

THE SINGAPORE SCOUT ASSOCIATION
Unique Entity No. S85CC0196D

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

The Singapore Scout Association

General Information

Scout Council

President – Chia Lee Meng Raymond

Vice President – Ngien Hoon Ping

Vice President – Chua Tin Sien Philip/ Philip Ling Soon Hwa (appointed on 17 June 2023)

Vice President – Dr William Wan Kok Tang

Honorary Secretary – Tan Cheng Kiong

Honorary Treasurer – Tan Swee Ho

Chief Commissioner – Desmond Chong Kok Hwee

Deputy Chief Commissioner – Andrew Ang Kah Hin

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 2023

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 51 are properly drawn up so as to give a true and fair view of the financial position of the Association as at 31 December 2023 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

Chia Lee Meng Raymond

Chia Lee Meng Raymond
President

Desmond Chong Kok Hwee

Desmond Chong Kok Hwee
Chief Commissioner

Tan Swee Ho

Tan Swee Ho
Honorary Treasurer

25 May 2024

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

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 2023, the statement of financial activities and statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Charities Act 1994 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 2023 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 (continued)

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 1994 and Regulations and Boy Scouts Association Act 1926;
- b) the fund-raising appeals listed below conducted by the Association during the financial year, has been carried out in accordance with the Charities Act 1994 and Regulations and Income Tax Act 1947 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	18 April 2023 to 22 July 2023
Diamond Jubilee Challenge	13 December 2022 to 18 March 2023

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.



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Public Accountants and
Chartered Accountants
Singapore

25 May 2024

The Singapore Scout Association

**Statement of Financial Position
As at 31 December 2023**

	Note	2023 S\$	2022 S\$
ASSETS AND LIABILITIES			
Non-Current Assets			
Property, plant and equipment	3	7,796,497	8,093,942
Other receivables	4	89,895	89,895
		<u>7,886,392</u>	<u>8,183,837</u>
Current Assets			
Inventories	5	112,321	131,917
Trade receivables	6	117,038	78,626
Other receivables	4	365,450	944,230
Cash and cash equivalents	7	7,982,906	6,842,191
		<u>8,577,715</u>	<u>7,996,964</u>
Total Assets		<u>16,464,107</u>	<u>16,180,801</u>
Current Liabilities			
Trade payables	8	74,754	123,179
Other payables	9	1,790,836	1,429,492
Deferred grant	10	58,852	58,852
Lease liabilities	11	296,283	286,106
		<u>2,220,725</u>	<u>1,897,629</u>
Non-Current Liability			
Other payables	9	340,798	330,263
Deferred grant	10	1,177,047	1,235,900
Lease liabilities	11	1,647,176	1,943,457
		<u>3,165,021</u>	<u>3,509,620</u>
Total Liabilities		<u>5,385,746</u>	<u>5,407,249</u>
Net Current Assets		<u>6,356,990</u>	<u>6,099,335</u>
Net Assets		<u>11,078,361</u>	<u>10,773,552</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 Position (continued)
As at 31 December 2023

	Note	2023 S\$	2022 S\$
FUNDS			
Unrestricted Funds			
General funds	12	4,291,237	4,061,207
Designated Fund			
Scout Group fund	13	2,240,660	2,203,751
Restricted Funds			
Building fund		3,919,412	3,993,047
Scout Foundation fund		455,035	346,735
Other specific funds	14	172,017	168,812
Total Funds		<u>11,078,361</u>	<u>10,773,552</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 2023

				← Restricted Funds →				
	Note	General Funds (Note 12) S\$	Scout Group Funds (Note 13) S\$	Building Fund S\$	Scout Foundation Fund S\$	Other Specific Funds (Note 14) S\$	2023 Total Funds S\$	2022 Total Funds S\$
Incoming resources								
<u>Incoming resources from generated funds</u>								
Voluntary income	15	91,317	28,445	-	108,300	-	228,062	103,427
Activities for generating funds								
- Job Week	21	147,643	143,643	-	-	-	291,286	232,042
- Diamond Jubilee Challenge	22	145,523	132,869	-	-	-	278,392	474,491
Investment income		86,125	-	-	-	5,500	91,625	27,755
<u>Incoming resources from charitable activities</u>								
- Grants		1,138,986	-	-	-	-	1,138,986	1,333,623
- Membership fees		106,857	-	-	-	-	106,857	106,894
- Fees from participants		545,485	10,254	-	-	-	555,739	184,431
- Scout Shop	16	233,154	-	-	-	-	233,154	90,338
- Sands Leadership Development Centre	17	1,757,718	-	-	-	-	1,757,718	1,396,230
Other incoming resources	18	212,173	-	-	-	-	212,173	219,618
Total incoming resources		4,464,981	315,211	-	108,300	5,500	4,893,992	4,168,849
Resources expended								
<u>Costs of generating funds</u>								
Fundraising costs								
- Job Week	21	4,956	2,857	-	-	-	7,813	9,107
- Diamond Jubilee Challenge	22	4,945	2,506	-	-	-	7,451	5,889
Charitable activities								
- Scout Shop	16	91,291	-	-	-	-	91,291	78,343
- Scout Groups		-	271,744	-	-	-	271,744	234,343
- Area activities		154,503	-	-	-	-	154,503	78,295
- International scout events and programme expenses		400,816	-	-	-	2,295	403,111	179,772
- Sands Leadership Development Centre	17	1,539,974	-	-	-	-	1,539,974	1,141,166
- Employee benefits expense	19	1,078,045	-	-	-	-	1,078,045	995,385
Governance costs - audit fees		18,040	-	-	-	-	18,040	20,736
Other resources expended	20	1,118,289	1,195	-	-	-	1,119,484	895,343
Total resources expended		4,410,859	278,302	-	-	2,295	4,691,456	3,638,379
Net incoming resources before amortisation and transfer								
		54,122	36,909	-	108,300	3,205	202,536	530,470
Amortisation of building fund		175,908	-	-	-	-	175,908	66,077
		230,030	36,909	-	108,300	3,205	378,444	596,547
Amortisation of building fund		-	-	(175,908)	-	-	(175,908)	(66,077)
Incoming resources for building fund	23	-	-	102,273	-	-	102,273	27,380
Net incoming/(outgoing) resources		230,030	36,909	(73,635)	108,300	3,205	304,809	557,850
Total funds brought forward		4,061,207	2,203,751	3,993,047	346,735	168,812	10,773,552	10,215,702
Total funds carried forward		4,291,237	2,240,660	3,919,412	455,035	172,017	11,078,361	10,773,552

