

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

## **The Singapore Scout Association**

### **General Information**

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#### **Scout Council**

President - Tan Tee How  
Vice President - Robert Koh  
Vice President - Leo Tan Wee Hin  
Honorary Treasurer - Lai Seng Kwoon  
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

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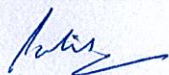
**The Singapore Scout Association**

**Statement by Scout Council**

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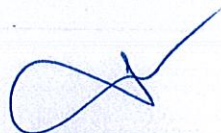
We, the undersigned, hereby state that in the opinion of the Scout Council, the financial statements of The Singapore Scout Association ("Association") set out on pages 4 to 31 are properly drawn up so as to give a true and fair view of the state of affairs of the Association at 31 December 2011 and of the results of its activities and cash flows for the financial year ended on that date.

On behalf of the Scout Council



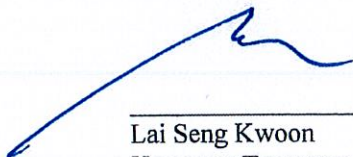
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Tan Tee How  
President



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Tan Cheng Kiong  
Chief Commissioner



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Lai Seng Kwoon  
Honorary Treasurer

Singapore, 26 MAY 2012

**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 2011, 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 2011 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	12 March 2011 to 18 March 2011
Donation Draw	28 May 2011 to 3 September 2011

- 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, 26 May 2012

**The Singapore Scout Association**

**Statement of Financial Position  
As at 31 December 2011**

	Note	2011 S\$	2010 S\$
<b>ASSETS AND LIABILITIES</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	1,917,159	2,426,967
Intangible assets	4	990	4,070
		<u>1,918,149</u>	<u>2,431,037</u>
<b>Current Assets</b>			
Inventories	5	304,110	303,445
Trade receivables	6	28,437	17,085
Other receivables	7	195,979	332,261
Cash and cash equivalents	8	5,178,573	4,725,644
		<u>5,707,099</u>	<u>5,378,435</u>
<b>Total Assets</b>		<u>7,625,248</u>	<u>7,809,472</u>
<b>Current Liabilities</b>			
Trade payables	9	186,681	277,817
Other payables	10	537,932	701,898
Deferred capital grant	11	-	-
<b>Total Liabilities</b>		<u>724,613</u>	<u>979,715</u>
Net Current Assets		<u>4,982,486</u>	<u>4,398,720</u>
<b>Net Assets</b>		<u>6,900,635</u>	<u>6,829,757</u>
<b>FUNDS</b>			
<b>Unrestricted Income Funds</b>			
Accumulated funds		2,805,014	2,561,929
<b>Restricted Funds of the Association</b>			
Building funds		1,898,180	2,208,830
Specific funds	12	2,197,441	2,058,998
<b>Total Funds</b>		<u>6,900,635</u>	<u>6,829,757</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 2011

