

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

# The Singapore Scout Association

## General Information

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### Scout Council

President – Tan Tee How  
Vice President – Professor Lui Pao Chuen  
Vice President – Chua Tin Sien Philip  
Vice President – Chia Lee Meng Raymond  
Honorary Secretary – Ranvir Kumar Singh  
Honorary Treasurer – Fong Heng Boo

Chief Commissioner – Antong Shahrudin Bin Rahmat  
Deputy Chief and International Commissioner – Ho Kai Kwong Jeffrey

### 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 2017**

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We, the undersigned, hereby state that in the opinion of the Scout Council, the financial statements of The Singapore Scout Association (“Association”) set out on pages 6 to 35 are properly drawn up so as to give a true and fair view of the financial position of the Association as at 31 December 2017 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



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Tan Tee How  
President



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Antong Shahrudin Bin Rahmat  
Chief Commissioner



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Fong Heng Boo  
Honorary Treasurer

Singapore, 12 May 2018



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

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**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the accompanying financial statements of The Singapore Scout Association (“Association”) which comprise the statement of financial position as at 31 December 2017, the statement of financial activities and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (“FRS”) so as to give a true and fair view of the financial position of the Association as at 31 December 2017 and of the financial performance, and cash flows of the Association for the year ended on that date.

*Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT**

to the members of

### **THE SINGAPORE SCOUT ASSOCIATION (continued)**

#### **Report on the Audit of the Financial Statements (continued)**

##### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRS, 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

##### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **INDEPENDENT AUDITOR'S REPORT**

to the members of

**THE SINGAPORE SCOUT ASSOCIATION** (continued)

### **Report on the Audit of the Financial Statements** (continued)

#### *Auditor's Responsibilities for the Audit of the Financial Statements* (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

**Report on Other Legal and Regulatory Requirements**


In our opinion:

- a) the accounting and other records required to be kept by the Association have been properly kept in accordance with the Charities Act, Chapter 37 and Regulations and Boy Scouts Association Act, Chapter 26;
- b) the fund-raising appeals listed below conducted by the Association during the financial year, have been carried out in accordance with the Charities Act, Chapter 37 and Regulations and Income Tax Act, Chapter 134 and proper accounts 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	11 March 2017 to 17 March 2017
Donation Draw	1 April 2017 to 2 September 2017

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- (i) the Association has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institution of a Public Character) Regulations; and
- (ii) the Association has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

  
**CA.sg FAC**  
Public Accountants and  
Chartered Accountants  
Singapore

12 May 2018

**The Singapore Scout Association**

**Statement of Financial Position  
As at 31 December 2017**

	Note	2017 S\$	2016 S\$
<b>ASSETS AND LIABILITIES</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	1,090,413	906,115
Prepayments	4	1,530,161	1,589,013
		<u>2,620,574</u>	<u>2,495,128</u>
<b>Current Assets</b>			
Inventories	5	302,936	256,913
Trade receivables	6	205,595	65,095
Other receivables	7	603,640	729,538
Prepayments	4	58,852	58,852
Cash and cash equivalents	8	7,879,721	7,136,949
		<u>9,050,744</u>	<u>8,247,347</u>
<b>Total Assets</b>		<u>11,671,318</u>	<u>10,742,475</u>
<b>Current Liabilities</b>			
Trade payables	9	187,914	193,104
Other payables	10	538,823	413,408
Deferred grant	11	58,852	58,852
		<u>785,589</u>	<u>665,364</u>
<b>Non-Current Liability</b>			
Deferred grant	11	1,530,161	1,589,013
<b>Total Liabilities</b>		<u>2,315,750</u>	<u>2,254,377</u>
<b>Net Current Assets</b>		<u>8,265,155</u>	<u>7,581,983</u>
<b>Net Assets</b>		<u>9,355,568</u>	<u>8,488,098</u>
<b>FUNDS</b>			
<b>Unrestricted Funds</b>			
General funds	12	4,402,607	4,593,276
<b>Restricted Funds</b>			
Building fund		2,149,669	925,738
Scout Foundation fund		335,465	578,433
Other specific funds	13	2,467,827	2,390,651
<b>Total Funds</b>		<u>9,355,568</u>	<u>8,488,098</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 2017

