

THE SINGAPORE SCOUT ASSOCIATION
Unique Entity No. S85CC0196D

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

The Singapore Scout Association

General Information

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 and International Commissioner - Chay Hong Leng

Registered Office

1 Bishan Street 12
Singapore 579808

Auditors

CA.sg PAC

Bankers

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

Index

	Page
Statement by Scout Council	1
Independent Auditors' Report	2 - 3
Statement of Financial Position	4
Statement of Financial Activities	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 31

The Singapore Scout Association

Statement by Scout Council

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 2014 and of the results of its activities and cash flows for the financial year ended on that date.

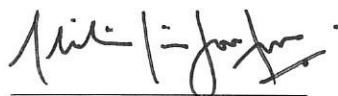
On behalf of the Scout Council



Tan Tee How
President



Tan Cheng Kiong
Chief Commissioner



Philip Ling Soon Hwa
Honorary Treasurer

Singapore, 23 May 2015

INDEPENDENT AUDITOR'S 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 2014, 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 AUDITOR'S 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 2014 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	15 March 2014 to 21 March 2014
Donation Draw	1 June 2014 to 5 September 2014

- 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.


CA.sg PAC
Public Accountants and
Chartered Accountants
Singapore

23 May 2015

The Singapore Scout Association

**Statement of Financial Position
As at 31 December 2014**

	Note	2014 S\$	2013 S\$
ASSETS AND LIABILITIES			
Non-Current Assets			
Property, plant and equipment	3	<u>1,083,414</u>	<u>1,245,295</u>
Current Assets			
Inventories	4	209,646	226,860
Trade receivables	5	42,531	45,827
Other receivables	6	475,757	463,987
Cash and cash equivalents	7	<u>7,071,287</u>	<u>6,434,092</u>
		<u>7,799,221</u>	<u>7,170,766</u>
Total Assets		<u>8,882,635</u>	<u>8,416,061</u>
Current Liabilities			
Trade payables	8	173,810	106,643
Other payables	9	<u>498,202</u>	<u>386,898</u>
Total Liabilities		<u>672,012</u>	<u>493,541</u>
Net Current Assets		<u>7,127,209</u>	<u>6,677,225</u>
Net Assets		<u>8,210,623</u>	<u>7,922,520</u>
FUNDS			
Unrestricted Funds			
General funds	10	3,863,649	3,771,123
Restricted Funds			
Building funds		1,117,270	1,276,880
Scout Foundation fund		815,517	773,063
Other specific funds	11	<u>2,414,187</u>	<u>2,101,454</u>
Total Funds		<u>8,210,623</u>	<u>7,922,520</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 2014

		←	Restricted Funds	→		
	Note	Building Funds SS	Scout Foundation Fund SS	Other Specific Funds (Note 11) SS	2014 Total Funds SS	2013 Total Funds SS
		General Funds (Note 10) SS				
Incoming resources						
<u>Incoming resources from generated funds</u>						
Voluntary income	12	7,598	-	231,750	28,239	267,587
Activities for generating funds						
- Donation Draw	13	256,979	-	-	193,268	450,247
- Job Week	14	428,837	-	-	377,836	806,673
- Scout Guild events	15	66,794	-	-	-	66,794
Investment income		50,841	-	-	1,568	52,409
<u>Incoming resources from charitable activities</u>						
- Grants		738,670	-	-	6,780	745,450
- Membership fees		100,134	-	-	-	100,134
- Fees from participants		435,877	-	-	51,827	487,704
- Scout Shop	16	196,186	-	-	-	196,186
- Scout Guild		-	-	-	-	-
- Scout Groups		-	-	13,783	13,783	7,950
- Use of camp		240,000	-	-	-	240,000
- Use of headquarter's facilities		11,785	-	-	-	11,785
Other incoming resources		196,944	-	-	2,372	199,316
Total incoming resources		<u>2,730,645</u>	<u>-</u>	<u>231,750</u>	<u>675,673</u>	<u>3,638,068</u>
Resources expended						
<u>Costs of generating funds</u>						
Fundraising costs						
- Donation Draw	13	39,269	-	-	29,535	68,804
- Job Week	14	5,359	-	-	4,720	10,079
- Scout Guild events	15	34,630	-	-	-	34,630
<u>Charitable activities</u>						
- Scout Shop	16	109,387	-	-	-	109,387
- Scout Guild		24	-	-	-	24
- Scout Groups		-	-	440,225	440,225	463,189
- Area activities		192,233	-	-	-	192,233
- International scout events and programme expenses		421,400	-	-	41,666	463,066
- Employee benefits expense	17	964,834	-	179,812	-	1,144,646
Governance costs - audit fees		12,000	-	-	-	12,000
Other resources expended	18	863,687	-	9,484	1,700	874,871
Total resources expended		<u>2,642,823</u>	<u>-</u>	<u>189,296</u>	<u>517,846</u>	<u>3,349,965</u>
Net incoming resources before amortisation and transfer		87,822	-	42,454	157,827	288,103
Amortisation of building fund		159,610	(159,610)	-	-	-
Transfer of funds		(154,906)	-	-	154,906	-
Net incoming/(outgoing) resources		92,526	(159,610)	42,454	312,733	288,103
Total funds brought forward		<u>3,771,123</u>	<u>1,276,880</u>	<u>773,063</u>	<u>2,101,454</u>	<u>7,922,520</u>
Total funds carried forward		<u>3,863,649</u>	<u>1,117,270</u>	<u>815,517</u>	<u>2,414,187</u>	<u>7,922,520</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 2014**