	Note	Unrestricted Funds Accumulated Funds S\$	Restricted Funds Building Funds S\$	Restricted Funds Specific Funds (Note 12) S\$	2011 Total Funds S\$	2010 Total Funds S\$
<b>Incoming resources</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income	14	1,490	-	-	1,490	5,920
Activities for generating funds						
- Donation Draw	15	397,008	-	-	397,008	381,506
- Job Week	16	782,539	-	-	782,539	617,875
- Scout Guild events	17	120,773	-	-	120,773	134,703
Investment income		20,734	-	-	20,734	6,815
<b>Incoming resources from charitable activities</b>						
- Grants		178,095	-	-	178,095	184,394
- Membership fees		97,571	-	-	97,571	83,109
- Fees from participants		683,135	-	-	683,135	283,255
- Scout Shop	18	193,286	-	-	193,286	206,927
- Scout Groups	19	658,601	-	-	658,601	525,121
- Scout Guild		7,241	-	-	7,241	468
- Area activities	20	324,325	-	-	324,325	247,219
- Centenary celebrations	21	-	-	-	-	1,131,998
- Use of camp/lease rental		251,014	-	-	251,014	228,602
- Use of headquarter's facilities		10,743	-	-	10,743	11,355
Other incoming resources		100,772	-	-	100,772	15,780
<b>Total incoming resources</b>		<b>3,827,327</b>	<b>-</b>	<b>-</b>	<b>3,827,327</b>	<b>4,065,047</b>
<b>Resources expended</b>						
<b>Costs of generating funds</b>						
Fundraising costs						
- Donation Draw	15	53,666	-	-	53,666	54,282
- Job Week	16	2,606	-	-	2,606	6,727
- Scout Guild events	17	49,038	-	-	49,038	50,764
<b>Re-allocation of income</b>						
- Donation Draw	15	176,024	-	-	176,024	165,709
- Job Week	16	439,120	-	-	439,120	342,140
<b>Charitable activities</b>						
- Scout Shop	18	82,209	-	-	82,209	100,880
- Scout Groups	19	573,004	-	-	573,004	532,995
- Scout Guild		4,278	-	-	4,278	54
- Area activities	20	263,989	-	-	263,989	200,712
- Centenary celebrations	21	-	-	-	-	1,006,723
- International scout events and programme expenses		712,711	-	-	712,711	376,812
- Employee benefits expense	22	654,140	-	-	654,140	606,175
Governance costs - audit fees		14,219	-	-	14,219	11,000
Other resources expended	23	883,584	-	-	883,584	815,126
<b>Total resources expended</b>		<b>3,908,588</b>	<b>-</b>	<b>-</b>	<b>3,908,588</b>	<b>4,270,099</b>
<b>Net outgoing resources before amortisation and transfers</b>						
amortisation and transfers		(81,261)	-	-	(81,261)	(205,052)
Amortisation of building fund		310,650	-	-	310,650	311,573
Amortisation of deferred capital grant		-	-	-	-	19,993
<b>Net incoming resources before transfers</b>		<b>229,389</b>	<b>-</b>	<b>-</b>	<b>229,389</b>	<b>126,514</b>
<b>Transfers/Movements in funds</b>						
MOE grant - Scout Discovery Centre		-	-	-	-	20,000
Funding for Scout Discovery Centre		-	-	8,307	8,307	-
Funding for Scout Foundation Fund		-	-	142,500	142,500	-
Amortisation of building fund		-	(310,650)	-	(310,650)	(311,573)
Investment income on specific funds	12	-	-	1,332	1,332	226
Transfer of funds relating to prior years events		173,991	-	(173,991)	-	-
Transfer of surplus between funds	12	(160,295)	-	160,295	-	-
<b>Net movement in funds</b>		<b>243,085</b>	<b>(310,650)</b>	<b>138,443</b>	<b>70,878</b>	<b>(164,833)</b>
<b>Total funds brought forward</b>		<b>2,561,929</b>	<b>2,208,830</b>	<b>2,058,998</b>	<b>6,829,757</b>	<b>6,994,590</b>
<b>Total funds carried forward</b>		<b>2,805,014</b>	<b>1,898,180</b>	<b>2,197,441</b>	<b>6,900,635</b>	<b>6,829,757</b>

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 2011**

	Note	2011 S\$	2010 S\$
<b>Cash flows from operating activities</b>			
Surplus for the year		229,389	126,514
Adjustments for:-			
Amortisation of building fund		(310,650)	(311,573)
Amortisation of deferred capital grant		-	(19,993)
Amortisation of intangible assets		3,080	24,741
Depreciation of property, plant and equipment		536,838	537,260
Interest income		(22,066)	(7,041)
		<u>207,202</u>	<u>223,394</u>
Operating surplus before working capital changes		<u>436,591</u>	<u>349,908</u>
(Increase)/Decrease in inventories		(665)	19,184
Decrease/(Increase) in trade and other receivables		124,930	(157,277)
(Decrease)/Increase in trade and other payables		(255,102)	178,502
		<u>(130,837)</u>	<u>40,409</u>
Net cash generated from operating activities		<u>305,754</u>	<u>390,317</u>
<b>Cash flows from investing activities</b>			
Interest received		23,398	7,267
Purchase of property, plant and equipment		(27,030)	(143,404)
Purchase of intangible assets		-	(2,970)
Donations received for building fund		-	20,000
Donations received for specific funds		150,807	-
Net cash generated from/(used in) investing activities		<u>147,175</u>	<u>(119,107)</u>
Net increase in cash and cash equivalents		452,929	271,210
Cash and cash equivalents at 1 January		4,725,644	4,454,434
Cash and cash equivalents at 31 December	8	<u><u>5,178,573</u></u>	<u><u>4,725,644</u></u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements