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 2023

	Note	2023 S\$	2022 S\$
Cash flows from operating activities			
Surplus for the year		378,444	596,547
Adjustments for:-			
Property, plant and equipment written off		-	499
Depreciation of property, plant and equipment		774,870	579,981
Amortisation of building fund		(175,908)	(66,077)
Inventories written down		4,633	126,895
Reversal of expected credit losses trade receivables		(7,721)	(999)
Unwinding of discount on provision for reinstatement cost		10,535	10,210
Interest expense		73,475	75,991
Interest income		(132,688)	(34,360)
Rent concession		-	(59,480)
		547,196	632,660
Operating surplus before working capital changes		925,640	1,229,207
Decrease in inventories		14,963	3,902
Decrease/(Increase) in trade and other receivables		548,089	(243,177)
Increase in trade and other payables		254,066	796,081
Cash generated from operations		1,742,758	1,786,013
Interest paid		(73,475)	(75,991)
Net cash generated from operating activities		1,669,283	1,710,022
Cash flows from investing activities			
Interest received		132,688	34,360
Purchase of property, plant and equipment	3	(477,425)	(592,735)
Net cash used in investing activities		(344,737)	(558,375)
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(286,104)	(224,109)
Incoming resources for building fund		102,273	27,380
Net cash used in financing activities		(183,831)	(196,729)
Net increase in cash and cash equivalents		1,140,715	954,918
Cash and cash equivalents at 1 January		6,842,191	5,887,273
Cash and cash equivalents at 31 December	7	7,982,906	6,842,191

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 2023

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 1926.

The Association is registered as a Charity under the Charities Act 1994 and has been granted an Institution of Public Character (IPC) status up to 31 August 2025 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. Material accounting policy information

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 preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Association’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 28.

The financial statements are presented in Singapore dollars (“S\$”) and all values are presented to the nearest dollar except where indicated otherwise.

2.2 Adoption of new and amended standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Association has adopted all the new and amended standards which are relevant to the Association and are effective for annual financial periods beginning on or after 1 January 2023. Except for the effect of the adoption of amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies described below, the adoption of the other new and amended standards did not have any material effect on the financial performance or position of the Association.

2. Material accounting policy information (continued)

2.2 Adoption of new and amended standards (continued)

FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies

The Association adopted amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies from 1 January 2023. The amendments did not result in any changes to the accounting policies themselves but impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of “material”, rather than “significant” accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policy information (2022 – Summary of significant accounting policies) in certain instances in line with the amendments.

2.3 Financial assets

(a) Classification and measurement

Initial recognition and measurement

Financial assets are recognised when, and only when the Association becomes party to the contractual provisions of the instruments.

At initial recognition, the Association measures a financial asset at its fair value.

Trade receivables are measured at the amount of consideration to which the Association expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party.

Subsequent measurement

Subsequent measurement of debt instruments depends on the Association’s business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Association only has debt instruments at amortised cost.

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment.

2. Material accounting policy information (continued)

2.3 Financial assets (continued)

(a) Classification and measurement (continued)

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for debt instruments is recognised in statement of financial activities.

(b) Impairment

The Association recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Association expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Association applies a simplified approach in calculating ECLs. Therefore, the Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Association has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Association considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Association may also consider a financial asset to be in default when internal or external information indicates that the Association is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Association. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. Material accounting policy information (continued)

2.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use, and includes the costs of dismantlement, removal or restoration, the obligation for which the Association incurs as a consequence of installing the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to expenditure as incurred.