		←	Restricted Funds	→		
	Note	Building Fund S\$	Scout Foundation Fund S\$	Other Specific Funds (Note 13) S\$	2017 Total Funds S\$	2016 Total Funds S\$
		General Funds (Note 12) S\$				
<b>Incoming resources</b>						
<u>Incoming resources from generated funds</u>						
Voluntary income	14	4,680	-	32,248	19,750	56,678
Activities for generating funds						
- Donation Draw	15	172,413	-	-	106,818	279,231
- Job Week	16	345,389	-	-	345,388	690,777
- Scout Guild events	17	111,990	-	-	-	111,990
Investment income		70,260	-	-	454	70,714
<u>Incoming resources from charitable activities</u>						
- Grants		932,148	-	34,240	384	966,772
- Membership fees		101,659	-	-	-	101,659
- Fees from participants		446,203	-	-	59,087	505,290
- Scout Shop	18	170,035	-	-	-	170,035
- Scout Guild		8,612	-	-	-	8,612
- Sands Leadership Development Centre	19	1,590,698	-	-	-	1,590,698
- Use of camp		-	-	-	-	10,000
- Use of headquarter's facilities		8,395	-	-	-	8,395
Other incoming resources		198,287	-	-	2,106	200,393
<b>Total incoming resources</b>		<u>4,160,769</u>	<u>-</u>	<u>66,488</u>	<u>533,987</u>	<u>4,761,244</u>
<b>Resources expended</b>						
<u>Costs of generating funds</u>						
Fundraising costs						
- Donation Draw	15	58,828	-	-	4,883	63,711
- Job Week	16	4,726	-	-	4,726	9,452
- Scout Guild events	17	30,464	-	-	-	30,464
<u>Charitable activities</u>						
- Scout Shop	18	109,789	-	-	-	109,789
- Scout Guild		6,924	-	-	-	6,924
- Scout Groups		-	-	-	410,163	410,163
- Area activities		340,799	-	-	-	340,799
- International scout events and programme expenses		308,521	-	-	-	308,521
- Sands Leadership Development Centre	19	1,337,987	-	-	-	1,337,987
- Employee benefits expense	20	1,086,617	-	254,317	-	1,340,934
Governance costs - audit fees		16,500	-	-	-	16,500
Other resources expended	21	1,076,885	-	55,139	37,039	1,169,063
<b>Total resources expended</b>		<u>4,378,040</u>	<u>-</u>	<u>309,456</u>	<u>456,811</u>	<u>5,144,307</u>
<b>Net (outgoing)/incoming resources before amortisation and transfer</b>		(217,271)	-	(242,968)	77,176	(383,063)
Amortisation of building fund		26,602	(26,602)	-	-	-
Incoming resources for building fund		-	1,250,533	-	-	1,250,533
<b>Net (outgoing)/incoming resources</b>		(190,669)	1,223,931	(244,968)	77,176	867,470
<b>Total funds brought forward</b>		<u>4,593,276</u>	<u>925,738</u>	<u>578,433</u>	<u>2,390,651</u>	<u>8,488,098</u>
<b>Total funds carried forward</b>		<u>4,402,607</u>	<u>2,149,669</u>	<u>333,465</u>	<u>2,467,827</u>	<u>8,488,098</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 2017**

