

THE SINGAPORE SCOUT ASSOCIATION
Unique Entity No. S85CC0196D

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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
Vice President – Raymond Chia
Honorary Secretary – Ong Teong Wan
Honorary Treasurer – Fong Heng Boo

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

Registered Office

1 Bishan Street 12
Singapore 579808

Auditor

CA.sg PAC

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
for the year ended 31 December 2015**

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 33 are properly drawn up so as to give a true and fair view of the financial position of the Association as at 31 December 2015 and of the financial performance and cash flows of the Association for the financial year ended on that date.

On behalf of the Scout Council



Tan Tee How
President



Tan Cheng Kiong
Chief Commissioner



Fong Heng Boo
Honorary Treasurer

Singapore, 14 May 2016

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 2015, 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 financial statements 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 financial position of the Association as at 31 December 2015, and of the financial performance and cash flows of the Association for the financial year 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	14 March 2015 to 20 March 2015
Donation Draw	1 June 2015 to 5 September 2015
World Scout Jamboree 2015	8 February 2015 to 14 June 2015

- 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 P&C
Public Accountants and
Chartered Accountants
Singapore

14 May 2016

The Singapore Scout Association

Statement of Financial Position
As at 31 December 2015

	Note	2015 S\$	2014 S\$
ASSETS AND LIABILITIES			
Non-Current Assets			
Property, plant and equipment	3	905,822	1,083,414
Prepayments	4	1,647,865	-
		<u>2,553,687</u>	<u>1,083,414</u>
Current Assets			
Inventories	5	234,209	209,646
Trade receivables	6	8,479	42,531
Other receivables	7	900,201	475,757
Prepayments	4	58,852	-
Cash and cash equivalents	8	7,064,720	7,071,287
		<u>8,266,461</u>	<u>7,799,221</u>
Total Assets		<u>10,820,148</u>	<u>8,882,635</u>
Current Liabilities			
Trade payables	9	238,144	173,810
Other payables	10	449,705	498,202
Deferred grant	11	58,852	-
		<u>746,701</u>	<u>672,012</u>
Non-Current Liability			
Deferred grant	11	1,647,865	-
Total Liabilities		<u>2,394,566</u>	<u>672,012</u>
Net Current Assets		<u>7,519,760</u>	<u>7,127,209</u>
Net Assets		<u>8,425,582</u>	<u>8,210,623</u>
FUNDS			
Unrestricted Funds			
General funds	12	4,239,835	3,863,649
Restricted Funds			
Building funds		957,660	1,117,270
Scout Foundation fund		746,539	815,517
Other specific funds	13	2,481,548	2,414,187
Total Funds		<u>8,425,582</u>	<u>8,210,623</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 2015

