

THE SINGAPORE SCOUT ASSOCIATION
Unique Entity No. S85CC0196D

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

The Singapore Scout Association

General Information

Scout Council

President - Tan Tee How
Vice President - Robert Koh
Vice President - Leo Tan Wee Hin
Honorary Treasurer - Philip Ling Soon Hwa
Honorary Secretary - Ricky Sim Eng Huat

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

Registered Office

1 Bishan Street 12
Singapore 579808

Auditors

Lixin International

Bankers

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

Index

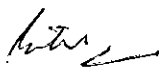
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The Singapore Scout Association

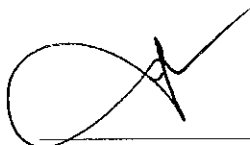
Statement by Scout Council

We, the undersigned, hereby state that in the opinion of the Scout Council, the financial statements of The Singapore Scout Association ("Association") set out on pages 4 to 30 are properly drawn up so as to give a true and fair view of the state of affairs of the Association at 31 December 2012 and of the results of its activities and cash flows for the financial year ended on that date.

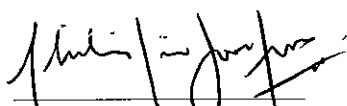
On behalf of the Scout Council



Tan Tee How
President



Tan Cheng Kiong
Chief Commissioner



Philip Ling Soon Hwa
Honorary Treasurer

Singapore, 25 May 2013

INDEPENDENT AUDITORS' REPORT
to the members of
THE SINGAPORE SCOUT ASSOCIATION

Report on the Financial Statements

We have audited the accompanying financial statements of The Singapore Scout Association ("Association") which comprise the statement of financial position as at 31 December 2012, and the statement of financial activities and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Scout Council's Responsibility for the Financial Statements

The Association's Council is responsible for the preparation of financial statements that give a true and fair view in accordance with the Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of financial activities and statement of financial position and to maintain accountability of assets.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT
to the members of
THE SINGAPORE SCOUT ASSOCIATION

Report on the Financial Statements (continued)

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Association as at 31 December 2012 and of the results of its activities and cash flows of the Association for the financial year then ended on that date.

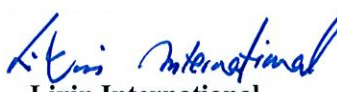
Report on Other Legal and Regulatory Requirements

In our opinion:

- a) the fund-raising appeals listed below conducted by the Association during the financial year, have been carried out in accordance with the Charities Act (Cap 37) and Income Tax Act (Cap 134) and proper accounting and other records have been kept of the fund-raising appeals:-

<u>Name of fund-raising project</u>	<u>Period of fund-raising</u>
Job Week	10 March 2012 to 16 March 2012
Donation Draw	28 May 2012 to 1 September 2012

- b) the accounting and other records required by the regulations enacted under the Charities Act (Cap 37) and Boy Scouts Association Act (Cap 26) to be kept by the Association have been properly kept in accordance with these regulations.
- c) nothing has come to our attention to cause us to believe that:
- (i) the funds were not used in accordance with the objects of the Association; and
 - (ii) the fund raising expenses have exceeded 30% of the total gross receipts from fund raising held during the periods as stated in paragraph (a) above.


Lixin International
Public Accountants and
Certified Public Accountants

Singapore, 25 May 2013

The Singapore Scout Association

**Statement of Financial Position
As at 31 December 2012**

	Note	2012 S\$	2011 S\$
ASSETS AND LIABILITIES			
Non-Current Assets			
Property, plant and equipment	3	1,473,517	1,917,159
Intangible assets	4	-	990
		<u>1,473,517</u>	<u>1,918,149</u>
Current Assets			
Inventories	5	242,627	304,110
Trade receivables	6	135,761	28,437
Other receivables	7	153,841	180,211
Cash and cash equivalents	8	6,016,268	5,194,341
		<u>6,548,497</u>	<u>5,707,099</u>
Total Assets		<u>8,022,014</u>	<u>7,625,248</u>
Current Liabilities			
Trade payables	9	216,813	186,681
Other payables	10	246,284	244,182
Deferred income		713	-
Total Liabilities		<u>463,810</u>	<u>430,863</u>
Net Current Assets		<u>6,084,687</u>	<u>5,276,236</u>
Net Assets		<u>7,558,204</u>	<u>7,194,385</u>
FUNDS			
Unrestricted Funds			
General funds	11	3,483,406	3,275,829
Restricted Funds			
Building funds		1,461,663	1,898,180
Scout Foundation Fund		574,352	142,500
Other specific funds	12	2,038,783	1,877,876
Total Funds		<u>7,558,204</u>	<u>7,194,385</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 2012