	Note	2017 S\$	2016 S\$
<b>Cash flows from operating activities</b>			
(Deficit)/Surplus for the year		<u>(383,063)</u>	<u>62,516</u>
Adjustments for:-			
Depreciation of property, plant and equipment		47,957	53,747
Impairment loss on trade receivables		-	16,340
Interest income		<u>(70,714)</u>	<u>(92,733)</u>
		<u>(22,757)</u>	<u>(22,646)</u>
Operating (deficit)/surplus before working capital changes		<u>(405,820)</u>	<u>39,870</u>
Increase in inventories		(46,023)	(22,704)
Decrease in trade and other receivables		44,250	156,559
Increase/(Decrease) in trade and other payables		<u>61,373</u>	<u>(140,189)</u>
		<u>59,600</u>	<u>(6,334)</u>
Net cash (used in)/generated from operating activities		<u>(346,220)</u>	<u>33,536</u>
<b>Cash flows from investing activities</b>			
Interest received		70,714	92,733
Purchase of property, plant and equipment		<u>(232,255)</u>	<u>(54,040)</u>
Net cash (used in)/generated from investing activities		<u>(161,541)</u>	<u>38,693</u>
<b>Net cash generated from financing activities</b>			
Funding for upgrading of building		<u>1,250,533</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>		742,772	72,229
<b>Cash and cash equivalents at 1 January</b>		<u>7,136,949</u>	<u>7,064,720</u>
<b>Cash and cash equivalents at 31 December</b>	8	<u><u>7,879,721</u></u>	<u><u>7,136,949</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 2017**

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

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

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

The Association is registered as a Charity under the Charities Act, Chapter 37 and has been granted an Institution of Public Character (IPC) status up to 31 August 2019 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 2017

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

##### 2.2 Financial assets (continued)

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

##### Loans and receivables

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

##### 2.3 Property, plant and equipment

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

HQ building	Leasehold period of 30 years
Furniture and fittings	5 years
Sundry equipment	5 years
Air-conditioners	5 years
Computers	3 years
Motor vehicle	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 2017**

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#### **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.

## The Singapore Scout Association

### Notes to the financial statements – 31 December 2017

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#### 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.

## The Singapore Scout Association

### Notes to the financial statements – 31 December 2017

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#### 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 that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in the statement of financial activities of the period in which it becomes receivable.

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 2017

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#### 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.



## The Singapore Scout Association

### Notes to the financial statements – 31 December 2017

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#### 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 2017**

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#### **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 2017

3. Property, plant and equipment

	HQ building S\$	Furniture and fittings S\$	Sundry equipment S\$	Air conditioners S\$	Computers S\$	Motor vehicles S\$	Total S\$
<b>Cost</b>							
As at 1 January 2016	4,033,272	161,666	141,146	91,067	72,452	60,000	4,559,603
Additions	-	9,520	27,716	15,604	1,200	-	54,040
As at 31 December 2016	4,033,272	171,186	168,862	106,671	73,652	60,000	4,613,643
Additions	200,304	290	18,300	2,200	11,161	-	232,255
As at 31 December 2017	4,233,576	171,476	187,162	108,871	84,813	60,000	4,845,898
<b>Accumulated depreciation</b>							
As at 1 January 2016	3,165,390	160,269	117,005	84,939	66,178	60,000	3,653,781
Depreciation charge for the year	28,929	2,070	14,488	1,918	6,342	-	53,747
As at 31 December 2016	3,194,319	162,339	131,493	86,857	72,520	60,000	3,707,528
Depreciation charge for the year	28,929	2,564	10,384	4,270	1,810	-	47,957
As at 31 December 2017	3,223,248	164,903	141,877	91,127	74,330	60,000	3,755,485
<b>Carrying amount</b>							
As at 31 December 2017	1,010,328	6,573	45,285	17,744	10,483	-	1,090,413
As at 31 December 2016	838,953	8,847	37,369	19,814	1,132	-	906,115

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: 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\$39,302 (2016 - S\$47,812) in respect of HQ's property, plant and equipment, S\$270 (2016 - S\$270) in respect of Scout Shop's property, plant and equipment and S\$8,385 (2016 - S\$5,665) in respect of Sands Leadership Development Centre's property, plant and equipment.