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:

Campsite	Lease term of 8 years
HQ land	Leasehold period of 30 years
HQ building	23 years
Furniture and fittings	5 years
Sundry equipment	5 years
Air-conditioners	5 years
Computers and software	3 years
Motor vehicles	5 years

HQ building is depreciated over the remaining leasehold period upon completion of construction.

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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 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.

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. Material accounting policy information (continued)

2.5 Inventories

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

2.6 Impairment of non-financial assets

The carrying amounts of the Association's assets are reviewed at the date of each statement of financial position to determine whether there is any indication that the carrying amounts may not be recoverable. If such indication exists, the assets' recoverable amount is estimated.

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 its 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.

2.7 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Association becomes a party to the contractual provisions of the financial instrument. The Association determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of financial activities when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in the statement of financial activities.

2. Material accounting policy information (continued)

2.8 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Association prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Trade payables are non-interest bearing and are generally payable within 30 to 90 days.

2.9 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.

2.10 Funds

Funds of the Association comprise mainly the general funds, the Scout Group fund, the building fund, the Scout Foundation fund and other funds designated for specific objectives (as further described in note 14 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) Scout Group 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 proceeds from activities that each scout group receives and other fund raising activities by the scout groups.

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

2. Material accounting policy information (continued)

2.10 Funds (continued)

(iii) Building Fund

Designated donations for the renovation/construction of the HQ building, Sarimbun Camp and Sands Leadership Development Centre 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.

(iv) 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.

2.11 Income

Revenue is measured based on the consideration to which the Association expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Association satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(i) Fees from participants and subscription fees

The Association conducts programmes and courses for its members, schools and third parties. Fees from participants are recognised as a performance obligation satisfied over time and are recognised over the duration of the programmes and in the period during which service is provided, having regards to the stage of completion of the service. Unearned income relating to service to be rendered in future periods is included in other payables.

Subscription fees are recognised as income in the year to which the subscription relates. Unearned income relating to future year is included in other payables.

The above fees are due upon registration, and non-refundable.

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

2. Material accounting policy information (continued)

2.11 Income (continued)

(ii) Sale of goods

The Association sells uniforms, camping equipment and their related accessories, souvenirs and other related items.

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the transaction price, which comprises the contractual price, net of the estimated discounts and adjusted for returns, where goods are defective.

The Association generally does not have a policy to give discounts to customers. In very limited situations where the Association may give a discount, such a discount is accounted for as consideration payable to customers and are netted against revenue that is recognised on those goods sold.

(iii) Donations and other income

Donations 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.

(iv) Interest income

Interest income from bank deposits is recognised using the effective interest method.

(v) Rental income

Rental income from operating leases is recognised on the straight-line basis over the term of the lease.

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

2. Material accounting policy information (continued)

2.12 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.

2.13 Leases

The Association assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Association applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Association recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

2. Material accounting policy information (continued)

2.13 Leases (continued)

(a) As lessee (continued)

Right-of-use assets

The Association recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in note 2.6.

The Association's right-of-use assets are presented within property, plant and equipment (Note 3).

Lease liabilities

At the commencement date of the lease, the Association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

In calculating the present value of lease payments, the Association uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Association's lease liabilities are disclosed separately (Note 11).

2. Material accounting policy information (continued)

2.13 Leases (continued)

(a) As lessee (continued)

Leases of low-value assets

The Association applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Association does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Association's properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.14 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.

2.15 Cash and cash equivalents

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

2.16 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 2023

3. Property, plant and equipment

	Campsite S\$	HQ land S\$	HQ building S\$	Furniture and fittings S\$	Sundry equipment S\$	Air conditioners S\$	Computers and software S\$	Motor vehicles S\$	HQ building/ Campsite work-in- progress S\$	Total S\$
Cost										
As at 1 January 2022	3,835,373	1,765,570	187,200	97,482	143,505	217,066	67,473	83,496	3,753,584	10,150,749
Additions	-	-	8,640	1,859	2,439	1,300	21,825	-	556,672	592,735
Disposals/write-offs	(1,322,221)	-	-	-	-	-	(7,896)	-	(499)	(1,330,616)
Revision of reinstatement cost	23,862	-	-	-	-	-	-	-	-	23,862
Reclassification	155,590	-	3,432,603	-	-	-	139,269	-	(3,727,462)	-
As at 31 December 2022	2,692,604	1,765,570	3,628,443	99,341	145,944	218,366	220,671	83,496	582,295	9,436,730
Additions	-	-	5,974	6,362	29,514	3,600	20,827	39,352	371,796	477,425
Reclassification	241,410	-	270,000	268,043	-	-	-	-	(779,453)	-
Disposals/write-offs	-	-	-	-	-	-	(1,845)	-	-	(1,845)
As at 31 December 2023	2,934,014	1,765,570	3,904,417	373,746	175,458	221,966	239,653	122,848	174,638	9,912,310
Accumulated depreciation										
As at 1 January 2022	1,322,221	411,966	-	43,593	94,923	93,574	48,242	78,405	-	2,092,924
Depreciation charge for the year	331,046	58,852	66,235	19,558	15,979	41,319	42,293	4,699	-	579,981
Disposals/write-offs	(1,322,221)	-	-	-	-	-	(7,896)	-	-	(1,330,117)
As at 31 December 2022	331,046	470,818	66,235	63,151	110,902	134,893	82,639	83,104	-	1,342,788
Depreciation charge for the year	362,332	58,853	175,908	47,306	16,295	41,720	64,850	7,606	-	774,870
Disposals/write-offs	-	-	-	-	-	-	(1,845)	-	-	(1,845)
As at 31 December 2023	693,378	529,671	242,143	110,457	127,197	176,613	145,644	90,710	-	2,115,813
Carrying amount										
As at 31 December 2023	2,240,636	1,235,899	3,662,274	263,289	48,261	45,353	94,009	32,138	174,638	7,796,497
As at 31 December 2022	2,361,558	1,294,752	3,562,208	36,190	35,042	83,473	138,032	392	582,295	8,093,942