## **The Singapore Scout Association**

### **Notes to the financial statements - 31 December 2011**

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

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

The Association (Unique Entity No. S85CC0196D) was registered on 4 January 1912 under the powers granted by the Royal Charter issued under the hand of King George V and 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 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 2011

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

##### 2.2 Financial assets (continued)

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

##### Loans and receivables

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

##### 2.3 Property, plant and equipment

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

HQ building	Leasehold period of 30 years
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 2011

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#### 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.

##### 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 2011

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#### 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 2011**

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#### **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 2011

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

##### 2.12 Funds

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

##### (i) Accumulated Funds

Accumulated 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.

##### 2.13 Income

- (i) Donations, membership fees and other income are recognised on a cash basis.
- (ii) Interest income from bank deposits are accrued on a time proportion basis on the principal outstanding and at the applicable interest rate.
- (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.

##### 2.14 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.

## **The Singapore Scout Association**

### **Notes to the financial statements - 31 December 2011**

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

##### **2.14 Currency (continued)**

###### **(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.

##### **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.

## **The Singapore Scout Association**

### **Notes to the financial statements - 31 December 2011**

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

##### **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 2011

3.	Property, plant and equipment								Total
	HQ building	Sarimbun Camp	Sands Training Institute	Furniture and fittings	Sundry equipment	Air conditioners	Computers	Motor vehicles	SS
	SS	SS	SS	SS	SS	SS	SS	SS	SS
<b>Cost</b>									
Balance at 1 January 2010	3,878,660	3,940,074	1,958,125	166,901	153,732	79,733	76,605	129,210	10,383,040
Additions	133,772	1,370	-	4,510	3,238	514	-	-	143,404
Disposals	-	-	-	-	-	-	-	(69,210)	(69,210)
Balance at 31 December 2010	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
Write-off	-	-	-	(13,047)	(75,875)	(191)	(13,278)	-	(102,391)
Balance 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
<b>Accumulated depreciation</b>									
Balance at 1 January 2010	2,134,724	3,406,420	1,477,847	165,112	152,114	67,967	64,823	93,210	7,562,217
Charge for the year	170,701	178,569	160,093	1,426	1,587	3,724	9,160	12,000	537,260
Disposals	-	-	-	-	-	-	-	(69,210)	(69,210)
Balance at 31 December 2010	2,305,425	3,584,989	1,637,940	166,538	153,701	71,691	73,983	36,000	8,030,267
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)
Balance 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
<b>Carrying amount</b>									
Balance at 31 December 2011	1,536,795	179,125	160,092	3,481	14,325	7,057	4,284	12,000	1,917,159
Balance at 31 December 2010	1,707,007	356,455	320,185	4,873	3,269	8,556	2,622	24,000	2,426,967

The location and the corresponding 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 Bahera Singapore 719921. (Expiry date: 15 February 2013)

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.

**The Singapore Scout Association**

**Notes to the financial statements – 31 December 2011**

4. Intangible assets	2011 S\$	2010 S\$
<b>Software</b>		
<b>Cost</b>		
Balance at beginning of year	74,222	71,252
Additions	-	2,970
Balance at end of year	<u>74,222</u>	<u>74,222</u>
<b>Accumulated amortisation</b>		
Balance at beginning of year	70,152	45,411
Amortisation for the year	3,080	24,741
Balance at end of year	<u>73,232</u>	<u>70,152</u>
<b>Carrying amount</b>		
Balance at end of year	<u>990</u>	<u>4,070</u>
5. Inventories	2011 S\$	2010 S\$
Goods held for resale	256,913	270,633
Medals and plaques	47,197	32,812
	<u>304,110</u>	<u>303,445</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.