## The Singapore Scout Association

### Notes to the financial statements – 31 December 2017

#### 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.

	2017 S\$	2016 S\$
Prepaid lease rental :-		
- not later than one year	<u>58,852</u>	<u>58,852</u>
- later than one year and not later than five years	235,409	235,409
- later than five years	<u>1,294,752</u>	<u>1,353,604</u>
	<u>1,530,161</u>	<u>1,589,013</u>
	<u>1,589,013</u>	<u>1,647,865</u>

#### 5. Inventories

	2017 S\$	2016 S\$
Goods held for resale	279,189	229,216
Medals and plaques	<u>23,747</u>	<u>27,697</u>
	<u>302,936</u>	<u>256,913</u>

#### 6. Trade receivables

	2017 S\$	2016 S\$
Third parties	205,595	81,435
Less:		
Impairment loss	<u>-</u>	<u>(16,340)</u>
	<u>205,595</u>	<u>65,095</u>

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.

## The Singapore Scout Association

### Notes to the financial statements – 31 December 2017

#### 6. Trade receivables (continued)

At the date of the statement of financial position, trade receivables amounting to S\$115,326 (2016 – S\$11,565) are past due but not impaired. The analysis of their aging at the date of the statement of financial position is as follows:

	2017 S\$	2016 S\$
<u>Trade receivables past due</u>		
1 to 30 days	67,958	3,444
31 to 60 days	1,604	-
Above 60 days	45,764	8,121
	<u>115,326</u>	<u>11,565</u>

#### 7. Other receivables

	2017 S\$	2016 S\$
Grant and donation receivables	313,709	488,003
Other receivables	171,199	123,775
Prepayments	25,332	26,580
Deposits	93,400	91,180
	<u>603,640</u>	<u>729,538</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 :-

	2017 S\$	2016 S\$
Fixed deposits	5,378,324	5,307,481
Cash and bank balances	2,501,397	1,829,468
	<u>7,879,721</u>	<u>7,136,949</u>

The fixed deposits bear interest at interest rates ranging from 1.15% to 2.00% (2016 – 0.20% to 1.95%) per annum and mature within 5 days to 12 months (2016 – 5 days to 12 months) from the end of the financial year.

## The Singapore Scout Association

### Notes to the financial statements – 31 December 2017

#### 9. Trade payables

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

#### 10. Other payables

	2017 S\$	2016 S\$
Other payables	219,531	31,122
Accrued expenses	222,014	250,186
Grants received in advance	87,775	122,015
Fees received in advance	9,503	10,085
	<u>538,823</u>	<u>413,408</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.

	2017 S\$	2016 S\$
Deferred grant :-		
- not later than one year	<u>58,852</u>	<u>58,852</u>
- later than one year and not later than five years	235,409	235,409
- later than five years	<u>1,294,752</u>	<u>1,353,604</u>
	<u>1,530,161</u>	<u>1,589,013</u>
	<u>1,589,013</u>	<u>1,647,865</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2017

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\$
<b>Incoming resources</b>										
<u>Incoming resources from generated funds</u>										
Voluntary income	4,680	-	-	-	-	-	-	-	-	4,680
Activities for generating funds										
- Donation Draw	156,433	4,487	4,749	3,495	3,249	-	-	-	-	172,413
- Job Week	293,634	11,601	16,869	11,963	11,322	-	-	-	-	345,389
- Scout Guild events	-	-	-	-	-	-	111,990	-	-	111,990
Investment income	51,796	814	814	814	814	13,601	1,607	-	-	70,260
<u>Incoming resources from charitable activities</u>										
- Grants	932,148	-	-	-	-	-	-	4,316	-	936,464
- Membership fees	101,659	-	-	-	-	-	-	-	-	101,659
- Fees from participants	138,262	95,876	41,575	22,660	151,151	-	-	1,098,765	-	1,548,289
- Scout Shop	-	-	-	-	-	170,035	-	-	-	170,035
- Scout Guild	-	-	-	-	-	-	8,612	-	-	8,612
- Use of camp	-	-	-	-	-	-	-	446,595	-	446,595
- Use of headquarter's facilities	8,395	-	-	-	-	-	-	-	-	8,395
Other incoming resources	194,040	-	-	-	-	926	-	41,022	-	235,988
<b>Total incoming resources</b>	<b>1,881,047</b>	<b>112,778</b>	<b>64,007</b>	<b>38,932</b>	<b>166,536</b>	<b>184,562</b>	<b>122,209</b>	<b>1,590,698</b>	<b>-</b>	<b>4,160,769</b>

