



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

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

Financial Statements 2023



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Report of the Independent Auditor to the European Scout Committee on the Financial Statements of World Scout Bureau – European Regional Office, Geneva

Opinion

We have audited the financial statements of World Scout Bureau – European Regional Office (the Association), which comprise balance sheet, statement of operations and notes for the year ended 30 September 2023.

In our opinion, the accompanying financial statements for the year ended 30 September 2023 are prepared, in all material respects, in accordance with the accounting principles described in the notes.

Basis for Opinion

We conducted our audit in accordance with Swiss Standards on Auditing (SA-CH). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Association in accordance with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Management’s Responsibilities for the Financial Statements

The Management is responsible for the preparation of the financial statements in accordance with the accounting principles as described in the notes to the financial statements, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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



As part of an audit in accordance with SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

KPMG SA

Alexandra Depoire
Licensed Audit Expert

Anaïs Cheron

Geneva, 20 February 2024

Enclosure:

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

WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA

BALANCE SHEET AS OF 30 SEPTEMBER 2023

	Notes	30.09.23	30.09.22
		CHF	CHF
ASSETS			
Current assets			
Cash	2.3	706'882	520'849
Receivables	2.4	61'349	20'528
Current account - ASBL		120'506	44'243
Current account - World Scout Bureau KL/Geneva		113'336	46'697
Accrued receivables (interest/tax)		24'875	1'358
Guarantie & deposit		39'550	39'550
Prepaid expenses		25'630	533'777
Total current assets		1'092'129	1'207'002
Non-current assets			
Fixed assets	2.5.	6'037	5'953
Financial assets	2.6.	2'950'209	2'641'738
Total non-current assets		2'956'246	2'647'691
TOTAL ASSETS		4'048'375	3'854'693
LIABILITIES AND OWN FUNDS			
Current liabilities			
Accounts payable	2.7.	116'326	27'268
Provision (tax)		4'445	2'867
Current account - ASBL		0	0
Current account - World Scout Bureau KL/Geneva		0	0
Accrued liabilities and deferred income	2.8.	99'675	515'692
Total current liabilities		220'446	545'827
Restricted funds			
Project funds	2.9.	8'945	10'406
Total restricted funds		8'945	10'406
Own funds			
Reserve Development of European Scouting	3.1.	28'152	120'850
Reserve Support for registration/participation fees	3.2.	105'474	105'474
Reserve European Investment Fund (EIF)	3.3.	3'376'435	3'072'136
Other unrestricted reserve	3.4.	308'923	0
Total own funds		3'818'984	3'298'460
TOTAL LIABILITIES AND FUNDS		4'048'375	3'854'693

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

WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	30.09.23	30.09.22
		CHF	CHF
INCOME			
Regional Registration Fees	4.1.	174'057	135'324
Contribution from World Scout Bureau		64'606	0
FES annual distribution/Contribution from FES allocation	7	1'468'257	1'320'645
Project income		3'887'781	1'374'441
Other operational income/fees from seminar		492'573	25'879
Total income		6'087'273	2'856'289
EXPENSES			
Contribution to European Scout Office ASBL operations		108'548	217'988
Project expenses & operational expenses		4'501'894	1'741'703
Personnel costs	6	953'728	855'272
Office premises		41'856	42'479
Professional fees		170'734	105'715
General and office expenses		34'128	31'630
Depreciation		3'489	3'358
Total expenses		5'814'376	2'998'145
Intermediate result		272'897	-141'856
Financial costs		-21'126	-16'469
Financial income		37'843	25'913
Profit/(loss) on investments		304'303	-689'231
Exchange (loss)/gain		-74'853	-23'704
Total net financial income		246'166	-703'491
Operational surplus (prior to allocation)		519'062	-845'346
CHANGES IN RESTRICTED FUNDS			
Allocation		-3'887'781	-1'374'441
Use		3'889'242	1'393'328
NET SURPLUS OF THE YEAR (prior to allocation)		520'524	-826'459
Allocations			
Reserve Development of European Scouting		0	278'458
Reserve Support for registration/participation fees		0	56'227
Reserve European Investment Fund (EIF)		-304'298	491'775
Other unrestricted reserve		-216'226	0
NET SURPLUS FOR THE YEAR		0	0

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

WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA
NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023

Note 1 - General

The World Scout Bureau (WSB) – Europe Support Centre is a regional branch of the World Scout Bureau, in conformity with Articles XVII (2) and XX (2c) of the Constitution of the World Organization of the Scout Movement (WOSM).