		←	Restricted Funds	→			
	General Funds (Note 12) S\$	Building Funds S\$	Scout Foundation Fund S\$	Other Specific Funds (Note 13) S\$	2015 Total Funds S\$	2014 Total Funds S\$	
Note							
Incoming resources							
<u>Incoming resources from generated funds</u>							
Voluntary income	14	93,261	-	207,790	9,670	310,721	267,587
Activities for generating funds							
- Donation Draw	15	245,686	-	-	184,471	430,157	450,247
- Job Week	16	416,879	-	-	364,879	781,758	806,673
- Scout Guild events	17	76,800	-	-	-	76,800	66,794
Investment income		66,936	-	-	2,066	69,002	52,409
<u>Incoming resources from charitable activities</u>							
- Grants		1,286,589	-	-	600	1,287,189	745,450
- Membership fees		102,538	-	-	-	102,538	100,134
- Fees from participants		1,105,066	-	-	48,194	1,153,260	487,704
- Scout Shop	18	252,804	-	-	-	252,804	196,186
- Scout Guild		13,600	-	-	-	13,600	-
- Scout Groups		-	-	-	17,510	17,510	13,783
- Use of camp		240,000	-	-	-	240,000	240,000
- Use of headquarter's facilities		11,786	-	-	-	11,786	11,785
Other incoming resources		297,331	-	-	1,085	298,416	199,316
Total incoming resources		<u>4,209,276</u>	<u>-</u>	<u>207,790</u>	<u>628,475</u>	<u>5,045,541</u>	<u>3,638,068</u>
Resources expended							
<u>Costs of generating funds</u>							
Fundraising costs							
- Donation Draw	15	36,734	-	-	27,581	64,315	68,804
- Job Week	16	5,338	-	-	4,672	10,010	10,079
- Scout Guild events	17	17,333	-	-	-	17,333	34,630
<u>Charitable activities</u>							
- Scout Shop	18	98,117	-	-	-	98,117	109,387
- Scout Guild		12,605	-	-	-	12,605	24
- Scout Groups		-	-	-	429,002	429,002	440,225
- Area activities		148,284	-	-	-	148,284	192,233
- International scout events and programme expenses		1,467,186	-	-	-	1,467,186	463,066
- Employee benefits expense	19	1,100,210	-	254,452	-	1,354,662	1,144,646
Governance costs - audit fees		13,000	-	-	-	13,000	12,000
Other resources expended	20	974,318	-	22,316	219,434	1,216,068	874,871
Total resources expended		<u>3,873,125</u>	<u>-</u>	<u>276,768</u>	<u>680,689</u>	<u>4,830,582</u>	<u>3,349,965</u>
Net incoming/(outgoing) resources before amortisation and transfer							
		336,151	-	(68,978)	(52,214)	214,959	288,103
Amortisation of building fund		159,610	(159,610)	-	-	-	-
Transfer of funds		(119,575)	-	-	119,575	-	-
Net incoming/(outgoing) resources		<u>376,186</u>	<u>(159,610)</u>	<u>(68,978)</u>	<u>67,361</u>	<u>214,959</u>	<u>288,103</u>
Total funds brought forward		<u>3,863,649</u>	<u>1,117,270</u>	<u>815,517</u>	<u>2,414,187</u>	<u>8,210,623</u>	<u>7,922,520</u>
Total funds carried forward		<u>4,239,835</u>	<u>957,660</u>	<u>746,539</u>	<u>2,481,548</u>	<u>8,425,582</u>	<u>8,210,623</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 2015

	Note	2015 S\$	2014 S\$
Cash flows from operating activities			
Surplus for the year		214,959	288,103
Adjustments for:-			
Depreciation of property, plant and equipment		199,245	198,954
Interest income		(69,002)	(52,409)
		<u>130,243</u>	<u>146,545</u>
Operating surplus before working capital changes		<u>345,202</u>	<u>434,648</u>
(Increase)/Decrease in inventories		(24,563)	17,214
Increase in trade and other receivables		(2,097,109)	(8,474)
Increase in trade and other payables		1,722,554	178,471
		<u>(399,118)</u>	<u>187,211</u>
Net cash (used in)/generated from operating activities		<u>(53,916)</u>	<u>621,859</u>
Cash flows from investing activities			
Interest received		69,002	52,409
Purchase of property, plant and equipment		(21,653)	(37,073)
Net cash generated from investing activities		<u>47,349</u>	<u>15,336</u>
Net (decrease)/increase in cash and cash equivalents		<u>(6,567)</u>	<u>637,195</u>
Cash and cash equivalents at 1 January		<u>7,071,287</u>	<u>6,434,092</u>
Cash and cash equivalents at 31 December	8	<u><u>7,064,720</u></u>	<u><u>7,071,287</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 2015

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.

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
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 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.

2.5 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.

2.6 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)

2.6 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.

2.7 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)

2.7 **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.

2.8 **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.

2.9 **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.

2.10 **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 2015

2. Summary of significant accounting policies (continued)

2.11 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 13 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.

2.12 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)

2.13 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.

2.14 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 2015

2. Summary of significant accounting policies (continued)

2.15 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.