The Singapore Scout Association

Notes to the financial statements – 31 December 2017

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\$
<b>Resources expended</b>										
<u>Costs of generating funds</u>										
Fundraising costs										
- Donation Draw	58,097	205	217	160	149	-	-	-	-	58,828
- Job Week	4,071	147	214	151	143	-	-	-	-	4,726
- Scout Guild events	-	-	-	-	-	-	30,464	-	-	30,464
<u>Charitable activities</u>										
- Scout Shop	-	-	-	-	-	109,789	-	-	-	109,789
- Scout Guild	-	-	-	-	-	-	6,924	-	-	6,924
- Area activities	-	95,852	50,920	31,908	162,119	-	-	-	-	340,799
- International scout events and programme expenses	308,521	-	-	-	-	-	-	-	-	308,521
- Sands Leadership Development Centre	-	-	-	-	-	-	-	880,831	-	880,831
- Employee benefits expense	1,019,013	15,950	17,839	17,852	15,963	-	-	418,825	-	1,505,442
Governance costs - audit fees	16,500	-	-	-	-	-	-	-	-	16,500
Other resources expended	1,075,830	288	265	215	263	-	24	38,331	-	1,115,216
<b>Total resources expended</b>	<b>2,482,032</b>	<b>112,442</b>	<b>69,455</b>	<b>50,286</b>	<b>178,637</b>	<b>109,789</b>	<b>37,412</b>	<b>1,337,987</b>	<b>-</b>	<b>4,378,040</b>
<b>Net (outgoing)/incoming resources before transfer</b>	<b>(600,985)</b>	<b>336</b>	<b>(5,448)</b>	<b>(11,354)</b>	<b>(12,101)</b>	<b>74,773</b>	<b>84,797</b>	<b>252,711</b>	<b>-</b>	<b>(217,271)</b>
Amortisation of building fund	26,602	-	-	-	-	-	-	-	-	26,602
<b>Net (outgoing)/incoming resources</b>	<b>(574,383)</b>	<b>336</b>	<b>(5,448)</b>	<b>(11,354)</b>	<b>(12,101)</b>	<b>74,773</b>	<b>84,797</b>	<b>252,711</b>	<b>-</b>	<b>(190,669)</b>
<b>Total funds brought forward</b>	<b>1,576,678</b>	<b>164,397</b>	<b>159,209</b>	<b>155,129</b>	<b>125,760</b>	<b>1,833,621</b>	<b>387,488</b>	<b>(112,367)</b>	<b>303,361</b>	<b>4,593,276</b>
<b>Total funds carried forward</b>	<b>1,002,295</b>	<b>164,733</b>	<b>153,761</b>	<b>143,775</b>	<b>113,659</b>	<b>1,908,394</b>	<b>472,285</b>	<b>140,344</b>	<b>303,361</b>	<b>4,402,607</b>