The WSB – Europe Support Centre serves as the Secretariat of the European Scout Region of WOSM, and its offices are based respectively in Geneva, Switzerland and Brussels, Belgium.

The Bureau Mondial du Scoutisme – Bureau Régional Européen (World Scout Bureau – European Regional Office), is a non-profit organization with the legal form of an association under Article 60 and following of the Swiss Civil Code. The Bureau Mondial du Scoutisme – Bureau Régional Européen, is registered at the Geneva commercial register since 15 October 2013, under the number IDE CHE-448.864.337.

Starting 1st October 2020, the financial information of Fund for European Scouting (FES) Geneva is an integral part of these financial statements.

The Bureau Européen du Scoutisme ASBL registered in Brussels, Belgium, is a separate legal entity under Belgian law and continues to be presented in a separate report.

Note 2 – Summary of significant accounting policies

The accompanying financial statements have been prepared in accordance with accounting principles set below and under the historical cost convention as follows:

2.1. General principles

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

2.2 Foreign currency conversion

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

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

2.3. Cash

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

2.4. Accounts receivable

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

2.5. Fixed assets

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

WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023

2.6. Financial assets

Financial assets, held in trust by the European Scout Foundation, are kept in a medium- to long-term investment portfolio as detailed under note 3. The financial assets are valued at market value. The movement in fair value of financial assets is recognized in the financial income and allocated to the Reserve European Investment Fund (EIF).

The repatriation of the EIF had been realized only in November 2022. The funds are again held and managed by UBS, but directly with the Bureau Mondial du Scoutisme – Bureau Regional Européen.

2.7. Accounts payable

Accounts payable are recorded at nominal value.

2.8. Accrued liabilities

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

2.9. Restricted funds

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

Note 3 - Reserves

3.1. Reserve for Development of European Scouting

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

3.2. Reserve for registration/participation fees

This reserve is destined to cover the fees of National Scout Organisations (NSOs) who cannot afford any of these expenditures.

3.3. Reserve European Investment Fund (EIF)

This reserve constitutes of a) an amount of CHF 429k (CHF 229K + CHF 200K allocated in 2022) (available in USD) is to be transferred to the EIF for investment into the EIF (see financial assets note 2.6) and b) the invested financial assets of the European Region and is composed of various investments, detailed below.

3.4 Other unrestricted reserve

This reserve is the result of previous years not allocated to the above specific reserves.

WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023

EUROPEAN INVESTMENT FUND PORTFOLIO AS OF 30 SEPTEMBER 2023				
Investment category	Market value	Accrued interests	Total	% NV
Liquidities	7'142	24'875	32'017	1.08
bank accounts	2'131	-	2'131	0.07
receivables	-	1358	1'358	0.05
withholding tax	-	23'517	23'517	0.79
money market	5'011	-	5'011	0.17
Bonds	1'132'410	-	1'132'410	38.06
investments in bonds	1'132'410	-	1'132'410	38.06
structured products & warrants	-	-	-	0.00
Shares	1'605'163	-	1'605'163	53.95
investments in shares	1'605'163	-	1'605'163	53.95
Real estate	118'646	-	118'646	3.99
investments in real estate	118'646	-	118'646	3.99
Precious metal & commodities	86'848	-	86'848	2.92
investments in pm & comm	86'848	-	86'848	2.92
Total net CHF	2'950'209	24'875	2'975'084	100.00