There are no receivables which are past due at the date of the statement of financial position but not impaired.

**The Singapore Scout Association**

**Notes to the financial statements – 31 December 2011**

**7. Other receivables**

	<b>2011</b>	<b>2010</b>
	<b>S\$</b>	<b>S\$</b>
Grant and donation receivables	121,143	163,549
Other receivables	43,724	153,096
Interest receivables	15,768	-
Prepayments	5,044	5,056
Deposits	10,300	10,560
	<u>195,979</u>	<u>332,261</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 :-

	<b>2011</b>	<b>2010</b>
	<b>S\$</b>	<b>S\$</b>
Fixed deposits	2,567,000	2,556,000
Cash and bank balances	2,611,573	2,169,644
	<u>5,178,573</u>	<u>4,725,644</u>

The fixed deposits bear interest at interest rates ranging from 1.00% to 1.08% (2010 – 0.15% to 1.08%) per annum and mature within 12 (2010 – 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**

	<b>2011</b>	<b>2010</b>
	<b>S\$</b>	<b>S\$</b>
Other payables	14,882	52,466
New Unit Development Fund	293,750	294,750
Accrued expenses	129,095	197,339
Grants received in advance	84,505	97,957
Fees received in advance	15,700	59,386
	<u>537,932</u>	<u>701,898</u>

**The Singapore Scout Association**

**Notes to the financial statements – 31 December 2011**

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**11. Deferred capital grant**

This comprises a grant for the costs of software in respect of the Association's membership service database system. Movements in the grant are as follows:

	2011 S\$	2010 S\$
Balance at beginning of year	-	19,993
Amortisation of grant during the year	-	(19,993)
Balance at end of year	<u>-</u>	<u>-</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2011

12. Specific funds	Scout Guild SS	Scout Groups SS	Benjamin Henry Sheares SS	IT Project SS	Scout Discovery Centre SS	Scout Foundation Fund SS	Total SS
Balance at 1 January 2010	192,005	1,641,579	130,746	1,718	-	-	1,966,048
Surplus for the year (note 13)	-	-	226	-	-	-	226
Surplus transferred from accumulated fund	84,353	(7,874)	-	-	16,245	-	92,724
Balance at 31 December 2010	276,358	1,633,705	130,972	1,718	16,245	-	2,058,998
Surplus for the year (note 13)	-	-	1,332	-	-	-	1,332
Funding received	-	-	-	-	8,307	142,500	150,807
Transfer of funds relating to prior year events to accumulated fund	(173,991)	-	-	-	-	-	(173,991)
Surplus transferred from accumulated fund	74,698	85,597	-	-	-	-	160,295
Balance at 31 December 2011	177,065	1,719,302	132,304	1,718	24,552	142,500	2,197,441

**Scout Guild Fund**

The Scout Guild is an alumnus of scouts. The Scout Guild organises fund raising events on behalf of the Association.

The Scout Guild Fund is a designated fund of the Association that is set up from surplus of fund raising events organised by the Scout Guild and from donations by members of the Scout Guild. The Fund is used to finance activities, events or expenses of the Association as specified by the fund raising events or where not specified, for general scouting purposes.

**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 2011, there are 226 (2010 – 221) scout groups registered with the Association.

**The Singapore Scout Association**

**Notes to the financial statements – 31 December 2011**

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12. **Specific funds (continued)**

**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.

**Scout Foundation Fund**

The Scout Foundation Fund is used 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 school and the community and providing financial support for needy scouts.

13. **Dr. Benjamin Henry Sheares Scholarship Fund**

	2011 S\$	2010 S\$
Interest income transferred to specific funds (Note 12)	<u>1,332</u>	<u>226</u>

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.