The Singapore Scout Association

Notes to the financial statements – 31 December 2017

13. Other specific funds

	Scout Groups S\$	Benjamin Henry Sheares S\$	Scout Discovery Centre S\$	Scout Campsite Development S\$	Total S\$
<b>Incoming resources</b>					
<u>Incoming resources from generated funds</u>					
Voluntary income	17,750	-	-	-	17,750
Activities for generating funds					
- Donation Draw	106,818	-	-	-	106,818
- Job Week	345,388	-	-	-	345,388
Investment income	453	2,001	-	-	2,454
<u>Incoming resources from charitable activities</u>					
- Fees from participants	59,087	-	-	-	59,087
- Grant	384	-	-	-	384
Other incoming resources	998	-	1,108	-	2,106
<b>Total incoming resources</b>	<b>530,878</b>	<b>2,001</b>	<b>1,108</b>	<b>-</b>	<b>533,987</b>
<b>Resources expended</b>					
<u>Costs of generating funds</u>					
Fundraising costs					
- Donation Draw	4,883	-	-	-	4,883
- Job Week	4,726	-	-	-	4,726
<u>Charitable activities</u>					
- Scout Groups	410,163	-	-	-	410,163
Other resources expended	2,050	-	-	34,989	37,039
<b>Total resources expended</b>	<b>421,822</b>	<b>-</b>	<b>-</b>	<b>34,989</b>	<b>456,811</b>
<b>Net incoming/(outgoing) resources</b>	<b>109,056</b>	<b>2,001</b>	<b>1,108</b>	<b>(34,989)</b>	<b>77,176</b>
<b>Total funds brought forward</b>	<b>2,248,446</b>	<b>140,463</b>	<b>17,794</b>	<b>(16,052)</b>	<b>2,390,651</b>
<b>Total funds carried forward</b>	<b>2,357,502</b>	<b>142,464</b>	<b>18,902</b>	<b>(51,041)</b>	<b>2,467,827</b>

## The Singapore Scout Association

### Notes to the financial statements – 31 December 2017

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#### 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 2017, there are 247 (2016 – 243) 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

	2017 S\$	2016 S\$
<u>General funds</u>		
Donations (tax exempt)	4,650	6,525
Donations (non-tax exempt)	30	4,250
	<u>4,680</u>	<u>10,775</u>
<u>Scout Foundation fund</u>		
Donations (tax exempt)	32,173	96,900
Donations (non-tax exempt)	75	3,400
	<u>32,248</u>	<u>100,300</u>
<u>Other specific funds</u>		
Donations (tax exempt)	16,750	3,160
Donations (non-tax exempt)	3,000	10
	<u>19,750</u>	<u>3,170</u>
	<u>56,678</u>	<u>114,245</u>

**The Singapore Scout Association**

**Notes to the financial statements – 31 December 2017**

**15. Donation Draw**

	<b>2017</b>	<b>2016</b>
	<b>S\$</b>	<b>S\$</b>
<b>Income</b>		
Sale of tickets	268,430	296,361
Donations (tax exempt)	10,801	16,350
Donations (non-tax exempt)	-	50,141
	<u>279,231</u>	<u>362,852</u>
<b>Less: Expenses</b>		
Administration and advertising expenses	3,191	4,341
Printing, stationery and miscellaneous	8,720	9,095
Prizes	48,500	51,400
Refreshments	-	98
Unclaimed prizes donated to Community Chest	3,300	400
	<u>63,711</u>	<u>65,334</u>
<b>Net Income</b>	<u>215,520</u>	<u>297,518</u>
<b>Net income allocated as follows:</b>		
<u>Area (Note 12)</u>		
North Area	4,282	4,954
South Area	4,532	4,702
East Area	3,335	3,893
West Area	3,100	4,550
Total Area	15,249	18,099
Scout groups (Note 13)	101,935	121,026
Headquarter (Note 12)	98,336	158,393
<b>Net Income</b>	<u>215,520</u>	<u>297,518</u>

## The Singapore Scout Association

### Notes to the financial statements – 31 December 2017

#### 16. Job Week

	2017 S\$	2016 S\$
<b>Income</b>		
Collections	638,644	674,099
Donations (tax exempt)	2,000	2,000
Donations (non-tax exempt)	50,133	50,285
	<u>690,777</u>	<u>726,384</u>
<b>Less: Expenses</b>		
Administration expenses	1,722	1,944
Incentive awards	4,500	4,815
Printing of cards	2,750	4,205
Photography, stationery and miscellaneous	480	558
	<u>9,452</u>	<u>11,522</u>
<b>Net Income</b>	<u>681,325</u>	<u>714,862</u>
<b>Net income allocated as follows:</b>		
<u>Area (Note 12)</u>		
North Area	11,454	11,676
South Area	16,655	17,017
East Area	11,812	12,871
West Area	11,179	12,051
Total Area	51,100	53,615
Scout groups (Note 13)	340,662	357,431
Headquarter	289,563	303,816
<b>Net Income</b>	<u>681,325</u>	<u>714,862</u>

