

# World Scout Foundation

Geneva

Report of the statutory auditor  
to the Foundation Board

on the financial statements 2022



# Report of the statutory auditor

## to the Foundation Board of World Scout Foundation

Geneva

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of World Scout Foundation (the Foundation), which comprise the balance sheet as at 31 December 2022, and the statement of operations, the statement of changes in funds and capital, the cash flow statement for the year then ended, and notes to the financial statements (pages 1 to 28), including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law as well as the foundation's deed and the internal regulations.

#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and 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 Foundation in accordance with the provisions of Swiss law and 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.

#### Other information

The Foundation Board is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Foundation Board's responsibilities for the financial statements

The Foundation Board is responsible for the preparation of the financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, the foundation's deed and the internal regulations, and for such internal control as the Foundation Board 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 Foundation Board is responsible for assessing the Foundation'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 Foundation Board either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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### **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 Swiss law and 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 Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism 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 Foundation'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 Foundation Board'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 Foundation'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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Foundation Board or its relevant committee 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.

### **Report on other legal and regulatory requirements**

In accordance with article 83b paragraph 3 CC in connection with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the financial statements according to the instructions of the Foundation Board.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Marcello Stimato  
Licensed audit expert  
Auditor in charge

Alexandre Meugnot

Geneva, 6 April 2023

Enclosure:

- Financial statements (balance sheet, statement of operations, statement of changes in funds and capital, cash flow statement and notes)

WORLD SCOUT FOUNDATION

GENEVA

AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2022

## **REPORT AND FINANCIAL STATEMENTS**

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## MANAGEMENT REPORT

The year 2022 has been a challenging one globally due to continued consequences of the COVID-19 pandemic, the war in Ukraine and the subsequent energy crises. Despite all of these adverse circumstances, Scouts worldwide demonstrated incredible resilience and leadership, reenergising the Movement globally for the benefit of more young people and their communities and delivering an additional 300 million hours of community service this year — reaching the milestone of 2.7 billion hours contributed since 2013. Scouts have assisted their communities and supported those who needed it when they needed it most.

Scouting is the most remarkable leadership development programme in the world, and with over 57 million members in 173 countries, it is also the largest. Our global network of Baden-Powell Fellows stepped up and supported our Ukraine Emergency Appeal, gave generously to the Foundation's 2022 Annual Appeal and continued to fulfil their pledges, despite uncertain markets and challenging times.

The World Scout Foundation exists to develop and strengthen Scouting worldwide. It achieves this by raising funds and recruiting influential individuals and institutions worldwide to grow the Scout Movement and ensure its future for millions more young people. The Board of the Foundation comprises of approximately 25 influential business and world leaders, led by its Honorary Chairman, His Majesty the King of Sweden, and supported by a small Secretariat. The Foundation's Deed defines the role and function of each of the Foundation's organs.

The World Scout Foundation has as its sole beneficiaries the components of the World Organization of the Scout Movement (WOSM) — 173 National Scout Organisations, the World Scout Committee and the World Scout Bureau.

In 2022, the Foundation underwent several significant changes, including to how it operates. The Secretariat moved from Geneva to Kandersteg at the end of February while maintaining the Foundation's registration in the Canton of Geneva. The composition of the Secretariat changed significantly with four new staff members joining, two in specific fundraising roles. The Board adopted the 2022–2030 Strategy to raise USD 100 million and opened up its Sub-Committees to non-Board Members, as allowed by the Foundation's Deed.

The Foundation makes two kinds of grants:

- An **Annual Operational Grant** to the World Organization of the Scout Movement to cover the running costs of the Regional Offices of the World Scout Bureau (the regional "Service Centres"), calculated on the value of the Foundation's endowment.
- **Project grants** from Donor Advised Funds held by the Foundation. These grants are released following an agreed system of approvals jointly handled by the Foundation and WOSM.