2.16 Cash and cash equivalents

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

2.17 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 2015

3. Property, plant and equipment		HQ building	Furniture and fittings	Sundry equipment	Air conditioners	Computers	Motor vehicles	Total
		S\$	S\$	S\$	S\$	S\$	S\$	S\$
Cost								
As at 1 January 2014		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
Additions		-	-	15,371	6,282	-	-	21,653
As at 31 December 2015		4,033,272	161,666	141,146	91,067	72,452	60,000	4,559,603
Accumulated depreciation								
As at 1 January 2014		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
Depreciation charge for the Year		173,550	661	11,876	2,202	10,956	-	199,245
As at 31 December 2015		3,165,390	160,269	117,005	84,939	66,178	60,000	3,653,781
Carrying amount								
As at 31 December 2015		867,882	1,397	24,141	6,128	6,274	-	905,822
As at 31 December 2014		1,041,432	2,058	20,646	2,048	17,230	-	1,083,414

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

HQ building: 1 Bishan Street 12, Singapore 579808. (Lease expiring on 22 April 2021 was renewed on 28 May 2015 for 30 years to 28 May 2045)

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\$195,691 (2014 - S\$195,400) in respect of HQ's property, plant and equipment and S\$3,554 (2014 - S\$3,554) in respect of Scout Shop's property, plant and equipment.

The Singapore Scout Association

Notes to the financial statements – 31 December 2015

4. Prepayments

The prepaid lease rental relates to a 30-year lease of land for the Association's HQ building at 1 Bishan Street 12, Singapore 579808 commencing on 28 May 2015. It is fully funded through a grant as disclosed in note 11 to the financial statements.

	2015	2014
	S\$	S\$
Prepaid lease rental :-		
- not later than one year	58,852	-
- later than one year and not later than five years	235,409	-
- later than five years	1,412,456	-
	<u>1,647,865</u>	<u>-</u>
	<u>1,706,717</u>	<u>-</u>

5. Inventories

	2015	2014
	S\$	S\$
Goods held for resale	206,786	180,674
Medals and plaques	27,423	28,972
	<u>234,209</u>	<u>209,646</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\$372 (2014 – S\$11,625) are past due but not impaired. The analysis of their aging at the date of the statement of financial position is as follows:

	2015	2014
	S\$	S\$
<u>Trade receivables past due</u>		
1 to 30 days	2	4,101
31 to 60 days	-	523
Above 60 days	370	6,641
	<u>372</u>	<u>11,265</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2015

7. Other receivables

	2015	2014
	S\$	S\$
<u>Current Assets</u>		
Grant and donation receivables	674,157	255,323
Other receivables	124,274	37,284
Prepayments	10,510	93,440
Deposits	91,260	89,710
	<u>900,201</u>	<u>475,757</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 :-

	2015	2014
	S\$	S\$
Fixed deposits	5,216,154	5,148,638
Cash and bank balances	1,848,566	1,922,649
	<u>7,064,720</u>	<u>7,071,287</u>

The fixed deposits bear interest at interest rates ranging from 0.20% to 1.92% (2014 – 0.70% to 1.21%) per annum and mature within 5 days to 12 months (2014 – 1 to 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.

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Notes to the financial statements – 31 December 2015

10. Other payables

	2015 S\$	2014 S\$
<u>Current Liabilities</u>		
Other payables	9,603	9,603
Accrued expenses	261,597	201,762
Grants received in advance	131,077	97,057
Fees received in advance	47,428	189,730
Donations received in advance	-	50
	<u>449,705</u>	<u>498,202</u>

11. Deferred grant

The deferred grant comprises funding for the Association's lease of land for its building as disclosed in note 4 to the financial statements.

	2015 S\$	2014 S\$
Deferred grant :-		
- not later than one year	<u>58,852</u>	<u>-</u>
- later than one year and not later than five years	235,409	-
- later than five years	<u>1,412,456</u>	<u>-</u>
	<u>1,647,865</u>	<u>-</u>
	<u>1,706,717</u>	<u>-</u>

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Notes to the financial statements – 31 December 2015