## The Singapore Scout Association

### Notes to the financial statements – 31 December 2017

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#### 17. Scout Guild events

	2017	2016
	S\$	S\$
<b>Charity Golf</b>		
<b>Income</b>		
Donations (non-tax exempt)	19,250	7,200
Sponsorship donations (tax exempt)	91,760	85,250
Fees collected	980	1,360
	<u>111,990</u>	<u>93,810</u>
<b>Less: Expenses</b>		
Green fees and dinner	28,420	31,420
Miscellaneous expenses	1,664	2,218
Souvenir programme	380	407
	<u>30,464</u>	<u>34,045</u>
<b>Net Income</b>	<u><u>81,526</u></u>	<u><u>59,765</u></u>

**The Singapore Scout Association**

**Notes to the financial statements – 31 December 2017**

**18. Scout Shop**

	<b>2017</b>	<b>2016</b>
	<b>S\$</b>	<b>S\$</b>
<b>Income</b>		
Sales, net of discount allowed	412,481	449,254
Cost of goods sold	<u>(242,446)</u>	<u>(240,763)</u>
<b>Gross profit</b>	<b>170,035</b>	<b>208,491</b>
<b>Other operating income</b>		
Interest income	13,601	19,108
Other incoming resources	<u>926</u>	<u>-</u>
<b>Total income</b>	<b><u>184,562</u></b>	<b><u>227,599</u></b>
<b>Less: Expenses</b>		
Selling and distribution expenses	1,675	1,000
Employee benefits expense	85,219	83,125
Other operating expenses	<u>22,895</u>	<u>21,156</u>
	<u>109,789</u>	<u>105,281</u>
<b>Net Income</b>	<b><u>74,773</u></b>	<b><u>122,318</u></b>

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\$90 (2016 - S\$1,440). 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\$270 (2016 - S\$270).

**19. Sands Leadership Development Centre**

	<b>2017</b>	<b>2016</b>
	<b>S\$</b>	<b>S\$</b>
<b>Income</b>		
Fees from participants	1,098,765	636,914
Grant	4,316	-
Use of camp	446,595	440,518
Other incoming resources	<u>41,022</u>	<u>27,146</u>
	<u>1,590,698</u>	<u>1,104,578</u>
<b>Less: Expenses</b>		
Direct expenses	648,026	457,940
Employee benefits expense	418,825	298,900
Other operating expenses	<u>271,136</u>	<u>344,097</u>
	<u>1,337,987</u>	<u>1,100,937</u>
<b>Net Income</b>	<b><u>252,711</u></b>	<b><u>3,641</u></b>

Included in other operating expenses of the Sands Leadership Development Centre are depreciation of property, plant and equipment for the year amounting to S\$8,385 (2016 - S\$5,665) and impairment loss on trade receivables amounting to NIL (2016 - S\$16,340).

**The Singapore Scout Association**

**Notes to the financial statements – 31 December 2017**

**20. Employee benefits expense**

	<b>2017</b>	<b>2016</b>
	<b>S\$</b>	<b>S\$</b>
Staff salaries	1,186,494	1,064,236
CPF contributions and skills development levies	148,333	129,125
Staff training	2,804	696
Staff welfare	3,303	2,507
	<u>1,340,934</u>	<u>1,196,564</u>

