the economic useful lives and the residual value of these assets and accordingly, future depreciation charges could be revised. The carrying values of the Association's property, plant and equipment are as disclosed in note 3.

**(ii) Impairment of non-financial assets**

The Association assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

22. **Significant accounting estimates and judgements** (continued)

22.2 **Key sources of estimation uncertainty** (continued)

(iii) **Impairment of receivables**

The Association assesses at each date of statement of financial position whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Association considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Association's receivables at the date of the statement of financial position is S\$509,814 (2012 – S\$289,602).

23. **Financial instruments**

23.1 **Categories of financial instruments**

The following sets out the financial instruments of the Association as at the date of the statement of financial position:-

	2013 S\$	2012 S\$
<b>Financial assets</b>		
Trade and other receivables	493,466	281,907
Cash and cash equivalents	6,434,092	6,016,268
	<u>6,927,558</u>	<u>6,298,175</u>
<b>Financial liabilities</b>		
Trade and other payables	<u>493,541</u>	<u>463,097</u>

23.2 **Risk management policies**

The main risks arising from the Association's financial instruments are credit risk, liquidity risk and price risk, primarily changes in foreign exchange rates and interest rates. However, the Association's activities expose it to minimal financial risks and the management monitors and controls its main risks in the following manner:

(i) **Credit risk**

Financial instruments contain an element of risk in that the counterparties may be unable to meet their obligations. The management minimises this risk by analysing the credibility of its debtors. In addition, it monitors the repayment terms of its debtors on a regular basis.

**23. Financial instruments (continued)**

**23.2 Risk management policies (continued)**

**(ii) Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments.

In the management of liquidity risk, the Association monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Association's activities and mitigate the effects of fluctuation in cash flows. The Scout Council exercises prudent liquidity and cash flow risk management policies and aims at maintaining a high level of liquidity and cash flows at all times.

**(iii) Foreign exchange risk**

Foreign exchange risk is the risk to earnings and value of financial instruments caused by fluctuation in foreign exchange rates. As the Association's transactions are substantially carried out in Singapore dollars, its exposure to foreign exchange risk is minimal.

Sensitivity analysis

Management has assessed that the exposure to changes in foreign exchange rates is minimal and hence the resulting impact on results of the Association is insignificant.

**(iv) Interest rate risk**

Interest rate risk relates primarily to the risk that the value of financial instruments will fluctuate as a result of changes to market interest rates. Surplus cash and cash equivalents are placed with established financial institutions at favorable interest rates and terms and conditions available to the Association. The Association's income and operating cash flows are substantially independent of changes in market interest rates. The Association's policy is to have no gearing.

Sensitivity analysis

Management has assessed that the exposure to changes in interest rates is minimal and hence the resulting impact on results of the Association is insignificant.

**23.3 Fair values**

The management is of the view that the fair values of the financial assets and liabilities as at the date of the statement of financial position approximate their carrying amounts as disclosed in the statement of financial position and in the notes to the financial statements.

**24. Authorisation of financial statements**

The financial statements of the Association for the financial year ended 31 December 2013 were authorised for issue in accordance with a resolution of the Scout Council on 24 May 2014.