	Note	2014 S\$	2013 S\$
Cash flows from operating activities			
Surplus for the year		288,103	364,316
Adjustments for:-			
Depreciation of property, plant and equipment		198,954	251,825
Property, plant and equipment written-off		-	1,459
Interest income		(52,409)	(46,640)
		<u>146,545</u>	<u>206,644</u>
Operating surplus before working capital changes		<u>434,648</u>	<u>570,960</u>
Decrease in inventories		17,214	15,767
Increase in trade and other receivables		(8,474)	(220,212)
Increase in trade and other payables		178,471	30,444
Decrease in deferred income		-	(713)
		<u>187,211</u>	<u>(174,714)</u>
Net cash generated from operating activities		<u>621,859</u>	<u>396,246</u>
Cash flows from investing activities			
Interest received		52,409	46,640
Purchase of property, plant and equipment		(37,073)	(25,062)
Net cash generated from investing activities		<u>15,336</u>	<u>21,578</u>
Net increase in cash and cash equivalents		637,195	417,824
Cash and cash equivalents at 1 January		<u>6,434,092</u>	<u>6,016,268</u>
Cash and cash equivalents at 31 December	7	<u><u>7,071,287</u></u>	<u><u>6,434,092</u></u>

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 2014

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 2014

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.

The Singapore Scout Association

Notes to the financial statements – 31 December 2014

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.

The Singapore Scout Association

Notes to the financial statements – 31 December 2014

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 2014

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 11 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.

The Singapore Scout Association

Notes to the financial statements – 31 December 2014

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 2014

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 2014

3. Property, plant and equipment

	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\$
Cost									
As at 1 January 2013	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
Additions	15,463	-	-	390	1,397	1,423	18,400	-	37,073
Write-off	-	-	-	-	(11,637)	-	(31,531)	-	(43,168)
As at 31 December 2014	4,033,272	-	-	161,666	125,775	84,785	72,452	60,000	4,537,950
Accumulated depreciation									
As at 1 January 2013	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
Depreciation charge for the Year	173,550	-	-	1,460	11,911	906	11,127	-	198,954
Write-off	-	-	-	-	(11,637)	-	(31,531)	-	(43,168)
As at 31 December 2014	2,991,840	-	-	159,608	105,129	82,737	55,222	60,000	3,454,536
Carrying amount									
As at 31 December 2014	1,041,432	-	-	2,058	20,646	2,048	17,230	-	1,083,414
As at 31 December 2013	1,199,519	-	-	3,128	31,160	1,531	9,957	-	1,245,295

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. (Expired on 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\$195,400 (2013 - S\$247,849) in respect of HQ's property, plant and equipment and S\$3,554 (2013 - S\$3,976) in respect of Scout Shop's property, plant and equipment.

The Singapore Scout Association

Notes to the financial statements – 31 December 2014

4. Inventories

	2014	2013
	S\$	S\$
Goods held for resale	180,674	199,341
Medals and plaques	28,972	27,519
	<u>209,646</u>	<u>226,860</u>

5. 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\$11,265 (2013 – S\$39,912) are past due but not impaired. The analysis of their aging at the date of the statement of financial position is as follows:

	2014	2013
	S\$	S\$
<u>Trade receivables past due</u>		
1 to 30 days	4,101	27,566
31 to 60 days	523	3,090
Above 60 days	6,641	9,256
	<u>11,265</u>	<u>39,912</u>

6. Other receivables

	2014	2013
	S\$	S\$
Grant and donation receivables	255,323	317,827
Other receivables	37,284	37,492
Prepayments	93,440	16,348
Deposits	89,710	92,320
	<u>475,757</u>	<u>463,987</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2014

7. 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 :-

	2014 S\$	2013 S\$
Fixed deposits	5,148,638	4,547,771
Cash and bank balances	<u>1,922,649</u>	<u>1,886,321</u>
	<u>7,071,287</u>	<u>6,434,092</u>

The fixed deposits bear interest at interest rates ranging from 0.70% to 1.21% (2013 – 0.60% to 1.10%) per annum and mature within 1 to 12 (2013 – 1 to 12) months from the end of the financial year.