**21. Other resources expended**

	<b>2017</b>	<b>2016</b>
	<b>S\$</b>	<b>S\$</b>
<u>General Funds</u>		
Good Deed campaign	65,646	-
GST in respect of prior years	286,792	-
AGM expenses	1,206	1,338
Adult resources expenses	28,063	14,542
Bank charges	1,669	969
Depreciation of property, plant and equipment	47,570	47,812
Entertainment and refreshments	4,505	4,040
General expenses	5,589	6,287
Infrastructure	352,505	426,600
Insurance	25,156	27,939
Lease of HQ land	58,852	58,852
Rental of office equipment	8,707	9,104
Medical	4,964	5,133
Membership expenses	17,065	17,365
Printing, stationery and postage	5,705	6,059
Professional fees	8,060	-
Public relations	13,294	24,425
Repairs and maintenance	33,445	637
Software maintenance	15,814	19,239
Staff retreat	5,920	7,335
Temporary staff	7,701	579
Telephone and internet	7,794	7,216
Training and courses	40,676	50,626
Travelling and transport	1,448	1,321
Water and electricity	26,122	26,308
Other resources expended	2,617	12,278
	<u>1,076,885</u>	<u>776,004</u>

## The Singapore Scout Association

### Notes to the financial statements – 31 December 2017

#### 21. Other resources expended (continued)

	2017 S\$	2016 S\$
<u>Scout Foundation Fund</u>		
Scout Foundation Fund expenses	55,139	16,116
<u>Other Specific Funds</u>		
Scout Campsite Development expenses		
- Addition and alteration works	34,989	53,750
- Others	2,050	22,393
	37,039	76,143
Scout Discovery Centre expenses	-	1,129
	37,039	77,272
	1,169,063	869,392

#### 22. Taxation

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

#### 23. Related party transactions

Key management compensation

	2017 S\$	2016 S\$
Staff salaries	287,158	224,349
CPF contributions	25,642	21,977
	312,800	246,326

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

	2017	2016
S\$50,000 - S\$100,000	2	1
S\$101,000 - S\$150,000	1	1

There are no other related party transactions.



## The Singapore Scout Association

### Notes to the financial statements – 31 December 2017

#### 24. 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 :-

	2017 S\$	2016 S\$
Commitments due :-		
- not later than one year	363,500	363,500
- later than one year and not later than five years	45,438	408,938
	<u>408,938</u>	<u>772,438</u>

#### 25. Overseas expenditure and capital outlay

	2017 S\$	2016 S\$
Overseas expenditure exempted from detailed reporting :-		
- overseas retreats / seminars / courses	27,698	10,155
- overseas travel / accommodation	46,584	31,397
	<u>74,282</u>	<u>41,552</u>

#### 26. 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.

##### 26.1 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 2017, there is no indication of impairment and the carrying value of the Association's property, plant and equipment was S\$1,090,413.

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

**26.2 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\$783,903 (2016 - S\$768,053).

## The Singapore Scout Association

### Notes to the financial statements – 31 December 2017

#### 27. Financial instruments

##### 27.1 Categories of financial instruments

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

	2017	2016
	S\$	S\$
<b>Financial assets</b>		
Trade and other receivables	783,903	768,053
Cash and cash equivalents	7,879,721	7,136,949
	<u>8,663,624</u>	<u>7,905,002</u>
<b>Financial liabilities</b>		
Trade and other payables	726,737	606,512

##### 27.2 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.

## The Singapore Scout Association

### Notes to the financial statements – 31 December 2017

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#### 27. Financial instruments (continued)

##### 27.2 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 Association's net incoming resources.

	<b>Increase/(Decrease) in net incoming resources</b>	
	<b>2017</b>	<b>2016</b>
	<b>S\$</b>	<b>S\$</b>
<b>Fixed deposits interest rate</b>		
-increase by 50 basis points	26,892	26,537
-decrease by 50 basis points	<u>(26,892)</u>	<u>(26,537)</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 5 days to 12 months. The Association may consider other forms of investments after they have been approved by the Scout Council.

## **The Singapore Scout Association**

### **Notes to the financial statements – 31 December 2017**

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#### **27. Financial instruments (continued)**

##### **27.3 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.

#### **28. Authorisation of financial statements**

The financial statements of the Association for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Scout Council on 12 May 2018.