12. General funds

	Headquarter S\$	North Area S\$	South Area S\$	East Area S\$	West Area S\$	Scout Shop S\$	Scout Guild S\$	Sands Leadership Development Centre S\$	New Unit Development Funds S\$	Total S\$
Incoming resources										
<u>Incoming resources from generated funds</u>										
Voluntary income	92,861	-	400	-	-	-	-	-	-	93,261
Activities for generating funds										
- Donation Draw	218,391	7,711	6,308	6,015	7,261	-	-	-	-	245,686
- Job Week	362,147	12,186	14,877	13,539	14,130	-	-	-	-	416,879
- Scout Guild events	-	-	-	-	-	-	76,800	-	-	76,800
Investment income	49,590	677	677	677	677	13,320	1,318	-	-	66,936
<u>Incoming resources from charitable activities</u>										
- Grants	1,286,589	-	-	-	-	-	-	-	-	1,286,589
- Membership fees	102,538	-	-	-	-	-	-	-	-	102,538
- Fees from participants	984,907	41,944	24,451	15,709	37,575	-	-	480	-	1,105,066
- Scout Guild	-	-	-	-	-	-	13,600	-	-	13,600
- Scout Shop	-	-	-	-	-	252,804	-	-	-	252,804
- Use of camp	240,000	-	-	-	-	-	-	-	-	240,000
- Use of headquarter's facilities	11,786	-	-	-	-	-	-	-	-	11,786
Other incoming resources	284,884	-	-	-	-	11,565	882	-	-	297,331
Total incoming resources	3,633,693	62,518	46,713	35,940	59,643	277,689	92,600	480	-	4,209,276

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Notes to the financial statements – 31 December 2015

12. General funds (continued)

	Headquarter S\$	North Area S\$	South Area S\$	East Area S\$	West Area S\$	Scout Shop S\$	Scout Guild S\$	Sands Leadership Development Centre S\$	New Unit Development Funds S\$	Total S\$
Resources expended										
<u>Costs of generating funds</u>										
Fundraising costs										
- Donation Draw	32,653	1,153	943	899	1,086	-	-	-	-	36,734
- Job Week	4,637	156	191	173	181	-	-	-	-	5,338
- Scout Guild events	-	-	-	-	-	-	17,333	-	-	17,333
<u>Charitable activities</u>										
- Scout Shop	-	-	-	-	-	98,117	-	-	-	98,117
- Scout Guild	-	-	-	-	-	-	12,605	-	-	12,605
- Area activities	-	48,678	32,785	20,045	46,776	-	-	-	-	148,284
- International scout events and programme expenses	1,467,186	-	-	-	-	-	-	-	-	1,467,186
- Employee benefits expense	954,933	14,227	15,946	15,946	14,227	-	-	84,931	-	1,100,210
Governance costs - audit fees	13,000	-	-	-	-	-	-	-	-	13,000
Other resources expended	940,637	531	531	531	531	-	-	31,557	-	974,318
Total resources expended	3,413,046	64,745	50,396	37,594	62,801	98,117	29,938	116,488	-	3,873,125
Net (outgoing)/incoming resources before transfer	220,647	(2,227)	(3,683)	(1,654)	(3,158)	179,572	62,662	(116,008)	-	336,151
Amortisation of building fund	159,610	-	-	-	-	-	-	-	-	159,610
Transfer of funds to other specific funds	(119,575)	-	-	-	-	-	-	-	-	(119,575)
Net incoming resources	260,682	(2,227)	(3,683)	(1,654)	(3,158)	179,572	62,662	(116,008)	-	376,186
Total funds brought forward	1,122,298	171,155	162,784	163,751	146,162	1,531,731	262,407	-	303,361	3,863,649
Total funds carried forward	1,382,980	168,928	159,101	162,097	143,004	1,711,303	325,069	(116,008)	303,361	4,239,835

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Notes to the financial statements – 31 December 2015

13. 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	9,670	-	-	-	9,670
Activities for generating funds					
- Donation Draw	184,471	-	-	-	184,471
- Job Week	364,879	-	-	-	364,879
Investment income	401	1,665	-	-	2,066
<u>Incoming resources from charitable activities</u>					
- Grants	600	-	-	-	600
- Fees from participants	48,194	-	-	-	48,194
- Scout Groups	17,510	-	-	-	17,510
Other incoming resources	1,085	-	-	-	1,085
Total incoming resources	626,810	1,665	-	-	628,475
Resources expended					
<u>Costs of generating funds</u>					
Fundraising costs					
- Donation Draw	27,581	-	-	-	27,581
- Job Week	4,672	-	-	-	4,672
Charitable activities					
- Scout Groups	429,002	-	-	-	429,002
Other resources expended	-	-	698	218,736	219,434
Total resources expended	461,255	-	698	218,736	680,689
Net incoming/(outgoing) resources before transfer	165,555	1,665	(698)	(218,736)	(52,214)
Transfer of funds from general funds	-	-	-	119,575	119,575
Net incoming/(outgoing) resources	165,555	1,665	(698)	(99,161)	67,361
Total funds brought forward	2,099,598	136,338	18,999	159,252	2,414,187
Total funds carried forward	2,265,153	138,003	18,301	60,091	2,481,548

13. **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 2015, there are 235 (2014 – 235) 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.