14. **Voluntary income**

	2011 S\$	2010 S\$
Donations (tax exempt)	1,490	5,500
Donations (non-tax exempt)	<u>-</u>	<u>420</u>
	<u>1,490</u>	<u>5,920</u>

**The Singapore Scout Association**

**Notes to the financial statements – 31 December 2011**

15. <b>Donation Draw</b>	<b>2011</b>	<b>2010</b>
	<b>S\$</b>	<b>S\$</b>
<b>Income</b>		
Sale of tickets	356,608	335,956
Donation (tax exempt)	40,400	31,550
Unclaimed prizes	-	14,000
	<u>397,008</u>	<u>381,506</u>
<b>Less: Expenses</b>		
Administration and advertising expenses	2,983	3,414
Printing, stationery and miscellaneous	6,883	7,068
Prizes	38,300	43,800
Unclaimed prizes donated to Community Chest	5,500	-
	<u>53,666</u>	<u>54,282</u>
<b>Net Income</b>	<u>343,342</u>	<u>327,224</u>
<b>Less: Share of net income to (note 20)</b>		
North Area	6,558	5,748
South Area	4,897	5,864
East Area	4,793	5,839
West Area	6,712	4,862
	<u>22,960</u>	<u>22,313</u>
Scout groups (note 19)	<u>153,064</u>	<u>143,396</u>
	<u>176,024</u>	<u>165,709</u>
<b>Net Surplus</b>	<u>167,318</u>	<u>161,515</u>

**The Singapore Scout Association**

**Notes to the financial statements -- 31 December 2011**

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16. Job Week		
	<b>2011</b>	<b>2010</b>
	<b>S\$</b>	<b>S\$</b>
<b>Income</b>		
Collections	768,239	603,575
Donations (tax exempt)	14,300	14,300
	<u>782,539</u>	<u>617,875</u>
<b>Less: Expenses</b>		
Administration expenses	2,606	3,790
Printing of cards	-	2,937
	<u>2,606</u>	<u>6,727</u>
<b>Net Income</b>	<u>779,933</u>	<u>611,148</u>
<b>Less: Share of net income to (note 20)</b>		
North Area	11,558	8,437
South Area	16,701	14,998
East Area	13,875	11,288
West Area	15,143	9,904
	<u>57,277</u>	<u>44,627</u>
Scout groups (note 19)	381,843	297,513
	<u>439,120</u>	<u>342,140</u>
<b>Net Surplus</b>	<u>340,813</u>	<u>269,008</u>



**The Singapore Scout Association**

**Notes to the financial statements – 31 December 2011**

**17. Scout Guild events**

	Charity Golf S\$	Charity Show S\$	2011 Total S\$	2010 Total S\$
<b>Income</b>				
Advertisement	1,000	-	1,000	2,000
Donation (tax exempt)	81,938	27,380	109,318	124,563
Fees collected	4,565	-	4,565	3,900
Raffle draw	5,280	-	5,280	3,600
Sale of tickets	-	610	610	640
	<u>92,783</u>	<u>27,990</u>	<u>120,773</u>	<u>134,703</u>
<b>Less: Expenses</b>				
Allocation of fund to Senior in Scouting	-	310	310	-
Cinema expenses	-	8,436	8,436	12,432
Green fees and dinner	19,568	-	19,568	31,823
Miscellaneous expenses	14,198	-	14,198	1,664
Souvenir programme	1,246	-	1,246	1,245
Donation to Singapore Scout Guild	5,280	-	5,280	3,600
	<u>40,292</u>	<u>8,746</u>	<u>49,038</u>	<u>50,764</u>
<b>Net Surplus</b>	<u>52,491</u>	<u>19,244</u>	<u>71,735</u>	<u>83,939</u>

