

**World Scout Bureau – Europe Region  
European Regional Office, Geneva**

Report of the  
Independent Auditor  
to the European Scout Committee  
on the Financial Statements  
for the year ended 30 September 2012



**KPMG SA**  
**Audit**  
111, rue de Lyon  
CH-1203 Geneva

P.O. Box 347  
1211 Geneva 13

Telephone +41 22 704 15 15  
Fax +41 22 347 73 13  
Internet [www.kpmg.ch](http://www.kpmg.ch)

Report of the Independent Auditor to the European Scout Committee on the Financial Statements of

**World Scout Bureau – Europe Region**  
**European Regional Office, Geneva**

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As independent auditor, we have been engaged to audit the accompanying financial statements for the World Scout Bureau – Europe Region, European Regional Office which comprise the balance sheet, statement of operations and notes for the year ended 30 September 2012. The audit of the prior year financial statements was performed by another independent auditor.

*Responsibility of the management*

The Management is responsible for the preparation of the financial statements in accordance with the accounting principles as described in the notes to the financial statements. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Management is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**World Scout Bureau – Europe Region**  
**European Regional Office, Geneva**  
*Report of the Independent Auditor*  
*on the Financial Statements for the year ended 30 September 2012*

*Opinion*

In our opinion, the financial statements for the year ended 30 September 2012 have been prepared in accordance with the accounting principles described in the notes.

KPMG SA

Pierre-Henri Pigeon  
*Licensed Audit Expert*  
*Auditor in Charge*

Eliane Fischer  
*Licensed Audit Expert*

Geneva, 9 March 2013

*Enclosure:*

Financial statements (balance sheet, statement of operations and notes)

**WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA**

**BALANCE SHEET AS OF 30 SEPTEMBER 2012**

	<u>Notes</u>	<u>30.09.2012</u>	<u>30.09.2011</u>
		CHF	CHF
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		268,493	288,496
Receivables		1,981	12,462
Current account - Fund for European Scouting		0	148,904
Current account - European Scout Foundation		8,685	9,653
Prepaid expenses		1,550	1,985
<b>Total current assets</b>		<u>280,709</u>	<u>461,500</u>
<b>Non-current assets</b>			
Fixed assets		17,563	27,418
Financial assets	2.6.	2,032,239	1,749,014
<b>Total non-current assets</b>		<u>2,049,802</u>	<u>1,776,432</u>
<b>TOTAL ASSETS</b>		<u>2,330,510</u>	<u>2,237,932</u>
<b>LIABILITIES AND OWN FUNDS</b>			
<b>Current liabilities</b>			
Accounts payable		354	2,993
Fees received in advance		0	1,143
Current account - World Scout Bureau		9,033	16,139
Current account - ASBL		20,895	59,620
Current account - Fund for European Scouting		1,265	0
Accrued liabilities and deferred income		32,145	35,006
<b>Total current liabilities</b>		<u>63,692</u>	<u>114,901</u>
<b>Restricted funds</b>			
Project funds	2.9.	89,233	65,453
<b>Total restricted funds</b>		<u>89,233</u>	<u>65,453</u>
<b>Own funds</b>			
Accumulated surplus		0	0
Reserve Development of European Scouting	2.10.	105,287	267,082
Reserve support for registration fees	2.11.	40,060	41,482
Reserve European Investment Fund (EIF)	2.6.	2,032,239	1,749,014
<b>Total own funds</b>		<u>2,177,586</u>	<u>2,057,578</u>
<b>TOTAL LIABILITIES AND FUNDS</b>		<u>2,330,511</u>	<u>2,237,932</u>

(The accompanying notes are an integral part of the financial statements)

**WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA**  
**STATEMENT OF OPERATIONS FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	2011/2012	2010/2011
	CHF	CHF
<b>INCOME</b>		
Regional Registration Fees	224,293	243,128
Contribution from USFIS	86,084	81,819
Contribution from World Scout Bureau	91,723	102,343
Project income	36,100	0
<b>Total income</b>	438,200	427,290
<b>EXPENSES</b>		
Contribution to European Scout Office ASBL operations	206,326	210,501
Project expenses	12,321	10,871
Personnel costs	180,437	46,535
Office premises	57,238	59,836
Professional fees	25,552	21,390
General and office expenses	84,037	24,993
Depreciation	13,283	12,337
<b>Total expenses</b>	579,194	386,463
<b>Intermediate result</b>	-140,994	40,827
Financial result	50,698	1,353
Exchange gain/loss	840	-47,478
Gain/loss on investments	233,244	-308,664
<b>Total net financial income</b>	284,782	-354,789
<b>Operational surplus/(loss) (prior to allocation)</b>	143,788	-313,962
<b>Allocations</b>		
(Allocation to) /withdrawal from:		
- Restricted funds	-23,780	10,871
- Reserve Development of European Scouting	161,795	-71,648
- Reserve Support for registration fees	1,422	0
- Transfer from Fund for European Scouting	0	980,887
- Reserve European Investment Fund (EIF)	-283,225	-763,367
- Accumulated surplus	0	157,219
<b>NET SURPLUS FOR THE YEAR</b>	0	0