14. **Voluntary income**

	2015 S\$	2014 S\$
<u>General fund</u>		
Donations (tax exempt)	24,200	7,498
Donations (non-tax exempt)	69,061	100
	<u>93,261</u>	<u>7,598</u>
<u>Scout foundation fund</u>		
Donations (tax exempt)	197,790	168,750
Donations (non-tax exempt)	10,000	63,000
	<u>207,790</u>	<u>231,750</u>
<u>Other specific funds</u>		
Donations (tax exempt)	4,400	22,500
Donations (non-tax exempt)	5,270	5,739
	<u>9,670</u>	<u>28,239</u>
	<u>310,721</u>	<u>267,587</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2015

15. Donation Draw

	2015 S\$	2014 S\$
Income		
Sale of tickets	369,765	387,600
Donations (tax exempt)	10,300	12,300
Donations (non-tax exempt)	50,092	50,347
	<u>430,157</u>	<u>450,247</u>
Less: Expenses		
Administration and advertising expenses	3,504	8,965
Printing, stationery and miscellaneous	8,932	8,039
Prizes	51,800	44,300
Refreshments	79	-
Unclaimed prizes donated to Community Chest	-	7,500
	<u>64,315</u>	<u>68,804</u>
Net Income	<u><u>365,842</u></u>	<u><u>381,443</u></u>
Net income allocated as follows:		
<u>Area (Note 12)</u>		
North Area	6,558	7,417
South Area	5,365	5,389
East Area	5,116	5,220
West Area	6,175	6,515
Total Area	<u>23,214</u>	<u>24,541</u>
Scout groups (Note 13)	156,890	163,733
Headquarter	<u>185,738</u>	<u>193,169</u>
Net Income	<u><u>365,842</u></u>	<u><u>381,443</u></u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2015

16. Job Week

	2015 S\$	2014 S\$
Income		
Collections	728,097	755,225
Donations (tax exempt)	2,000	50,000
Donations (non-tax exempt)	51,661	1,448
	<u>781,758</u>	<u>806,673</u>
Less: Expenses		
Administration expenses	1,920	1,954
Incentive awards	4,815	4,815
Printing of cards	3,082	3,082
Photography, stationery and miscellaneous	193	228
	<u>10,010</u>	<u>10,079</u>
Net Income	<u><u>771,748</u></u>	<u><u>796,594</u></u>
Net income allocated as follows:		
<u>Area (Note 12)</u>		
North Area	12,030	14,002
South Area	14,686	15,903
East Area	13,366	12,563
West Area	13,949	13,499
Total Area	<u>54,031</u>	<u>55,967</u>
Scout groups (Note 13)	360,207	373,116
Headquarter	<u>357,510</u>	<u>367,511</u>
Net Income	<u><u>771,748</u></u>	<u><u>796,594</u></u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2015

17. Scout Guild events

	2015	2014
	S\$	S\$
Charity Golf		
Income		
Donations (non-tax exempt)	17,800	-
Sponsorship donations (tax exempt)	59,000	65,174
Fees collected	-	1,620
	<u>76,800</u>	<u>66,794</u>
Less: Expenses		
Green fees and dinner	15,521	30,692
Miscellaneous expenses	1,405	1,290
Souvenir programme	407	2,648
	<u>17,333</u>	<u>34,630</u>
Net Surplus	<u>59,467</u>	<u>32,164</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2015

18. Scout Shop	2015	2014
	S\$	S\$
Income		
Sales, net of discount allowed	617,520	441,974
Cost of goods sold	<u>(364,716)</u>	<u>(245,788)</u>
Gross profit	252,804	196,186
Other operating income		
Interest income	13,321	10,736
Write-back of long outstanding creditors	<u>11,564</u>	<u>194</u>
Total operating income	<u>277,689</u>	<u>207,116</u>
Less:		
Selling and distribution expenses	1,959	1,000
Other operating expenses	<u>96,158</u>	<u>108,387</u>
	<u>98,117</u>	<u>109,387</u>
Net Surplus from Scout Shop	<u><u>179,572</u></u>	<u><u>97,729</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\$1,440 (2014 - S\$2,565). 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 (2014 – S\$3,554).