	Note	General Funds (Note 11) S\$	Restricted Funds			2012 Total Funds S\$	2011 Total Funds S\$
			Building Funds S\$	Scout Foundation Fund S\$	Other Specific Funds (Note 12) S\$		
Incoming resources							
<u>Incoming resources from generated funds</u>							
Voluntary income		3,000	-	452,280	15,525	470,805	152,754
Activities for generating funds							
- Donation Draw	13	204,742	-	-	174,784	379,526	397,008
- Job Week	14	413,179	-	-	391,178	804,357	782,539
- Scout Guild events	15	99,743	-	-	-	99,743	115,493
Investment income		32,359	-	-	2,005	34,364	32,379
<u>Incoming resources from charitable activities</u>							
- Grants		167,061	-	-	-	167,061	186,320
- Membership fees		94,438	-	-	-	94,438	97,571
- Fees from participants		599,457	-	-	119,042	718,499	1,019,422
- Scout Shop	16	192,402	-	-	-	192,402	187,663
- Use of camp		168,647	-	-	-	168,647	143,014
- Use of headquarter's facilities		19,319	-	-	-	19,319	10,743
Other incoming resources		130,205	-	-	-	130,205	234,136
Total incoming resources		2,124,552	-	452,280	702,534	3,279,366	3,359,042
Resources expended							
<u>Costs of generating funds</u>							
Fundraising costs							
- Donation Draw	13	28,663	-	-	24,470	53,133	53,666
- Job Week	14	6,013	-	-	5,691	11,704	2,606
- Scout Guild events	15	46,419	-	-	-	46,419	43,758
<u>Charitable activities</u>							
- Scout Shop	16	80,160	-	-	-	80,160	82,209
- Scout Groups		-	-	-	378,969	378,969	403,519
- Scout Guild		187	-	-	-	187	4,278
- Area activities		116,304	-	-	-	116,304	125,860
- International scout events and programme expenses		576,343	-	-	129,139	705,482	1,020,325
- Employee benefits expense	17	697,535	-	-	-	697,535	654,140
Governance costs - audit fees		12,000	-	-	-	12,000	14,219
Other resources expended	18	789,868	-	20,428	3,358	813,654	883,584
Total resources expended		2,353,492	-	20,428	541,627	2,915,547	3,288,164
Net (outgoing)/incoming resources before amortisation and transfer		(228,940)	-	431,852	160,907	363,819	70,878
Amortisation of building fund		436,517	(436,517)	-	-	-	-
Net incoming/(outgoing) resources		207,577	(436,517)	431,852	160,907	363,819	70,878
Total funds brought forward		3,275,829	1,898,180	142,500	1,877,876	7,194,385	7,123,507
Total funds carried forward		3,483,406	1,461,663	574,352	2,038,783	7,558,204	7,194,385

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 2012

	Note	2012 S\$	2011 S\$
Cash flows from operating activities			
Surplus for the year		363,819	70,878
Adjustments for:-			
Amortisation of intangible assets		990	3,080
Depreciation of property, plant and equipment		484,302	536,838
Interest income		(34,364)	(32,379)
		450,928	507,539
Operating surplus before working capital changes		814,747	578,417
Decrease/(Increase) in inventories		61,483	(665)
(Increase)/Decrease in trade and other receivables		(80,954)	140,698
Increase/(Decrease) in trade and other payables		32,234	(255,102)
Increase in deferred income		713	-
		13,476	(115,069)
Net cash generated from operating activities		828,223	463,348
Cash flows from investing activities			
Interest received		34,364	32,379
Purchase of property, plant and equipment		(40,660)	(27,030)
Net cash used in investing activities		(6,296)	5,349
Net increase in cash and cash equivalents		821,927	468,697
Cash and cash equivalents at 1 January		5,194,341	4,725,644
Cash and cash equivalents at 31 December	8	6,016,268	5,194,341

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 2012

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

1. General information

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

The Association is registered as a Charity under the Charities Act (Cap 37) and has been granted an Institution of Public Character (IPC) status up to 30 August 2013 by its Sector Administrator, the Ministry of Education.

The objects of the Association are to develop good citizenship among young people by forming their character, training them in habits of observation, obedience and self-reliance, inculcating loyalty and thoughtfulness for others, teaching them services useful to the public and skills useful to themselves and promoting their physical, mental and spiritual development.