EUROPEAN INVESTMENT FUND PORTFOLIO AS OF 30 SEPTEMBER 2022				
Investment category	Market value	Accrued interests	Total	% NV
Liquidities	12'862	1'358	14'220	0.54
bank accounts	12'862	-	12'862	0.49
receivables	-	-6200	-6'200	-0.23
withholding tax	-	7'558	7'558	0.29
money market	-	-	-	0.00
Bonds	735'620	-	735'620	27.83
investments in bonds	735'620	-	735'620	27.83
structured products & warrants	-	-	-	0.00
Shares	1'893'255	-	1'893'255	71.63
investments in shares	1'893'255	-	1'893'255	71.63
Total net CHF	2'641'737	1'358	2'643'095	100.00

Note 4 – Income and expense recognition

4.1. Regional registration fees

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

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

Note 5 – Tax exemption

The World Scout Bureau – European Regional Office has been granted the status of exemption from tax on local, cantonal and federal level according to Art. 9, al. 1f & al. 3 of the taxation law for legal entities (LIPM). On October 27, 2021, the tax administration has granted the Bureau Mondial du Scoutisme – Bureau Régional Européen a tax exemption status for an indefinite period.

Note 6 – Personnel costs

CHF 953'728 after deduction of CHF 11'416 (2022: CHF 35'200) recharged on an ongoing project.

WORLD SCOUT BUREAU - EUROPEAN REGIONAL OFFICE, GENEVA
NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023

Note 7 - Fund for European Scouting

The Fund for European Scouting, managed by JP Morgan Chase Guaranty Trust Company of New York, has a total market value of USD 28.65m as of 30 September 2023. (2022: USD25.94m). The amount received each year by the European Scout Region corresponds to 5% of the average market value of the Fund during the previous three years.

The actual amount, received on October 24, 2022, was USD 1'487'505 (CHF 1'468'257) and entered as such in the multi-currency financial management system.

Note 8 – Forward contracts

No forward contracts were concluded in 2023.

Note 9 – War in Ukraine

As of today, except for an impairment by a global economic downturn, the impacts of the war in Ukraine and related events have no (potential) material financial negative impact as of September 30, 2023, and beyond. Volatility or abnormally large changes in equity or debt security prices, commodity prices, foreign currency exchange rates, and/or interest rates after September 30, 2023, could in itself materially impact the financial situation of the Bureau Mondial du Scoutisme – Bureau Régional Européen in Geneva. However, this risk is limited to the reserves and not impacting the stream of income.

It should be noted that the war situation led to the access of funding through a partnership with UNICEF. This has increased the income of the World Scout Bureau – Europe Support Centre (project funds), but to expenses in the same amount as these funds were fully used to palliate some of the negative consequences of the war. This project was closed in August 2023.

Note 10 – Europe Scout Region new geographical boundaries

In March 2023, the World Scout Committee (WSC) of the World Organization of the Scout Movement (WOSM) took the decision to phase out the Eurasia Scout Region. The European Scout Committee was involved, together with the leadership of the Asia-Pacific and Eurasia Regions, in order to outline the best ways to support Scouting in the countries currently within the Eurasia Scout Region.

Following the decision of the WSC, the Member Organizations (MOs) of Ukraine, Moldova, Belarus, Georgia, Armenia and Azerbaijan joined, as of October 1st, 2023 the European Scout Region. The European Scout Committee supported this decision and took all the necessary steps to welcome additional members and extend the support to all Scouts within the new boundaries of the Region, always having our guiding principles in mind: Unity, Transparency, Continuous Improvement, Diversity and Inclusion and Youth Empowerment.

Between the time of the decision in March 2023 and September 30, 2023, the European Scout Committee, in close collaboration with relevant instances of the World Scout Bureau, aligned the key milestones and working to prepare the transition, welcome, induction and integration of the new Member Organizations. This included reviewing and clarifying any institutional and constitutional documents and policies of the Region, to align them with the new expanded boundaries.

The phase out of Eurasia Scout Region had no impact on the finance of Bureau Mondial du Scoutisme – Bureau Régional Européen as of September 30, 2023. A transfer of fixed asset for the amount of USD 3,9K has been effective as at October 1st, 2023.