(The accompanying notes are an integral part of the financial statements)

**WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA**  
**NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2012**

**Note 1 - General**

The World Scout Bureau - European Regional Office, Geneva, is a regional branch of the World Scout Bureau, Geneva, in conformity with Article XVI (2) of the constitution and by-laws of the World Organization of the Scout Movement. It is a not-for-profit organization.

The financial statements for the Fund for European Scouting (FES) Geneva and Bureau European du Scoutisme ASBL, Brussels, both part of the European Scout Region, are presented in separate reports.

**Note 2 – Summary of significant accounting policies**

The accompanying financial statements have been prepared under the historical cost convention as follows:

2.1. General principles

The European Regional Office maintains its books and records in Swiss Francs (CHF)

2.2. Foreign currency conversion

Assets and liabilities in foreign currencies are converted at the prevailing rate of exchange at balance sheet date.

Revenue and expenses in currencies other than CHF are converted at the exchange rate prevailing at the beginning of the month of the transaction.

2.3. Cash

The European Regional Office considers cash on hand, amounts due from banks and short-term deposits as cash

2.4. Accounts receivable

Accounts receivable are stated at nominal value, less a provision for doubtful Receivable

2.5. Fixed assets

Fixed assets are stated at cost, net of accumulated depreciation. Depreciation is calculated on a straight line basis over the estimated useful lives of the assets.

2.6. Financial assets

Financial assets, held in trust by the European Scout Foundation, are kept in a medium- to long-term investment portfolio as detailed below. The financial assets are valued at market value. The movement in fair value of financial assets is recognized in the financial income and allocated to the Reserve European Investment Fund (EIF).

**WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA**

**NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2012**

<b>EUROPEAN INVESTMENT FUND PORTFOLIO AS OF 30 SEPTEMBER 2012</b>				
<b>Investment category</b>	<b>Market value</b>	<b>Accrued interests</b>	<b>Total</b>	<b>% NV</b>
<b>Liquidities</b>	<b>174'028</b>	<b>2'678</b>	<b>176'706</b>	<b>8.70</b>
bank accounts	60'428	0	60'428	2.97
withholding tax		2'678	2'678	0.13
money market	113'600	0	113'600	5.59
<b>Bonds</b>	<b>740'636</b>	<b>4'004</b>	<b>744'640</b>	<b>36.64</b>
investments in bonds	610'750	3'555	614'305	30.23
convertible & option bonds	6'200	33	6'233	0.31
structured products & warrants	123'686	416	124'102	6.11
<b>Shares</b>	<b>1'108'611</b>	<b>2'282</b>	<b>1'110'893</b>	<b>54.66</b>
investments in shares	867'057	0	867'057	42.67
structured products & warrants	241'554	2'282	243'836	12.00
<b>Total net CHF</b>	<b>2'023'275</b>	<b>8'964</b>	<b>2'032'239</b>	<b>100.00</b>

2.7. Accounts payable

Accounts payable are recorded at nominal value.

2.8. Accrued liabilities

Accrued liabilities correspond to costs incurred by the European Regional Office for which no invoices have been received at year-end. These costs are recorded based on management's best estimate of future cash outflows or based on invoices received subsequent to the year-end.

2.9. Restricted funds

Restricted funds (Projects) consist of earmarked funds granted for specific project activities. These funds either cover current obligations for specific projects or activities still in progress at year-end or need to be used for implementing the same project activities in the next year subject to approval by the donor.

2.10. Reserve for Development of European Scouting

The reserve for the Development of European Scouting should serve to finance long term strategic priorities.

**WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA**

**NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2012**

2.11. Reserve for registration fees

This reserve is destined to cover the fees of National Scout Organisations who cannot afford this expenditure.

2.12. Reserve European Investment Fund (EIF)

This reserve constitutes the invested financial assets of the European Region (see note 2.6.)

2.13. Regional registration fees

The European Regional Office follows the cash receipts method for the recognition of registration fees (current and arrears) in accordance with the decisions of the World Scout Committee.

2.14. Income and expense recognition

Other income and expenses are recognised on the accrual basis and registered in the period to which they relate.