The Association is domiciled and registered in Singapore. The registered address and principal place of activities of the Association are situated at 1 Bishan Street 12, Singapore 579808.

2. Summary of significant accounting policies

2.1 Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies, and the provisions of Singapore Financial Reporting Standards ("FRS").

The Association has not applied any new or revised FRS or interpretations that have been issued as of the date of the statement of financial position but are not yet effective. The initial application of these standards and interpretations are not expected to have any material impact on the Association's financial statements. The Association has not considered the impact of the accounting standards issued after the date of the statement of financial position.

2.2 Financial assets

Financial assets within the scope of FRS 39 ("FRS 39") are classified as either financial assets at fair value through profit or loss, loans and receivables or available-for-sale financial assets, as appropriate. Financial assets are recognised on the statement of financial position when, and only when, the Association becomes a party to the contractual provisions of the financial instrument.

The Singapore Scout Association

Notes to the financial statements - 31 December 2012

2. Summary of significant accounting policies (continued)

2.2 Financial assets (continued)

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

Loans and receivables

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

2.3 Property, plant and equipment

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

HQ building	Leasehold period of 30 years
Sarimbun Camp/Sands Training Institute	Leasehold period of 30 years
Furniture and fittings	5 years
Sundry equipment	5 years
Air-conditioners	5 years
Computers	3 years
Motor vehicles	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation methods are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. The effect of any changes in estimate is accounted for on a prospective basis.

On disposal of an item of equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of financial activities.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

The Singapore Scout Association

Notes to the financial statements - 31 December 2012

2. Summary of significant accounting policies (continued)

2.4 Intangible assets

Intangible assets comprising computer software, are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised from the date the assets are available for use. Amortisation is charged to the statement of financial activities using a straight-line method over the assets' useful lives of 3 years.

Fully amortised intangible assets are retained in the financial statements until they are no longer in use.

2.5 Inventories

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

2.6 Trade and other receivables

Trade and other receivables are accounted for as loans and receivables under FRS 39. They are recognised and carried at original invoiced amount, which represents their fair value on initial recognition, less allowance for any uncollectible amounts. Allowance for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Trade receivables are non-interest bearing and are generally granted 30 day terms.

2.7 Impairment

(i) Impairment of non-financial assets

The carrying amounts of the Association's assets are reviewed at each date of the statement of financial position to determine whether there is any objective evidence that a financial asset is impaired. If such indication exists, the assets' recoverable amount is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the management estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

The Singapore Scout Association

Notes to the financial statements - 31 December 2012

2. Summary of significant accounting policies (continued)

2.7 Impairment (continued)

(i) Impairment of non-financial assets (continued)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The impairment loss is recognised immediately in the statement of financial activities unless it reverses a previous revaluation, credited to funds, in which case it will be charged to funds.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of financial activities, unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Impairment of financial assets

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of financial activities.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of financial activities, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2.8 Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Association becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognised initially at their fair values, plus in the case of financial liabilities other than derivatives, directly attributable transaction costs. Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

The Singapore Scout Association

Notes to the financial statements - 31 December 2012

2. Summary of significant accounting policies (continued)

2.8 Financial liabilities (continued)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

2.9 Trade and other payables

Trade and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Association and subsequently measured at amortised cost using the effective interest method. Trade payables are normally settled on 30 to 90 day terms.

2.10 Derecognition of financial assets and liabilities

(i) Financial assets

A loan or receivable is derecognised where the contractual rights to receive cash flows from the asset have expired which usually coincides with receipt of payments for the asset. On derecognition, the difference between the carrying amount and the sum of the consideration received is recognised in the statement of financial activities.

(ii) Financial liabilities

Financial liabilities are derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in the statement of financial activities when the liabilities are derecognised as well as through the amortisation process.

2.11 Government grants

A government 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. Government 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. Government grants relating to assets are recognised as deferred capital grants on the statement of financial position and are amortised to the statement of financial activities on a straight line basis over the expected useful life of the relevant assets.

The Singapore Scout Association

Notes to the financial statements - 31 December 2012

2. Summary of significant accounting policies (continued)

2.12 Funds

Funds of the Association comprise mainly the general funds, the building fund, the Scout Foundation Fund and other funds designated for specific objectives (as further described in note 12 to the financial statements).

(i) General Funds

General funds are unrestricted and expendable at the discretion of the Scout Council in furtherance of the Association's objects.

(ii) Building Fund

Designated donations for the renovation/construction of the HQ building, Sarimbun Camp and Sands Training Institute are credited to the Building Fund account. The Building Fund account is amortised to the statement of financial activities to match the depreciation in respect of these buildings and camp.