**18. Scout Shop**

	2011 S\$	2010 S\$
<b>Income</b>		
Sales, net of discount allowed	405,769	436,186
Cost of goods sold	<u>(218,106)</u>	<u>(231,318)</u>
<b>Gross profit</b>	187,663	204,868
<b>Other operating income</b>		
Interest income	<u>5,623</u>	<u>2,059</u>
<b>Total operating income</b>	<u>193,286</u>	<u>206,927</u>
<b>Less:</b>		
Selling and distribution expenses	1,000	1,000
Other operating expenses	<u>81,209</u>	<u>99,880</u>
	<u>82,209</u>	<u>100,880</u>
<b>Net Surplus from Scout Shop</b>	<u>111,077</u>	<u>106,047</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 \$8,820 (2010 - \$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 2011

19. Scout Groups	2011 S\$	2010 S\$
<b>Income</b>		
Course fees from participants	90,713	64,720
Donations (tax exempt)	6,520	300
Donations (non-tax exempt)	2,244	1,409
Interest income	1,234	1,634
Other income	22,983	16,149
Share of Donation Draw (Note 15)	153,064	143,396
Share of Job Week (Note 16)	381,843	297,513
	<u>658,601</u>	<u>525,121</u>
<b>Less: Expenses</b>		
Celebration and welfare	75,451	109,188
Donation for disasters	8,781	-
Miscellaneous expenses	11,559	13,943
Overseas events/expeditions	117,344	90,895
Registration fee	57,572	32,282
Scout den expenses	10,611	14,864
Scout group activities	169,239	178,874
Training and programme course expenses	52,141	13,097
Uniform and accessories	70,306	78,539
Purchase of equipment	-	1,313
	<u>573,004</u>	<u>532,995</u>
<b>Net Surplus/(Deficit) from Scout Groups</b>	<u>85,597</u>	<u>(7,874)</u>

The Singapore Scout Association

Notes to the financial statements – 31 December 2011

20. Area Activities	North Area S\$	South Area S\$	East Area S\$	West Area S\$	2011 Total S\$	2010 Total S\$
<b>Income</b>						
Course fees	22,681	94,620	31,158	93,465	241,924	179,911
Interest income	541	541	541	541	2,164	368
Share of Donation Draw (note 15)	6,558	4,897	4,793	6,712	22,960	22,313
Share of Job Week (note 16)	11,558	16,701	13,875	15,143	57,277	44,627
	<u>41,338</u>	<u>116,759</u>	<u>50,367</u>	<u>115,861</u>	<u>324,325</u>	<u>247,219</u>
<b>Less: Expenses</b>						
Administration expenses	31	300	97	534	962	484
Training and courses	18,764	9,467	20,520	28,101	76,852	156,573
Camping activities	2,416	86,011	13,607	12,800	114,834	14,474
Other activities	5,103	3,166	2,930	60,142	71,341	29,181
	<u>26,314</u>	<u>98,944</u>	<u>37,154</u>	<u>101,577</u>	<u>263,989</u>	<u>200,712</u>
<b>Net Surplus</b>	<u>15,024</u>	<u>17,815</u>	<u>13,213</u>	<u>14,284</u>	<u>60,336</u>	<u>46,507</u>

**The Singapore Scout Association**

**Notes to the financial statements – 31 December 2011**

**21. Centenary Celebrations**

	2011 S\$	2010 S\$
<b>Income</b>		
Government grant	-	236,191
Donations	-	136,661
Fees from participants	-	624,592
Sale of Centennial Books	-	9,696
Sale of items	-	106,099
Sale of used items	-	14,222
	<u>-</u>	<u>1,127,461</u>
<b>Other Sources of Income</b>		
Advertisement on souvenir programmes	-	2,000
Sale of items	-	2,537
	<u>-</u>	<u>4,537</u>
<b>Total Income</b>	<u>-</u>	<u>1,131,998</u>
<b>Less: Expenses</b>		
Launch and events management	-	121,016
Catering and refreshments	-	282,216
Rental of facilities	-	236,156
Logistics	-	27,183
Transportation	-	35,002
Programme activities	-	58,872
Plaques/goodies bags	-	71,518
Printing	-	79,073
Banners/flyers	-	1,888
Miscellaneous expenses	-	1,841
Cost of items sold	-	48,596
	<u>-</u>	<u>963,361</u>
<b>Common Expenses</b>		
Video production/media publicity	-	18,844
Printing of souvenir programmes	-	6,420
Centennial medals	-	16,788
Cost of items sold	-	1,310
	<u>-</u>	<u>43,362</u>
<b>Total Expenses</b>	<u>-</u>	<u>1,006,723</u>
<b>Net Surplus</b>	<u>-</u>	<u>125,275</u>