8. Trade payables

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

9. Other payables

	2014 S\$	2013 S\$
Other payables	9,603	12,483
Accrued expenses	201,762	165,295
Grants received in advance	97,057	198,177
Fees received in advance	189,730	10,943
Donations received in advance	<u>50</u>	<u>-</u>
	<u>498,202</u>	<u>386,898</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2014

10. 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\$
Incoming resources									
<u>Incoming resources from generated funds</u>									
Voluntary income	7,598	-	-	-	-	-	-	-	7,598
Activities for generating funds									
- Donation Draw	228,011	8,755	6,361	6,162	7,690	-	-	-	256,979
- Job Week	372,161	14,179	16,105	12,722	13,670	-	-	-	428,837
- Scout Guild events	-	-	-	-	-	-	66,794	-	66,794
Investment income	36,850	542	542	542	542	10,736	1,087	-	50,841
<u>Incoming resources from charitable activities</u>									
- Grants	738,670	-	-	-	-	-	-	-	738,670
- Membership fees	100,134	-	-	-	-	-	-	-	100,134
- Fees from participants	253,616	41,552	33,175	36,813	70,721	-	-	-	435,877
- Scout Shop	-	-	-	-	-	196,186	-	-	196,186
- Use of camp	240,000	-	-	-	-	-	-	-	240,000
- Use of headquarter's facilities	11,785	-	-	-	-	-	-	-	11,785
Other incoming resources	191,223	2,970	477	1,835	245	194	-	-	196,944
Total incoming resources	2,180,048	67,998	56,660	58,074	92,868	207,116	67,881	-	2,730,645

The Singapore Scout Association

Notes to the financial statements – 31 December 2014

10. 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\$
Resources expended									
<u>Costs of generating funds</u>									
Fundraising costs									
- Donation Draw	34,842	1,338	972	942	1,175	-	-	-	39,269
- Job Week	4,650	177	202	159	171	-	-	-	5,359
- Scout Guild events	-	-	-	-	-	-	34,630	-	34,630
<u>Charitable activities</u>									
- Scout Shop	-	-	-	-	-	109,387	-	-	109,387
- Scout Guild	-	-	-	-	-	-	24	-	24
- Area activities	-	50,416	38,781	33,819	69,217	-	-	-	192,233
- International scout events and programme expenses	399,044	-	-	10,371	11,985	-	-	-	421,400
- Employee benefits expense	920,908	10,086	11,878	11,879	10,083	-	-	-	964,834
Governance costs - audit fees	12,000	-	-	-	-	-	-	-	12,000
Other resources expended	861,695	290	476	610	470	-	-	146	863,687
Total resources expended	2,233,139	62,307	52,309	57,780	93,101	109,387	34,654	146	2,642,823
Net (outgoing)/incoming resources before transfer	(53,091)	5,691	4,351	294	(233)	97,729	33,227	(146)	87,822
Amortisation of building fund	159,610	-	-	-	-	-	-	-	159,610
Transfer of funds to other specific funds	(154,906)	-	-	-	-	-	-	-	(154,906)
Net incoming resources	(48,387)	5,691	4,351	294	(233)	97,729	33,227	(146)	92,526
Total funds brought forward	1,170,685	165,464	158,433	163,457	146,395	1,434,002	229,180	303,507	3,771,123
Total funds carried forward	1,122,298	171,155	162,784	163,751	146,162	1,531,731	262,407	303,361	3,863,649