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

3. Property, plant and equipment (continued)

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

- HQ land and 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 Trustees.

Right-of-use assets comprising the campsite and HQ land under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 27(a).

HQ land 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 10 to the financial statements.

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

Additions to property, plant and equipment are acquired by way of :-

	2023 S\$	2022 S\$
Cash	477,425	592,735

Depreciation charge for the year comprises depreciation in respect of the HQ, Sands Leadership Development Centre and scout shop's property, plant and equipment as follows :-

	2023 S\$	2022 S\$
HQ	664,352	517,315
Sands Leadership Development Centre	104,457	57,440
Scout shop	6,061	5,226
	774,870	579,981

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

4. Other receivables

	2023 S\$	2022 S\$
<u>Non-current assets</u>		
Deposits	89,895	89,895
<u>Current assets</u>		
Grant receivables	227,022	733,108
Other receivables	92,171	121,123
Prepayments	38,697	61,841
Deposits	7,560	28,158
	365,450	944,230
	455,345	1,034,125

Other receivables are denominated in Singapore dollars.

5. Inventories

	2023 S\$	2022 S\$
Goods held for resale	105,003	121,534
Medals and plaques	7,318	10,383
	112,321	131,917

During the year, the Association wrote-down medals and plaques amounting to S\$4,633 (2022 – S\$17,273) and goods held for resale amounting to NIL (2022 – S\$109,622).

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

6. Trade receivables

	2023 S\$	2022 S\$
Third parties	117,038	88,701
Less:		
Allowance for expected credit losses	<u>-</u>	<u>(10,075)</u>
	<u>117,038</u>	<u>78,626</u>

Trade receivables are denominated in Singapore dollars, non-interest bearing and are generally granted 30-day terms.

The movements in allowance for expected credit losses during the financial year are as follows:-

	2023 S\$	2022 S\$
At beginning of the year	10,075	11,074
Reversal of allowance	(7,721)	(999)
Write-off	<u>(2,354)</u>	<u>-</u>
At end of the year	<u>-</u>	<u>10,075</u>

7. Cash and cash equivalents

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

	2023 S\$	2022 S\$
Fixed deposits	4,496,821	4,365,468
Cash and bank balances	<u>3,486,085</u>	<u>2,476,723</u>
	<u>7,982,906</u>	<u>6,842,191</u>

The fixed deposits bear interest at interest rates ranging from 3.00% to 3.80% (2022 – 0.35% to 3.90%) per annum and mature within 25 days to 12 months (2022 – 21 days to 12 months) from the end of the financial year.

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

8. Trade payables

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

9. Other payables

	2023 S\$	2022 S\$
<u>Non-current liabilities</u>		
Provision for reinstatement cost	340,798	330,263
<u>Current liabilities</u>		
Other payables	192,043	283,715
Accrued expenses	716,857	549,047
Deferred grants	550,990	66,679
Deferred income	6,310	208,741
Fees received in advance	4,636	1,310
Amount received for HQ building rectification works	320,000	320,000
	1,790,836	1,429,492
	2,131,634	1,759,755

Other payables are denominated in Singapore dollars.

10. Deferred grant

The deferred grant comprises funding for the Association's lease of land for its building as disclosed in note 3 to the financial statements.

	2023 S\$	2022 S\$
Deferred grant :-		
- not later than one year	58,852	58,852
- later than one year and not later than five years	235,409	235,409
- later than five years	941,638	1,000,491
	1,177,047	1,235,900
	1,235,899	1,294,752

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

11. Lease liabilities

	2023 S\$	2022 S\$
Current:		
- not later than one year	296,283	286,106
Non-current:		
- later than one year and not later than five years	1,294,321	1,249,867
- later than five years	352,855	693,590
	1,647,176	1,943,457
	1,943,459	2,229,563

The lease liabilities are denominated in Singapore dollars. The movements of lease liabilities are as follows:

	2023 S\$	2022 S\$
At beginning of the year	2,229,563	2,513,152
Accretion of interest	73,475	75,991
Lease payments – principal portion paid	(286,104)	(224,109)
Rent concession	-	(59,480)
Interest paid	(73,475)	(75,991)
At end of the year	1,943,459	2,229,563