**The Singapore Scout Association****Notes to the financial statements – 31 December 2011**

22. Employee benefits expense	2011	2010
	S\$	S\$
Staff salaries	594,449	549,379
CPF contributions and skills development	55,139	51,554
Staff training	2,656	4,379
Staff welfare	1,896	863
	<u>654,140</u>	<u>606,175</u>

23. Other resources expended	2011	2010
	S\$	S\$
AGM expenses	790	754
Adult resources expenses	42,775	29,544
Amortisation of intangible assets	3,080	24,741
Bank charges	519	378
Cost of consignment sales	3,803	-
Depreciation of property, plant and equipment	536,312	532,957
Entertainment and refreshments	3,470	6,940
General expenses	1,405	3,037
Infrastructure	89,279	36,085
Insurance	24,942	24,867
Rental of office equipment	10,259	10,259
Medical	3,467	2,724
Membership expenses	15,328	15,786
Printing, stationery and postage	5,546	7,793
Public relations	23,352	13,311
Property tax	36,000	36,000
Repairs and maintenance	2,434	678
Software maintenance	19,729	16,200
Temporary staff	648	300
Telephone and internet	8,701	9,677
Training and courses	19,309	11,346
Travelling and transport expenses	1,273	1,048
Water and electricity	31,163	30,701
	<u>883,584</u>	<u>815,126</u>

**24. Taxation**

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

**The Singapore Scout Association**

**Notes to the financial statements – 31 December 2011**

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**25. Related party transactions**

Key management compensation

	<b>2011</b>	<b>2010</b>
	<b>S\$</b>	<b>S\$</b>
Staff salaries	202,126	180,636
CPF contributions	<u>12,811</u>	<u>12,206</u>
	<u>214,937</u>	<u>192,842</u>

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

	<b>2011</b>	<b>2010</b>
	<b>S\$</b>	<b>S\$</b>
\$50,000 - \$100,000	1	1
\$101,000 - \$150,000	<u>1</u>	<u>1</u>

There are no other related party transactions.

**26. Significant accounting estimates and judgements**

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

**26.1 Judgements made in applying accounting policies**

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

**(i) Impairment of property, plant and equipment**

The carrying values of property, plant and equipment are reviewed for impairment when there are indications of impairment. As at 31 December 2011, there is no indication of impairment and the carrying value of the Association's property, plant and equipment was S\$1,917,159.

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

**26.2 Key sources of estimation uncertainty**

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

**(i) Useful lives of property, plant and equipment**

The cost of property, plant and equipment for the Association's activities is depreciated on a straight line basis over the useful lives of the property, plant and equipment. Management estimates the useful lives of these property, plant and equipment to 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\$5,397,945.

27. Financial instruments

27.1 Categories of financial instruments

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

	2011 S\$	2010 S\$
<b>Financial assets</b>		
Trade and other receivables	219,372	344,290
Cash and cash equivalents	<u>5,178,573</u>	<u>4,725,644</u>
	<u>5,397,945</u>	<u>5,069,934</u>
<b>Financial liabilities</b>		
Trade and other payables	<u>724,613</u>	<u>979,715</u>

27.2 Risk management policies

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



27. **Financial instruments** (continued)

27.2 **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.

27.3 **Fair values**

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

28. **Authorisation of financial statements**

The financial statements of the Association for the financial year ended 31 December 2011 were authorised for issue in accordance with a resolution of the Scout Council on 26 May 2012.