(iii) Scout Foundation Fund

The Scout Foundation Fund is for projects which support the development of scouting in Singapore, including upgrading of camping and other infrastructure for scouting activities, development of Scout Groups in schools and the community and providing financial support for disadvantaged scouts.

2.13 Income

- (i) Donations, membership fees and other income are recognised to the extent that it is probable that the economic benefits will flow to the Association and the income can be reliably measured. These income are measured at fair value of consideration received or receivable.
- (ii) Interest income from bank deposits are recognised using the effective interest method.
- (iii) Revenue from sale of goods in Scout Shop is measured at the fair value of the consideration received or receivable, net of returns and allowances. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and the amount of revenue can be measured reliably.
- (iv) Rental income is recognised on the straight-line basis over the term of the lease.

2. Summary of significant accounting policies (continued)

2.14 Currency

(i) Functional currency

Items included in the financial statements of the Association are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Association ("functional currency"). The financial statements of the Association are presented in Singapore dollars, which is also the functional currency of the Association.

(ii) Foreign currency transaction

Transactions in foreign currencies are measured in the functional currency of the Association and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the date of the statement of financial position are recognised in the statement of financial activities.

2.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of financial activities on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Singapore Scout Association

Notes to the financial statements - 31 December 2012

2. Summary of significant accounting policies (continued)

2.16 Employee benefits

As required by law, the Association makes contributions to the state pension scheme, the Central Provident Fund ("CPF"). CPF contributions are recognised as an expense in the same period as the employment that gives rise to the contributions.

2.17 Cash and cash equivalents

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

2.18 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party when making financial or operational decisions. In considering each possible related party relationship, attention is paid to the substance of the relationship, not merely the legal form.

Related parties include the Association's members, key management personnel, associates and enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the Association's members or key management personnel.

The Singapore Scout Association

Notes to the financial statements – 31 December 2012

3. Property, plant and equipment	HQ building S\$	Sarimbun Camp S\$	Sands Training Institute S\$	Furniture and fittings S\$	Sundry equipment S\$	Air conditioners S\$	Computers S\$	Motor vehicles S\$	Total S\$
Cost									
As at 1 January 2011	4,012,432	3,941,444	1,958,125	171,411	156,970	80,247	76,605	60,000	10,457,234
Additions	550	1,793	-	-	15,480	2,782	6,425	-	27,030
Disposals	-	-	-	(13,047)	(75,875)	(191)	(13,278)	-	(102,391)
As at 31 December 2011	4,012,982	3,943,237	1,958,125	158,364	96,575	82,838	69,752	60,000	10,381,873
Additions	-	-	-	-	36,160	524	3,976	-	40,660
As at 31 December 2012	4,012,982	3,943,237	1,958,125	158,364	132,735	83,362	73,728	60,000	10,422,533
Accumulated depreciation									
As at 1 January 2011	2,305,425	3,584,989	1,637,940	166,538	153,701	71,691	73,983	36,000	8,030,267
Depreciation charge for the year	170,762	179,123	160,093	1,392	4,424	4,281	4,763	12,000	536,838
Disposals	-	-	-	(13,047)	(75,875)	(191)	(13,278)	-	(102,391)
As at 31 December 2011	2,476,187	3,764,112	1,798,033	154,883	82,250	75,781	65,468	48,000	8,464,714
Depreciation charge for the year	170,762	149,271	133,410	1,392	10,974	3,025	3,468	12,000	484,302
As at 31 December 2012	2,646,949	3,913,383	1,931,443	156,275	93,224	78,806	68,936	60,000	8,949,016
Carrying amount									
As at 31 December 2012	1,366,033	29,854	26,682	2,089	39,511	4,556	4,792	-	1,473,517
As at 31 December 2011	1,536,795	179,125	160,092	3,481	14,325	7,057	4,284	12,000	1,917,159

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

HQ building: 1 Bishan Street 12, Singapore 579808. (Expiry date: 22 April 2021)

Sarimbun camp: Lot 746 SL MK 12, 70 Jalan Bahtera Singapore 719921. (Expiry date: 15 February 2015)

The title deeds to the HQ building are jointly held in trust on behalf of the Association by the Chief Commissioner and the Executive Director.

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

Depreciation charge for the year comprises depreciation amounting to S\$483,777 (2011 - S\$536,312) in respect of HQ's property, plant and equipment and S\$525 (2011 - S\$526) in respect of Scout Shop's property, plant and equipment.