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

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	90,897	420	-	-	-	-	-	-	-	91,317
Activities for generating funds										
- Job Week	126,097	6,828	7,142	4,066	3,510	-	-	-	-	147,643
- Diamond Jubilee Challenge	125,593	7,200	5,321	4,206	3,203	-	-	-	-	145,523
Investment income	72,932	2,236	2,236	2,236	2,235	-	4,250	-	-	86,125
<u>Incoming resources from charitable activities</u>										
- Grants	1,138,986	-	-	-	-	-	-	-	-	1,138,986
- Membership fees	106,857	-	-	-	-	-	-	-	-	106,857
- Fees from participants	354,152	64,548	30,250	38,229	58,306	-	-	-	-	545,485
- Scout Shop	-	-	-	-	-	233,154	-	-	-	233,154
- Sands Leadership Development Centre	-	-	-	-	-	-	-	1,757,718	-	1,757,718
Other incoming resources	212,140	-	33	-	-	-	-	-	-	212,173
Total incoming resources	<u>2,227,654</u>	<u>81,232</u>	<u>44,982</u>	<u>48,737</u>	<u>67,254</u>	<u>233,154</u>	<u>4,250</u>	<u>1,757,718</u>	<u>-</u>	<u>4,464,981</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

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										
- Job Week	4,527	136	142	81	70	-	-	-	-	4,956
- Diamond Jubilee Challenge	4,569	136	100	79	61	-	-	-	-	4,945
Charitable activities										
- Scout Shop	-	-	-	-	-	91,291	-	-	-	91,291
- Area activities	-	50,603	25,416	36,526	41,958	-	-	-	-	154,503
- International scout events and programme expenses	400,816	-	-	-	-	-	-	-	-	400,816
- Sands Leadership Development Centre	-	-	-	-	-	-	-	1,539,974	-	1,539,974
- Employee benefits expense	995,542	24,275	17,292	21,358	19,578	-	-	-	-	1,078,045
Governance costs - audit fees	18,040	-	-	-	-	-	-	-	-	18,040
Other resources expended	1,117,390	385	30	129	331	-	24	-	-	1,118,289
Total resources expended	<u>2,540,884</u>	<u>75,535</u>	<u>42,980</u>	<u>58,173</u>	<u>61,998</u>	<u>91,291</u>	<u>24</u>	<u>1,539,974</u>	<u>-</u>	<u>4,410,859</u>
Net (outgoing)/incoming resources before amortisation and transfer	(313,230)	5,697	2,002	(9,436)	5,256	141,863	4,226	217,744	-	54,122
Amortisation of building fund	175,908	-	-	-	-	-	-	-	-	175,908
Net (outgoing)/incoming resources	(137,322)	5,697	2,002	(9,436)	5,256	141,863	4,226	217,744	-	230,030
Total funds brought forward	<u>179,889</u>	<u>127,663</u>	<u>111,335</u>	<u>89,660</u>	<u>82,249</u>	<u>2,206,572</u>	<u>584,993</u>	<u>375,485</u>	<u>303,361</u>	<u>4,061,207</u>
Total funds carried forward	<u>42,567</u>	<u>133,360</u>	<u>113,337</u>	<u>80,224</u>	<u>87,505</u>	<u>2,348,435</u>	<u>589,219</u>	<u>593,229</u>	<u>303,361</u>	<u>4,291,237</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

13. Scout Group fund

	Scout Group S\$
Incoming resources	
<u>Incoming resources from generated funds</u>	
Voluntary income	28,445
Activities for generating funds	
- Job Week	143,643
- Diamond Jubilee Challenge	132,869
<u>Incoming resources from charitable activities</u>	
- Fees from participants	10,254
Total incoming resources	<u>315,211</u>
Resources expended	
<u>Costs of generating funds</u>	
Fundraising costs	
- Job Week	2,857
- Diamond Jubilee Challenge	2,506
Charitable activities	
- Scout Groups	271,744
Other resources expended	1,195
Total resources expended	<u>278,302</u>
Net incoming resources	36,909
Total funds brought forward	<u>2,203,751</u>
Total funds carried forward	<u>2,240,660</u>

The Scout Group 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 proceeds from activities that each scout group receives and other fund raising activities by the scout groups. As at 31 December 2023, there are 244 (2022 – 247) scout groups registered with the Association.

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

14. Other specific funds

	Benjamin Henry Sheares S\$	Scout Discovery Centre S\$	Total S\$
Incoming resources			
<u>Incoming resources from generated funds</u>			
Investment income	5,500	-	5,500
Total incoming resources	5,500	-	5,500
Resources expended			
<u>Costs of generating funds</u>			
Charitable activities	2,295	-	2,295
Total resources expended	2,295	-	2,295
Net incoming resources	3,205	-	3,205
Total funds brought forward	149,910	18,902	168,812
Total funds carried forward	153,115	18,902	172,017

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.