The Singapore Scout Association

Notes to the financial statements – 31 December 2014

11. Other specific funds

	Scout Groups S\$	Benjamin Henry Sheares S\$	Scout Discovery Centre S\$	Scout Campsite Development S\$	Total S\$
Incoming resources					
<u>Incoming resources from generated funds</u>					
Voluntary income	28,239	-	-	-	28,239
Activities for generating funds					
- Donation Draw	193,268	-	-	-	193,268
- Job Week	377,836	-	-	-	377,836
Investment income	234	1,334	-	-	1,568
<u>Incoming resources from charitable activities</u>					
- Grants	6,780	-	-	-	6,780
- Fees from participants	51,724	-	103	-	51,827
- Scout Groups	13,783	-	-	-	13,783
Other incoming resources	2,372	-	-	-	2,372
Total incoming resources	674,236	1,334	103	-	675,673
Resources expended					
<u>Costs of generating funds</u>					
Fundraising costs					
- Donation Draw	29,535	-	-	-	29,535
- Job Week	4,720	-	-	-	4,720
Charitable activities					
- Scout Groups	440,225	-	-	-	440,225
- International scout events and programme expenses	41,666	-	-	-	41,666
Other resources expended	-	-	1,700	-	1,700
Total resources expended	516,146	-	1,700	-	517,846
Net incoming/(outgoing) resources before transfer	158,090	1,334	(1,597)	-	157,827
Transfer of funds (to)/from general funds	(4,346)	-	-	159,252	154,906
Net incoming/(outgoing) resources	153,744	1,334	(1,597)	159,252	312,733
Total funds brought forward	1,945,854	135,004	20,596	-	2,101,454
Total funds carried forward	2,099,598	136,338	18,999	159,252	2,414,187

The Singapore Scout Association

Notes to the financial statements – 31 December 2014

11. 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 2014, there are 235 (2013 – 229) 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.

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.

Scout Campsite Development Fund

The Scout Campsite Development Fund is used for camp maintenance and facilities/infrastructure upgrade.

12. Voluntary income

	2014 S\$	2013 S\$
<u>General fund</u>		
Donations (tax exempt)	7,498	11,350
Donations (non-tax exempt)	100	-
	<u>7,598</u>	<u>11,350</u>
<u>Scout foundation fund</u>		
Donations (tax exempt)	168,750	328,400
Donations (non-tax exempt)	63,000	8,000
	<u>231,750</u>	<u>336,400</u>
<u>Other specific fund</u>		
Donations (tax exempt)	22,500	2,600
Donations (non-tax exempt)	5,739	9,382
	<u>28,239</u>	<u>11,982</u>
	<u>267,587</u>	<u>359,732</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2014

13. Donation Draw

	2014 S\$	2013 S\$
Income		
Sale of tickets	387,600	323,860
Donations (tax exempt)	12,300	67,600
Donations (non-tax exempt)	50,347	176
	<u>450,247</u>	<u>391,636</u>
Less: Expenses		
Administration and advertising expenses	8,965	3,777
Printing, stationery and miscellaneous	8,039	7,078
Prizes	44,300	40,400
Unclaimed prizes donated to Community Chest	7,500	3,400
	<u>68,804</u>	<u>54,655</u>
Net Income	<u>381,443</u>	<u>336,981</u>
Net income allocated as follows:		
<u>Area (Note 10)</u>		
North Area	7,417	5,781
South Area	5,389	4,262
East Area	5,220	4,458
West Area	6,515	6,345
Total Area	<u>24,541</u>	<u>20,846</u>
Scout groups (Note 11)	163,733	139,408
Headquarter	<u>193,169</u>	<u>176,727</u>
Net Income	<u>381,443</u>	<u>336,981</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2014

14. Job Week

	2014 S\$	2013 S\$
Income		
Collections	755,225	770,822
Donations (tax exempt)	50,000	20,000
Donations (non-tax exempt)	1,448	-
	<u>806,673</u>	<u>790,822</u>
Less: Expenses		
Administration expenses	1,954	2,165
Incentive awards	4,815	6,067
Printing of cards	3,082	2,856
Photography, stationery and miscellaneous	228	382
	<u>10,079</u>	<u>11,470</u>
Net Income	<u>796,594</u>	<u>779,352</u>
Net income allocated as follows:		
<u>Area (Note 10)</u>		
North Area	14,002	14,090
South Area	15,903	15,158
East Area	12,563	12,835
West Area	13,499	14,743
Total Area	<u>55,967</u>	<u>56,826</u>
Scout groups (Note 11)	373,116	378,835
Headquarter	<u>367,511</u>	<u>343,691</u>
Net Income	<u>796,594</u>	<u>779,352</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2014

15. **Scout Guild events**

	2014	2013
	S\$	S\$
Charity Golf		
Income		
Sponsorship donations (tax exempt)	65,174	113,660
Fees collected	1,620	3,650
Sale of tickets	-	930
	<u>66,794</u>	<u>118,240</u>
Less: Expenses		
Cinema expenses	-	10,656
Green fees and dinner	30,692	37,412
Miscellaneous expenses	1,290	639
Souvenir programme	2,648	1,252
	<u>34,630</u>	<u>49,959</u>
Net Surplus	<u><u>32,164</u></u>	<u><u>68,281</u></u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2014