The Singapore Scout Association

Notes to the financial statements – 31 December 2012

4. Intangible assets		
	2012	2011
	S\$	S\$
Software		
Cost		
Balance at beginning and end of year	<u>74,222</u>	<u>74,222</u>
Accumulated amortisation		
Balance at beginning of year	73,232	70,152
Amortisation for the year	<u>990</u>	<u>3,080</u>
Balance at end of year	<u>74,222</u>	<u>73,232</u>
Carrying amount		
Balance at end of year	<u>-</u>	<u>990</u>

5. Inventories		
	2012	2011
	S\$	S\$
Goods held for resale	215,287	256,913
Medals and plaques	<u>27,340</u>	<u>47,197</u>
	<u>242,627</u>	<u>304,110</u>

6. Trade receivables

Trade receivables are denominated in Singapore dollars, non-interest bearing and are recognised at their original invoice amounts which approximate their fair values on their initial recognition.

At the date of the statement of financial position, trade receivables amounting to S\$104,161 (2011 – S\$9,376) are past due but not impaired. The analysis of their aging at the date of the statement of financial position is as follows:

	2012	2011
	S\$	S\$
<u>Trade receivables past due</u>		
1 to 30 days	26,812	416
31 to 60 days	11,322	1,123
Above 60 days	<u>66,027</u>	<u>7,837</u>
	<u>104,161</u>	<u>9,376</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2012

7. Other receivables

	2012 S\$	2011 S\$
Grant and donation receivables	111,156	121,143
Other receivables	24,690	43,724
Prepayments	7,695	5,044
Deposits	10,300	10,300
	<u>153,841</u>	<u>180,211</u>

8. Cash and cash equivalents

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

	2012 S\$	2011 S\$
Fixed deposits	4,290,454	2,582,768
Cash and bank balances	1,725,814	2,611,573
	<u>6,016,268</u>	<u>5,194,341</u>

The fixed deposits bear interest at interest rates ranging from 0.60% to 1.09% (2011 – 1.00% to 1.08%) per annum and mature within 6 - 12 (2011 – 12) months from the end of the financial year.

9. Trade payables

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

10. Other payables

	2012 S\$	2011 S\$
Other payables	9,602	14,882
Accrued expenses	147,212	129,095
Grants received in advance	68,555	84,505
Fees received in advance	20,915	15,700
	<u>246,284</u>	<u>244,182</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2012

1.1. General funds

	Headquarter S\$	North Area S\$	South Area S\$	East Area S\$	West Area S\$	Scout Shop S\$	Scout Guild S\$	New Unit Development Funds S\$	Total S\$
Incoming resources									
<u>Incoming resources from generated funds</u>									
Voluntary income	3,000	-	-	-	-	-	-	-	3,000
Activities for generating funds									
- Donation Draw	178,607	7,824	5,616	5,442	7,253	-	-	-	204,742
- Job Week	354,502	13,940	17,360	13,932	13,445	-	-	-	413,179
- Scout Guild events	-	-	-	-	-	-	99,743	-	99,743
Investment income	23,573	546	546	546	546	5,460	1,142	-	32,359
<u>Incoming resources from charitable activities</u>									
- Grants	167,061	-	-	-	-	-	-	-	167,061
- Membership fees	94,438	-	-	-	-	-	-	-	94,438
- Fees from participants	385,112	47,815	40,995	34,887	90,648	-	-	-	599,457
- Scout Shop	-	-	-	-	-	192,402	-	-	192,402
- Use of camp	168,647	-	-	-	-	-	-	-	168,647
- Use of headquarter's facilities	19,319	-	-	-	-	-	-	-	19,319
Other incoming resources	130,205	-	-	-	-	-	-	-	130,205
Total incoming resources	1,524,464	70,125	64,517	54,807	111,892	197,862	100,885	-	2,124,552