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

15. Voluntary income

	2023	2022
	S\$	S\$
<u>General funds</u>		
Donations (tax exempt)	36,176	13,661
Donations (non-tax exempt)	<u>55,141</u>	<u>64,146</u>
	<u>91,317</u>	<u>77,807</u>
 <u>Scout Group funds</u>		
Donations (tax exempt)	22,339	11,112
Donations (non-tax exempt)	<u>6,106</u>	<u>10,508</u>
	<u>28,445</u>	<u>21,620</u>
 <u>Scout Foundation fund</u>		
Donations (tax exempt)	<u>108,300</u>	<u>4,000</u>
	<u><u>228,062</u></u>	<u><u>103,427</u></u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

16. Scout Shop

	2023 S\$	2022 S\$
Income		
Sales, net of discount allowed	417,539	383,588
Cost of goods sold	(225,448)	(299,855)
Gross profit	192,091	83,733
Other operating income		
Interest income	41,063	6,605
Total income	233,154	90,338
Less: Expenses		
Employee benefits expense	76,992	66,588
Other operating expenses	14,299	11,755
	91,291	78,343
Net Income	141,863	11,995

Included in cost of goods sold is inventories written-down amounting to NIL (2022 – S\$109,622).

Included in the other operating expenses of the Scout Shop is depreciation of property, plant and equipment for the year amounting to S\$6,061 (2022 – S\$5,226).

17. Sands Leadership Development Centre

	2023 S\$	2022 S\$
Income		
Fees from participants	1,501,611	1,311,289
Grants	133,380	9,857
Use of camp	108,442	73,321
Other incoming resources	14,285	1,763
	1,757,718	1,396,230
Less: Expenses		
Direct expenses	606,773	465,780
Employee benefits expense	629,656	471,694
Other operating expenses	303,545	203,692
	1,539,974	1,141,166
Net Income	217,744	255,064

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

17. Sands Leadership Development Centre (continued)

Included in the other incoming resources of the Sands Leadership Development Centre is a reversal of expected credit losses amounting to S\$7,721 (2022 – NIL).

Included in other operating expenses of the Sands Leadership Development Centre are depreciation of property, plant and equipment for the year amounting to S\$104,457 (2022 – S\$57,440).

18. Other incoming resources

	2023 S\$	2022 S\$
CPF Transition Offset	747	-
Enabling employment credit	196	1,396
Job Growth Incentive	4,679	14,140
Progressive Wages Credit Scheme	59,375	-
Rental income	141,761	138,624
Reversal of expected credit losses	-	999
Senior employment credit	575	819
Skills future enterprise credit	-	1,426
Waiver of campsite rental	-	59,480
Miscellaneous income	4,840	2,734
	<u>212,173</u>	<u>219,618</u>

19. Employee benefits expense

	2023 S\$	2022 S\$
Staff salaries	924,868	866,708
CPF contributions and skills development levies	139,872	124,607
Staff training	1,032	2,645
Staff welfare	12,273	1,425
	<u>1,078,045</u>	<u>995,385</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

20. Other resources expended

	2023	2022
	S\$	S\$
<u>General Funds</u>		
Bank charges	2,306	753
Cleaner	527	-
Depreciation of property, plant and equipment	664,352	517,315
Entertainment and refreshments	359	210
General expenses	1,640	8,780
Gifts and souvenirs	-	488
GST expenses	61,371	41,648
Interest expense on lease liabilities	73,475	75,991
Insurance	40,455	39,721
Landscaping	1,500	-
Medical	3,908	3,581
Membership expenses	14,861	14,503
Printing, stationery and postage	6,850	6,677
Professional fees	117,331	61,527
Property, plant and equipment written off	-	499
Public relations	8,308	3,700
Repairs and maintenance	25,173	17,835
Rental of office equipment	9,482	9,180
Recruitment materials	532	-
Software maintenance	28,153	28,218
Telephone and internet	7,904	10,063
Temporary staff	525	-
Travelling expense	45	2,202
Upkeep of motor vehicles	3,019	3,238
Unwinding of discount on provision for reinstatement cost	10,535	10,210
Water and electricity	35,678	38,926
	<u>1,118,289</u>	<u>895,265</u>
<u>Scout Group Funds</u>		
Bank charges	177	78
Small tools and equipment	1,018	-
	<u>1,195</u>	<u>78</u>
	<u>1,119,484</u>	<u>895,343</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

21. Job Week

	2023	2022
	S\$	S\$
Income		
Collections	291,286	232,042
Less: Expenses		
Administration costs	2,365	1,020
Audit fee	2,020	2,025
Bank charges	1,089	907
Manpower costs	2,339	2,675
Printing of cards	-	2,480
	7,813	9,107
Net income	283,473	222,935
Net income is allocated as follows:		
<u>Area</u>		
North Area	6,692	5,214
South Area	7,000	6,064
East Area	3,985	2,677
West Area	3,440	2,549
Total Area	21,117	16,504
Scout groups	140,786	110,027
Headquarter	121,570	96,404
Net Income	283,473	222,935

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

22. Diamond Jubilee Challenge

	2023	2022
	S\$	S\$
Income		
Collections	278,392	474,491
Less: Expenses		
Audit fee	2,200	2,200
Bank charges	-	1,135
Printing and stationery	1,880	2,500
Manpower costs	2,968	-
Miscellaneous expenses	403	54
	7,451	5,889
Net income	270,941	468,602
Net income is allocated as follows:		
<u>Area</u>		
North Area	7,064	10,303
South Area	5,221	8,980
East Area	4,127	7,854
West Area	3,142	6,278
Total Area	19,554	33,415
Scout groups	130,363	222,768
Headquarter	121,024	212,419
Net Income	270,941	468,602