In 2022, many changes and decisions were taken, as follows:

### **Governance related decisions, changes and issues**

- The Board met on 23 April 2022 in Dublin and took the following decisions:
  - Approved the audited financial statements for 2021.
  - Approved the reports of the 49<sup>th</sup>, 50<sup>th</sup>, 51<sup>st</sup> and 52<sup>nd</sup> meetings of the Executive Committee.
  - Approved the Annual Operational Grant for the WOSM budget year 2022/2023 of USD 2.8 million (based on the agreed formula).
  - Approved the Agreement for a Credit Facility with JP Morgan for a maximum of USD 5 million, with withdrawals requiring the pre-approval of the Executive Committee.
  - Adopted the 2022–2030 Strategy for the Foundation.

- Approved the proposed changes to the Foundation's Deed, which included re-activating the dormant Life Member category for Board Members.
- Approved the appointment of Rob Woolford as Chair-Elect, including collective signature rights for the Foundation.
- Approved the renewed co-optation of all Board Members whose 3-year tenure ended in April 2022.
- The Board met on 9 September 2022 in Luxembourg, on the invitation of the Foundation's Chair, and took the following decisions:
  - Approved the reports of the 53<sup>rd</sup>, 54<sup>th</sup> and 55<sup>th</sup> meetings of the Executive Committee.
  - Approved the 2023 Operational Budget.
  - Approved the co-optation of Beat Wenger (CH) as Board Member. With this co-optation the Foundation fulfilled again the legal requirement for a Swiss based foundation to have at least one Board Member with the Swiss nationality and with residence in Switzerland.
  - Agreed that Siegfried Weiser and Rob Woolford represent the Foundation in the negotiations regarding the Messengers of Peace 2.0 grant agreement and mandated Siegfried Weiser to sign the approved agreement on behalf of the Foundation Board.
  - Approved the adoption of the Chapter Framework supporting current and new Chapters.
  - Approved the revised System of Internal Control.
  - Approved Portugal as the location for the 75<sup>th</sup> Meeting of the Board in April 2023.

### **Operational decisions, changes and issues**

- The Foundation fulfilled its commitment to the Scout Movement by providing USD 6.91 million in grants during the calendar year (2021: USD 5.87 million).
- Our fundraising income amounted to nearly USD 5 million compared with nearly USD 3.7 million in 2021. In 2021 we created a provision of USD 2.25 million for Messengers of Peace 1.0, which will remain on the balance sheet in 2022.
- Aside from the Messengers of Peace Core Fund, which was nearly fully depleted in 2022, project grants to Scouting around the world continued apace with grants awarded from the following Donor Advised Funds: the HRH Prince Alwaleed Fund; the Alwaleed Philanthropies Fund for the SDGs project; the Perry Family Fund; the Condit Fund; the Weiser Fund; and the Jim Turley Fund.
- The Executive Committee of the Board met virtually six times in 2022, managing the business of the Foundation in between Board Meetings.
- The excellent relationship with our colleagues in the World Scout Committee and World Scout Bureau was further strengthened in 2022.
- The Young BP Fellows Task Force continued its work in 2022, actively engaging with its peers via the Jamboree on the Internet, social media, an online Speakers Series engagement, and by initiating a Giving Circle.
- The Audit Committee met once in April before the Board Meeting.
- The (Grantmaking) Oversight Committee met once virtually and twice in-person before each Board Meeting.
- The three Fundraising Committees established by the Board in 2021 gained momentum in 2022 and met once in person before the Board Meeting in September in Luxembourg and several times virtually from June 2022 onwards.
- In 2022, the Foundation's Investment Committee very closely monitored its portfolio management by its custodial investment manager JP Morgan Switzerland and its active manager FTCl. The markets led, unfortunately, to a decrease in value of -14.78% (+8.96% in 2021).
- In total, 22 BP Fellows and external experts were appointed to the different Sub-Committees of the Board, broadening the expertise, knowledge and skills available.
- For the first time, we ran a fruitful Annual Appeal to our immediate donors and those following the Foundation via our social media platforms and newsletters. The learnings of this first Annual Appeal will be used to optimise the 2023 Annual Appeal, which will run from quarter three.