The Singapore Scout Association

Notes to the financial statements – 31 December 2012

11. General funds (continued)

	Headquarter S\$	North Area S\$	South Area S\$	East Area S\$	West Area S\$	Scout Shop S\$	Scout Guild S\$	New Unit Development Funds S\$	Total S\$
Resources expended									
<u>Costs of generating funds</u>									
Fundraising costs									
- Donation Draw	25,004	1,095	786	762	1,016	-	-	-	28,663
- Job Week	5,159	203	252	203	196	-	-	-	6,013
- Scout Guild events	-	-	-	-	-	-	46,419	-	46,419
<u>Charitable activities</u>									
- Scout Shop	-	-	-	-	-	80,160	-	-	80,160
- Scout Guild	-	-	-	-	-	-	187	-	187
- Area activities	-	19,684	15,193	33,358	48,069	-	-	-	116,304
- International scout events and programme expenses	451,642	31,509	32,142	6,041	55,009	-	-	-	576,343
- Employee benefits expense	697,535	-	-	-	-	-	-	-	697,535
Governance costs - audit fees	12,000	-	-	-	-	-	-	-	12,000
Other resources expended	789,868	-	-	-	-	-	-	-	789,868
Total resources expended	1,981,208	52,491	48,373	40,364	104,290	80,160	46,606	-	2,353,492
Net (outgoing)/incoming resources before transfer	(456,744)	17,634	16,144	14,443	7,602	117,702	54,279	-	(228,940)
Amortisation of building fund	436,517	-	-	-	-	-	-	-	436,517
Transfer of funds	71,735	-	-	-	-	-	(71,735)	-	-
Net incoming resources	51,508	17,634	16,144	14,443	7,602	117,702	(17,456)	-	207,577
Total funds brought forward	1,066,668	132,789	129,462	135,563	126,219	1,214,313	177,065	293,750	3,275,829
Total funds carried forward	1,118,176	150,423	145,606	150,006	133,821	1,332,015	159,609	293,750	3,483,406

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Notes to the financial statements – 31 December 2012

12. Other specific funds	Scout Groups S\$	Benjamin Henry Sheares S\$	IT Project S\$	Scout Discovery Centre S\$	Total S\$
Incoming resources					
<u>Incoming resources from generated funds</u>					
Voluntary income	15,525	-	-	-	15,525
Activities for generating funds					
- Donation Draw	174,784	-	-	-	174,784
- Job Week	391,178	-	-	-	391,178
Investment income	662	1,343	-	-	2,005
<u>Incoming resources from charitable activities</u>					
- Fees from participants	118,846	-	-	196	119,042
Total incoming resources	700,995	1,343	-	196	702,534
Resources expended					
<u>Costs of generating funds</u>					
Fundraising costs					
- Donation Draw	24,470	-	-	-	24,470
- Job Week	5,691	-	-	-	5,691
<u>Charitable activities</u>					
- Scout Groups	378,969	-	-	-	378,969
- International scout events and programme expenses	129,139	-	-	-	129,139
Other resources expended	-	-	-	3,358	3,358
Total resources expended	538,269	-	-	3,358	541,627
Net incoming/(outgoing) resources	162,726	1,343	-	(3,162)	160,907
Total funds brought forward	1,719,302	132,304	1,718	24,552	1,877,876
Total funds carried forward	1,882,028	133,647	1,718	21,390	2,038,783

12. **Other specific funds (continued)**

Scout Groups Fund

The Scout Groups Fund is a designated fund of the Association that supports scouting activities of the scout groups registered with the Association. The Fund is set up using donations received that are designated for use by specific scout groups, the share of Donation Draw and Job Week proceeds that each scout group receives and other fund raising activities by the scout groups. As at 31 December 2012, there are 230 (2011 – 226) scout groups registered with the Association.

Dr. Benjamin Henry Sheares Scholarship Fund

The Dr. Benjamin Henry Sheares Scholarship Fund was set up for the purpose of using the income from the fund to provide educational scholarships for needy scouts.

IT Project

The IT project fund is used to fund the repair and upgrading of second hand computers which are then given to needy families in the community.

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 2012

13. Donation Draw

	2012 S\$	2011 S\$
Income		
Sale of tickets	350,316	356,608
Donations (tax exempt)	29,210	40,400
	<u>379,526</u>	<u>397,008</u>
Less: Expenses		
Administration and advertising expenses	2,733	2,983
Printing, stationery and miscellaneous	6,600	6,883
Prizes	42,400	38,300
Unclaimed prizes donated to Community Chest	1,400	5,500
	<u>53,133</u>	<u>53,666</u>
Net Income	<u>326,393</u>	<u>343,342</u>
Net income allocated as follows:		
<u>Area (Note 11)</u>		
North Area	6,729	6,558
South Area	4,830	4,897
East Area	4,680	4,793
West Area	6,237	6,712
Total Area	<u>22,476</u>	<u>22,960</u>
Scout groups (Note 12)	150,314	153,064
Headquarter	<u>153,603</u>	<u>167,318</u>
Net Income	<u>326,393</u>	<u>343,342</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2012