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

23. Incoming resources for building fund

	2023 S\$	2022 S\$
Grant	<u>102,273</u>	<u>27,380</u>

24. Taxation

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

25. Related party transactions

Key management compensation

	2023 S\$	2022 S\$
Staff salaries, allowances and bonus	176,623	151,867
CPF contributions	<u>14,793</u>	<u>16,285</u>
	<u>191,416</u>	<u>168,152</u>

A total amount of gratuity amounting to S\$52,950 was paid to a key management personnel in the prior year in respect of his service period from 2018 to 2022.

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

	2023	2022
S\$150,001 - S\$200,000	<u>1</u>	<u>1</u>

There are no other related party transactions.

26. Overseas expenditure and capital outlay

	2023 S\$	2022 S\$
Overseas expenditure exempted from detailed reporting:-		
- overseas events / programmes	184,169	2,425
- overseas travel / accommodation	<u>41,679</u>	<u>3,047</u>
	<u>225,848</u>	<u>5,472</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

27. Leases

The Association has lease contracts for its campsite and HQ land. The Association's obligations under the leases are secured by the lessor's title to the leased assets.

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Campsite S\$	HQ land S\$	Total S\$
At 1 January 2022	2,513,152	1,353,604	3,866,756
Revision of reinstatement cost	23,862	-	23,862
Depreciation	<u>(317,127)</u>	<u>(58,852)</u>	<u>(375,979)</u>
At 31 December 2022	2,219,887	1,294,752	3,514,639
Depreciation	<u>(317,127)</u>	<u>(58,853)</u>	<u>(375,980)</u>
At 31 December 2023	<u>1,902,760</u>	<u>1,235,899</u>	<u>3,138,659</u>

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 11.

(c) Amounts recognised in profit or loss

	2023 S\$	2022 S\$
Depreciation of right-of-use assets	375,980	375,979
Interest expense on lease liabilities	73,475	75,991
Lease expense not capitalised in lease liabilities:		
- Expense relating to leases of low-value assets (included in other resources expended)	<u>9,482</u>	<u>9,180</u>
Total amount recognised in profit or loss	<u>458,937</u>	<u>461,150</u>

(d) Total cash outflows

The Association had total cash outflows for leases of S\$369,061 (2022 – S\$309,280). Included in the total cash outflows for leases is a cash outflow for lease of campsite amounting to S\$359,579 (2022 – S\$300,100) which is fully funded through a grant.

(e) Extension options

The Association has a lease contract that includes extension options. The option is negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Association's needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (Note 28.1(ii)).

28. Significant accounting estimates, assumptions 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.

28.1 Critical judgements in applying the Association's 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) Leases – estimating the incremental borrowing rate

FRS 116 requires the right-of-use assets for the leases to be recognised based on the carrying amount using the entity's incremental borrowing rate, and the corresponding lease liabilities to be recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate. The incremental borrowing rate is the rate of interest that the Association would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Association 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Association estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

(ii) Determination of lease term of contracts with extension options

The Association determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Association has a lease contract that includes extension option. The Association applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Association reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

28. Significant accounting estimates and judgements (continued)

28.2 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.

As at 31 December 2023, there is no indication of impairment and the carrying value of the Association's property, plant and equipment was S\$7,796,497 (2022 – S\$8,093,942).

(iii) Inventory valuation

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. The carrying amount of the Association's inventories as at 31 December 2023 was S\$112,321 (2022 – S\$131,917).

28. Significant accounting estimates and judgements (continued)

28.2 Key sources of estimation uncertainty (continued)

(iv) Calculation of expected credit losses (“ECL”)

When measuring ECL, the Association uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Association’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future. The information about the ECLs on the Association’s trade receivables is disclosed in note 29.2(a).

The Association has assessed that the impact of forecast economic conditions for the determination of ECL is not significant. The carrying amount of the Association’s trade receivables as at 31 December 2023 was S\$117,038 (2022 – S\$78,626).

29. Financial risk management

The Association’s activities expose it to minimal financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk, primarily changes in interest rates.

The following sections provide details regarding the Association’s exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Association’s exposure to these financial risks or the manner in which it manages and measures the risks.

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

29. Financial risk management (continued)

29.1 Financial instruments by categories

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

	2023 S\$	2022 S\$
<u>Amortised cost</u>		
Financial assets		
Trade and other receivables, net of prepayments	533,686	1,050,910
Cash and cash equivalents	7,982,906	6,842,191
	<u>8,516,592</u>	<u>7,893,101</u>
Financial liabilities		
Trade and other payables, net of GST payable, deferred income, grants and fees and compensation received for HQ building rectification works	1,305,396	1,275,857
Lease liabilities	1,943,459	2,229,563
	<u>3,248,855</u>	<u>3,505,420</u>

29.2 Risk management

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Association. The Association's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash), the Association minimises credit risk by dealing exclusively with high credit rating counterparties.