The Singapore Scout Association

Notes to the financial statements – 31 December 2015

19. Employee benefits expense	2015 S\$	2014 S\$
Staff salaries	1,199,728	1,027,560
CPF contributions and skills development levies	151,910	110,183
Staff training	2,196	2,832
Staff welfare	828	4,071
	1,354,662	1,144,646
20. Other resources expended	2015 S\$	2014 S\$
<u>General Funds</u>		
AGM expenses	792	1,188
Adult resources expenses	23,411	14,553
Bank charges	561	584
Depreciation of property, plant and equipment	195,691	195,400
Entertainment and refreshments	2,764	6,297
General expenses	4,010	4,717
Infrastructure	436,482	425,592
Insurance	25,658	25,541
Lease of HQ land	58,852	-
Rental of office equipment	9,104	9,200
Medical	5,016	4,328
Membership expenses	16,403	18,269
Printing, stationery and postage	8,513	7,128
Public relations	9,188	8,606
Recruitment	3,467	-
Repairs and maintenance	1,008	4,161
Software maintenance	49,111	49,328
Staff retreat	8,320	5,740
Temporary staff	1,728	3,198
Telephone and internet	7,855	6,544
Training and courses	61,073	33,518
Travelling and transport	1,515	1,206
Water and electricity	31,166	35,861
Other resources expended	12,630	2,728
	974,318	863,687

The Singapore Scout Association

Notes to the financial statements – 31 December 2015

20. **Other resources expended** (continued)

	2015 S\$	2014 S\$
<u>Scout Foundation Fund</u>		
Scout Foundation Fund expenses	22,316	9,484
<u>Other Specific Funds</u>		
Scout Campsite Development expenses		
- Addition and alteration works	207,060	-
- Others	11,676	-
	218,736	-
Scout Discovery Centre expenses	698	1,700
	219,434	1,700
	<u>1,216,068</u>	<u>874,871</u>

21. **Taxation**

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

22. **Related party transactions**

Key management compensation

	2015 S\$	2014 S\$
Staff salaries	238,896	231,790
CPF contributions	16,516	15,270
	<u>255,412</u>	<u>247,060</u>

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

	2015	2014
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.

23. 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 :-

	2015	2014
	S\$	S\$
Commitments due :-		
- not later than one year	362,072	352,073
- later than one year and not later than five years	772,438	44,009
	<u>1,134,510</u>	<u>396,082</u>

24. 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.

24.1 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 2015, there is no indication of impairment and the carrying value of the Association's property, plant and equipment was S\$905,822.

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

24.2 **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.

(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\$898,170 (2014 – S\$424,848).

25. Financial instruments

25.1 Categories of financial instruments

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

	2015 S\$	2014 S\$
Financial assets		
Trade and other receivables	898,170	424,848
Cash and cash equivalents	7,064,720	7,071,287
	<u>7,926,890</u>	<u>7,496,135</u>
Financial liabilities		
Trade and other payables	<u>687,849</u>	<u>672,012</u>

25.2 Risk management policies

The main risks arising from the Association's financial instruments are credit risk, liquidity risk and price risk, primarily changes in 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.

(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.

25. **Financial instruments** (continued)

25.2 **Risk management policies** (continued)

(iii) **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

The following demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the company's net incoming resources.

	Increase/(Decrease) in net incoming resources	
	2015	2014
	S\$	S\$
Fixed deposits interest rate		
-increase by 50 basis points	26,081	25,743
-decrease by 50 basis points	<u>(26,081)</u>	<u>(25,743)</u>

(iv) **Other price risk**

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

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.

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.

25. **Financial instruments** (continued)

25.3 **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.

26. **Authorisation of financial statements**

The financial statements of the Association for the financial year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Scout Council on 14 May 2016.