14. **Job Week**

	2012	2011
	S\$	S\$
Income		
Collections	784,357	768,239
Donations (tax exempt)	20,000	14,300
	<u>804,357</u>	<u>782,539</u>
Less: Expenses		
Administration expenses	2,335	2,606
Incentive awards	7,544	-
Printing of cards	1,825	-
	<u>11,704</u>	<u>2,606</u>
Net Income	<u><u>792,653</u></u>	<u><u>779,933</u></u>
Net income allocated as follows:		
<u>Area (Note 11)</u>		
North Area	13,737	11,558
South Area	17,108	16,701
East Area	13,729	13,875
West Area	13,249	15,143
Total Area	<u>57,823</u>	<u>57,277</u>
Scout groups (Note 12)	385,487	381,843
Headquarter	<u>349,343</u>	<u>340,813</u>
Net Income	<u><u>792,653</u></u>	<u><u>779,933</u></u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2012

15. Scout Guild events

	Charity Golf S\$	Charity Show S\$	2012 Total S\$	2011 Total S\$
Income				
Advertisement	1,000	-	1,000	1,000
Donations (tax exempt)	65,003	29,940	94,943	109,318
Fees collected	3,800	-	3,800	4,565
Sale of tickets	-	-	-	610
	<u>69,803</u>	<u>29,940</u>	<u>99,743</u>	<u>115,493</u>
Less: Expenses				
Allocation of fund to Senior in Scouting	-	-	-	310
Cinema expenses	-	13,320	13,320	8,436
Green fees and dinner	18,458	-	18,458	19,568
Miscellaneous expenses	13,396	-	13,396	14,198
Souvenir programme	1,245	-	1,245	1,246
	<u>33,099</u>	<u>13,320</u>	<u>46,419</u>	<u>43,758</u>
Net Surplus	<u>36,704</u>	<u>16,620</u>	<u>53,324</u>	<u>71,735</u>

16. Scout Shop

	2012 S\$	2011 S\$
Income		
Sales, net of discount allowed	413,706	405,769
Cost of goods sold	<u>(221,304)</u>	<u>(218,106)</u>
Gross profit	192,402	187,663
Other operating income		
Interest income	<u>5,460</u>	<u>5,623</u>
Total operating income	<u>197,862</u>	<u>193,286</u>
Less:		
Selling and distribution expenses	-	1,000
Other operating expenses	<u>80,160</u>	<u>81,209</u>
	<u>80,160</u>	<u>82,209</u>
Net Surplus from Scout Shop	<u>117,702</u>	<u>111,077</u>

Included in the cost of goods sold of the Scout Shop is a reversal of write-down of inventories for the year amounting to S\$1,395 (2011 - S\$8,055). The reversal of write-down of inventories was made when the related inventories were sold above their carrying amounts.

The Singapore Scout Association

Notes to the financial statements – 31 December 2012

17. Employee benefits expense	2012 S\$	2011 S\$
Staff salaries	629,451	594,449
CPF contributions and skills development levies	63,786	55,139
Staff training	3,398	2,656
Staff welfare	900	1,896
	697,535	654,140
18. Other resources expended	2012 S\$	2011 S\$
<u>General Funds</u>		
AGM expenses	764	790
Adult resources expenses	24,143	42,775
Amortisation of intangible assets	990	3,080
Bank charges	399	519
Cost of consignment sales	-	3,803
Depreciation of property, plant and equipment	483,777	536,312
Entertainment and refreshments	3,620	3,470
General expenses	3,158	1,405
Infrastructure	72,894	89,279
Insurance	25,403	24,942
Rental of office equipment	10,259	10,259
Recruitment	828	-
Medical	3,763	3,467
Membership expenses	16,082	15,328
Printing, stationery and postage	5,889	5,546
Public relations	8,759	23,352
Property tax	36,000	36,000
Repairs and maintenance	1,906	2,434
Software maintenance	23,628	19,729
Temporary staff	2,307	648
Telephone and internet	8,834	8,701
Training and courses	15,499	19,309
Travelling and transport expenses	1,262	1,273
Water and electricity	37,462	31,163
Other resources expended	2,242	-
	789,868	883,584
<u>Scout Foundation Fund</u>		
Scout Foundation Fund expenses	20,428	-
<u>Other Specific Funds</u>		
Scout Discovery Centre expenses	3,358	-
	813,654	883,584

The Singapore Scout Association

Notes to the financial statements – 31 December 2012

19. Taxation

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

20. Related party transactions

Key management compensation

	2012	2011
	S\$	S\$
Staff salaries	209,623	202,126
CPF contributions	14,838	12,811
	<u>224,461</u>	<u>214,937</u>

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

	2012	2011
S\$50,000 - S\$100,000	1	1
S\$101,000 - S\$150,000	<u>1</u>	<u>1</u>

There are no other related party transactions.