### **Organisational decision, changes and issues**

- The Secretariat moved in late February 2022 from Geneva to Kandersteg as approved by the Executive Committee on 13 October 2021.
- The approved new structure of the Secretariat was implemented. The Secretariat consisted of the following staff at the end of 2022:
  - Mark Knippenberg, Chief Executive Officer
  - Nicole Gooderson, Senior Associate (Director) Engagement
  - Mischa Rychener, Senior Associate (Director) Philanthropy (as of 01.09.2022)
  - Felipe Marqueis Fernandes, Associate Philanthropy (as of 01.03.2022)
  - Louise Goddard, Associate Digital Marketing & Engagement (as of 01.02.2022)
  - Jozefina Wandfluh, Office Manager (as of 01.05.2022)
  - Remaining on the payroll until 31.08.2023 is John Geoghegan (remains on sick leave).

The World Scout Foundation reviews its Internal Control System annually, a process led by its Audit Committee and the Foundation's Board. In 2022, these bodies reviewed the potential risks facing the Foundation in their April and September meetings and ensured adequate systems to deal with them.

The World Scout Foundation has several Donor Advised Funds as well as a few project related funds (Scout Donation Platform, Nepal Earthquake Fund, etc.). Some of these funds have been inactive for two or more years. In case of the Schwyzer Fund, the Salinas Fund and the King Abdullah Int. Foundation Fund, the remaining balances have been transferred to cover the governance related costs for the extended Messengers of Peace grant and project management organisation at WOSM. Thus securing that skills and knowledge remain available in WOSM in anticipation of continuing this initiative with its successor Messengers of Peace 2.0.

Over the past years the issue around Cyber Security has become more prevalent globally. The World Scout Foundation Board approved in 2019 the WSF Data Protection Policy, which will be replaced in 2023 by the WSF IT Policy. The Foundation has been informed and is in contact related to this issue with the 3rd party software applications currently in use (Fluxx, Salesforce, Microsoft Environment, GIT), has no longer any physical servers, has ensured that back-up systems are in place both physically as well as in the cloud and continually works on the sensibilisation and training of the employees. As requested by the Audit Committee a specific cyber insurance was sourced and agreed upon the third quarter of 2022.

**WORLD SCOUT FOUNDATION, GENEVA**  
**BALANCE SHEET AS OF 31 DECEMBER 2022**

	<u>Notes</u>	<u>31.12.2022</u>	<u>31.12.2021</u>
		USD	USD
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		2'235'101	1'579'151
Donations receivable	C	-	-
Donation gross		2'250'000	2'250'000
Provision		-2'250'000	-2'250'000
Prepayments and accrued income		203'560	280'403
		<u>2'438'661</u>	<u>1'859'554</u>
<b>Non-current assets</b>			
Financial assets	D	54'218'043	66'921'114
Fixed assets	E	15'609	10'851
		<u>54'233'652</u>	<u>66'931'965</u>
<b>Total Assets</b>		<u><u>56'672'313</u></u>	<u><u>68'791'519</u></u>

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

**WORLD SCOUT FOUNDATION, GENEVA**  
**BALANCE SHEET AS OF 31 DECEMBER 2022**

	<u>Notes</u>	<u>31.12.2022</u>	<u>31.12.2021</u>
		USD	USD
<b>LIABILITIES &amp; FUNDS</b>			
<b>Current liabilities</b>			
Undisbursed grants payable	<i>F</i>	3'876'599	3'622'057
Loan from related party	<i>N</i>	7'083'746	8'488'060
Credit Facility JP Morgan		883'625	-
Advancement agreement WSB		250'000	-
Accrued and other liabilities		616'760	632'943
		<u>12'710'730</u>	<u>12'743'060</u>
<b>Non-current liabilities</b>			
Undisbursed grants payable	<i>F</i>	-	-
<b>Restricted Funds</b>			
Designated Purpose Funds	<i>G</i>	3'278'441	3'717'063
The Messengers of Peace Fund		97'439	306'172
		<u>3'375'881</u>	<u>4'023'235</u>
<b>Unrestricted Funds</b>			
Capital of the foundation		1'557'347	1'557'347
General Endowment Fund	<i>H</i>	39'028'355	50'467'876
		<u>40'585'702</u>	<u>52'025'223</u>
<b>Total Funds</b>		<u>43'961'583</u>	<u>56'048'458</u>
<b>Total Liabilities and Funds</b>		<u><u>56'672'313</u></u>	<u><u>68'791'519</u></u>