The Association has adopted a policy of only dealing with creditworthy counterparties. The Association performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

29. Financial risk management (continued)

29.2 Risk management (continued)

(a) Credit risk (continued)

The Association considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Association has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 30 days, or there is significant difficulty of the counterparty.

To minimise credit risk, the Association has developed and maintained the Association's credit risk gradings to categorise exposures according to their degree of risk of default. The Association considers available reasonable and supportive forward-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 180 days past due in making contractual payment.

The Association determined that its financial assets are credit-impaired when:-

- There is significant difficulty of the debtor;
- A breach of contract, such as a default or past due event; and
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

29. Financial risk management (continued)

29.2 Risk management (continued)

(a) Credit risk (continued)

The Association categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Association's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
1	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
2	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
3	Amount is > 180 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
4	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

29. Financial risk management (continued)

29.2 Risk management (continued)

(a) Credit risk (continued)

The table below details the credit quality of the Association's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:-

	Note	Category	12-month or lifetime ECL	Gross carrying amount S\$	ECL allowance S\$	Net carrying amount S\$
2023						
Trade receivables	6	Note 1	Lifetime ECL (simplified)	117,038	-	117,038
Other receivables	4	1	12-month ECL	92,171	-	92,171
				<u>209,209</u>	<u>-</u>	<u>209,209</u>
2022						
Trade receivables	6	Note 1	Lifetime ECL (simplified)	88,701	(10,075)	78,626
Other receivables	4	1	12-month ECL	121,123	-	121,123
				<u>209,824</u>	<u>(10,075)</u>	<u>199,749</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

29. Financial risk management (continued)

29.2 Risk management (continued)

(a) Credit risk (continued)

Trade receivables (Note 1)

For trade receivables, the Association has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Association determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

	Not past due S\$	≤ 30 days S\$	Days past due		>90days S\$	Total S\$
			31-60 days S\$	61-90 days S\$		
2023						
ECL rate	Nil	Nil	Nil	Nil	Nil	
Gross carrying amount	34,605	13,163	4,050	5,482	59,738	117,038
ECL	-	-	-	-	-	-
	Not past due S\$	≤ 30 days S\$	Days past due		>90days S\$	Total S\$
			31-60 days S\$	61-90 days S\$		
2022						
ECL rate	Nil	Nil	Nil	Nil	41.3%	
Gross carrying amount	2,990	46,804	14,512	6	24,389	88,701
ECL	-	-	-	-	10,075	10,075

Information regarding loss allowance movement of trade receivables is disclosed in Note 6.

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

29. Financial risk management (continued)

29.2 Risk management (continued)

(a) Credit risk (continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Association's performance to developments affecting a particular industry. The Association is not exposed to excessive risk concentration.

Exposure to credit risk

The Association has no significant concentration of credit risk.

Other receivables

The Association assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Association measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

(b) 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 2023

29. Financial risk management (continued)

29.2 Risk management (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Association's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Contractual cash flows payable				
	Carrying amount	Total	One year or less	One to five years	Over five years
	2023	2023	2023	2023	2023
	S\$	S\$	S\$	S\$	S\$
Financial					
Trade and other payables	1,305,396	1,375,995	964,598	-	411,397
Lease liabilities	1,943,459	2,157,480	359,580	1,438,320	359,580
	<u>3,248,855</u>	<u>3,533,475</u>	<u>1,324,178</u>	<u>1,438,320</u>	<u>770,977</u>

	Contractual cash flows payable				
	Carrying amount	Total	One year or less	One to five years	Over five years
	2022	2022	2022	2022	2022
	S\$	S\$	S\$	S\$	S\$
Financial					
Trade and other payables	1,275,857	1,356,992	945,595	-	411,397
Lease liabilities	2,229,563	2,517,060	359,580	1,438,320	719,160
	<u>3,505,420</u>	<u>3,874,052</u>	<u>1,305,175</u>	<u>1,438,320</u>	<u>1,130,557</u>

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Association's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

29. **Financial risk management** (continued)

29.2 **Risk management** (continued)

(c) **Market risk** (continued)

(i) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Association's financial instruments will fluctuate because of changes in market interest rates. The Association's exposure to interest rate risk arises primarily from its cash and cash equivalents. The Association's income and operating cash flows are substantially independent of changes in market interest rates. The Association's policy is to have no gearing.

Sensitivity analysis

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

(ii) **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 25 days to 12 months (2022 – 21 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 2023

29. Financial risk management (continued)

29.2 Risk management (continued)

(d) Fair values

(i) Fair value hierarchy

The Association categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Association can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(ii) Assets and liabilities not measured at fair value

Trade receivables and trade payables

The carrying amount of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

Other receivables, other payables and cash and cash equivalents

The management is of the view that the fair values of other financial assets and liabilities with a maturity period of less than one year approximate their carrying amounts as disclosed in the statement of financial position and in the notes to the financial statements due to the short period to maturity.

The Singapore Scout Association

Notes to the financial statements – 31 December 2023

30. Authorisation of financial statements

The financial statements of the Association for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Scout Council on 25 May 2024.