21. Significant accounting estimates and judgements

The preparation of financial statements, in conformity with FRSs, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

21.1 Judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Association's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(i) Impairment of property, plant and equipment

The carrying values of property, plant and equipment are reviewed for impairment when there are indications of impairment. As at 31 December 2012, there is no indication of impairment and the carrying value of the Association's property, plant and equipment was S\$1,473,517.

21. Significant accounting estimates and judgements (continued)

21.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below :-

(i) Useful lives of property, plant and equipment

The cost of property, plant and equipment for the Association's activities is depreciated on a straight line basis over the useful lives of the property, plant and equipment. Management estimates the useful lives of these property, plant and equipment to be within 3 to 30 years. These are common life expectancies applied in the industry. Changes in the expected levels of usage could impact the economic useful lives and the residual value of these assets and accordingly, future depreciation charges could be revised. The carrying values of the Association's property, plant and equipment are as disclosed in note 3.

(ii) Impairment of non-financial assets

The Association assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(iii) Impairment of receivables

The Association assesses at each date of statement of financial position whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Association considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Association's receivables at the date of the statement of financial position is S\$289,602 (2011 – S\$208,648).

22. Financial instruments

22.1 Categories of financial instruments

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

	2012 S\$	2011 S\$
Financial assets		
Trade and other receivables	281,907	203,604
Cash and cash equivalents	<u>6,016,268</u>	<u>5,194,341</u>
	<u>6,298,175</u>	<u>5,397,945</u>
Financial liabilities		
Trade and other payables	<u>463,097</u>	<u>430,863</u>

22.2 Risk management policies

The main risks arising from the Association's financial instruments are credit risk, liquidity risk and price risk, primarily changes in foreign exchange rates and interest rates. However, the Association's activities expose it to minimal financial risks and the management monitors and controls its main risks in the following manner:

(i) Credit risk

Financial instruments contain an element of risk in that the counterparties may be unable to meet their obligations. The management minimises this risk by analysing the credibility of its debtors. In addition, it monitors the repayment terms of its debtors on a regular basis.

(ii) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments.

In the management of liquidity risk, the Association monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Association's activities and mitigate the effects of fluctuation in cash flows. The Scout Council exercises prudent liquidity and cash flow risk management policies and aims at maintaining a high level of liquidity and cash flows at all times.

22. Financial instruments (continued)

22.2 Risk management policies (continued)

(iii) Foreign exchange risk

Foreign exchange risk is the risk to earnings and value of financial instruments caused by fluctuation in foreign exchange rates. As the Association's transactions are substantially carried out in Singapore dollars, its exposure to foreign exchange risk is minimal.

Sensitivity analysis

Management has assessed that the exposure to changes in foreign exchange rates is minimal and hence the resulting impact on results of the Association is insignificant.

(iii) Interest rate risk

Interest rate risk relates primarily to the risk that the value of financial instruments will fluctuate as a result of changes to market interest rates. Surplus cash and cash equivalents are placed with established financial institutions at favorable interest rates and terms and conditions available to the Association. The Association's income and operating cash flows are substantially independent of changes in market interest rates. The Association's policy is to have no gearing.

Sensitivity analysis

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

22.3 Fair values

The management is of the view that the fair values of the financial assets and liabilities as at the date of the statement of financial position approximate their carrying amounts as disclosed in the statement of financial position and in the notes to the financial statements.

The Singapore Scout Association

Notes to the financial statements – 31 December 2012

23. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation as follows :-

	2011 balance as reclassified S\$	2011 balance as previously reported S\$
Statement of Financial Position		
Other receivables	180,211	195,979
Cash and cash equivalents	5,194,341	5,178,573
Other payables	244,182	537,932
General funds	3,275,829	2,805,014
Scout Foundation Fund	142,500	-
Other specific funds	<u>1,877,876</u>	<u>2,197,441</u>

The Statement of Financial Activities has been re-presented in the current financial year to better reflect the Association's activities, and the resources generated and expended. Comparative figures have been reclassified where appropriate, to conform with current year's presentation.

24. Authorisation of financial statements

The financial statements of the Association for the financial year ended 31 December 2012 were authorised for issue in accordance with a resolution of the Scout Council on 25 May 2013.