16. Scout Shop	2014	2013
	S\$	S\$
Income		
Sales, net of discount allowed	441,974	462,115
Cost of goods sold	<u>(245,788)</u>	<u>(277,811)</u>
Gross profit	196,186	184,304
Other operating income		
Interest income	10,736	10,359
Write-back of long outstanding creditors	<u>194</u>	<u>6,003</u>
Total operating income	<u>207,116</u>	<u>200,666</u>
Less:		
Selling and distribution expenses	1,000	1,000
Other operating expenses	<u>108,387</u>	<u>97,679</u>
	<u>109,387</u>	<u>98,679</u>
Net Surplus from Scout Shop	<u><u>97,729</u></u>	<u><u>101,987</u></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\$2,565 (2013 - S\$7,785). The reversal of write-down of inventories was made when the related inventories were sold above their carrying amounts.

Included in the other operating expenses of the Scout Shop is depreciation of property, plant and equipment for the year amounting to S\$3,554 (2013 - S\$3,976).

The Singapore Scout Association

Notes to the financial statements – 31 December 2014

17. Employee benefits expense	2014 S\$	2013 S\$
Staff salaries	1,027,560	830,723
CPF contributions and skills development levies	110,183	83,426
Staff training	2,832	3,645
Staff welfare	4,071	1,292
	1,144,646	919,086
18. Other resources expended	2014 S\$	2013 S\$
<u>General Funds</u>		
AGM expenses	1,188	1,000
Adult resources expenses	14,553	28,286
Bank charges	584	443
Depreciation of property, plant and equipment	195,400	247,849
Entertainment and refreshments	6,297	3,051
General expenses	4,717	3,475
Infrastructure	425,592	381,311
Insurance	25,541	24,306
Rental of office equipment	9,200	10,259
Medical	4,328	3,165
Membership expenses	18,269	15,710
Printing, stationery and postage	7,128	3,440
Public relations	8,606	9,158
Property tax	-	4,607
Repairs and maintenance	4,161	5,079
Software maintenance	49,328	24,295
Staff retreat	5,740	-
Temporary staff	3,198	1,602
Telephone and internet	6,544	3,123
Training and courses	33,518	31,588
Travelling and transport expenses	1,206	1,024
Water and electricity	35,861	39,499
Production of Scout Song CD	-	12,295
Other resources expended	2,728	3,478
	863,687	857,314
<u>Scout Foundation Fund</u>		
Scout Foundation Fund expenses	9,484	27,175
<u>Other Specific Funds</u>		
Scout Discovery Centre expenses	1,700	931
	874,871	885,420

The Singapore Scout Association

Notes to the financial statements – 31 December 2014

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

	2014	2013
	S\$	S\$
Staff salaries	231,790	223,988
CPF contributions	15,270	15,215
	<u>247,060</u>	<u>239,203</u>

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

	2014	2013
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 :-

	2014	2013
	S\$	S\$
Commitments due :-		
- within one year	352,073	352,073
- between two to five years	44,009	396,082
	<u>396,082</u>	<u>748,155</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 2014, there is no indication of impairment and the carrying value of the Association's property, plant and equipment was S\$1,083,414.

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\$424,848 (2013 – S\$493,466).

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:-

	2014	2013
	S\$	S\$
Financial assets		
Trade and other receivables	424,848	493,466
Cash and cash equivalents	7,071,287	6,434,092
	<u>7,496,135</u>	<u>6,927,558</u>
Financial liabilities		
Trade and other payables	<u>672,012</u>	<u>493,541</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.

The Singapore Scout Association

Notes to the financial statements – 31 December 2014

23. Financial instruments (continued)

23.2 Risk management policies (continued)

The management also adopts a prudent approach towards maintenance of the Association's reserves and investments as follows:

(i) Reserves

The Association regards its unrestricted general funds as its reserve. The Association aims to maintain sufficient reserve to ensure long-term financial sustainability and continuity for the purpose of operating effective programmes. The maximum reserve shall be five years of annual operating expenditure.

(ii) Investments

The Association currently places its available funds in fixed deposits on tenors that range from 3 to 12 months. The Association may consider other forms of investments after they have been approved by the Scout Council.

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 2014 were authorised for issue in accordance with a resolution of the Scout Council on 23 May 2015.