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

**WORLD SCOUT FOUNDATION, GENEVA**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	<i>Notes</i>	31.12.2022	31.12.2021
		USD	USD
<b>Income</b>			
Individual donations	<i>I</i>	4'919'324	3'175'177
Other income	<i>K</i>	100'653	280'816
Income from related party funds	<i>N</i>	150'542	241'805
		<u>5'170'519</u>	<u>3'697'798</u>
<b>Expenditure</b>			
Project and grant expenditure	<i>J</i>	(4'107'256)	(3'070'999)
Grant to World Organisation of the Scout Movement	<i>P</i>	(2'800'000)	(2'800'000)
Administrative expenditure	<i>K</i>	(1'791'948)	(1'825'228)
Provision on donation	<i>C</i>	-	(2'250'000)
		<u>(8'699'204)</u>	<u>(9'946'227)</u>
<b>Operating result</b>		(3'528'685)	(6'248'429)
<b>Net financial income</b>			
Financial income	<i>O</i>	2'926'091	8'965'878
Financial costs	<i>O</i>	(11'514'251)	(1'465'649)
		<u>(8'588'160)</u>	<u>7'500'229</u>
<b>Profit / (Deficit) for the year</b>		(12'116'846)	1'251'800
<b>Changes in restricted funds</b>			
- allocation of income		(3'411'871)	(2'547'088)
- operational expenditure		5'612'055	4'834'696
- net financial (income) / loss		2'147'040	(1'953'465)
		<u>4'347'223</u>	<u>334'143</u>
<b>Net surplus / (deficit) for the year prior to allocations</b>		(7'769'623)	1'585'943
<b>Release / (Allocation to) General Endowment Fund</b>			
- allocation of income		(1'748'877)	(1'150'710)
- operational expenditure		3'077'380	5'111'530
- net financial (income) / loss		6'441'120	(5'546'763)
		<u>7'769'623</u>	<u>(1'585'943)</u>
<b>Net surplus / (deficit) for the year after allocations</b>		<u>0</u>	<u>0</u>

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

**WORLD SCOUT FOUNDATION, GENEVA**  
**STATEMENT OF CHANGES IN FUNDS AND CAPITAL**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Balance 01.01.2022	Adjustment allocation in 2022	Net financial income / (loss) (Note O)	Allocation of income (Note L)	Allocation of expenditure (Note M)	Balance 31.12.2022
	USD		USD	USD	USD	USD
<b>Restricted Funds</b>						
Designated Purpose Funds	3'717'063	3'387'193	-2'147'040	3'411'871	(5'090'646)	3'278'441
The Messengers of Peace Fund	306'173	312'675	-	-	(521'408)	97'439
<b>Total Restricted Funds</b>	4'023'236	3'699'868	-2'147'040	3'411'871	(5'612'055)	3'375'881
<b>Unrestricted funds</b>						
General Endowment Fund	50'467'876	(3'669'898)	(6'441'120)	1'748'877	(3'077'380)	39'028'355
Capital of the foundation						
Paid-in capital	10'925	-	-	-	-	10'925
Special reserve	1'546'422	-	-	-	-	1'546'422
<b>Total Unrestricted Funds</b>	52'025'223	(3'669'898)	(6'441'120)	1'748'877	(3'077'380)	40'585'702
<b>Total</b>	56'048'458	29'970	(8'588'160)	5'160'748	(8'689'435)	43'961'583

	Balance 01.01.2021	Adjustment allocation in 2021	Net financial income / (loss) (Note O)	Allocation of income (Note L)	Allocation of expenditure (Note M)	Balance 31.12.2021
	USD		USD	USD	USD	USD
<b>Restricted Funds</b>						
Designated Purpose Funds	3'526'990	120'320	1'953'465	2'547'088	(4'430'800)	3'717'063
The Messengers of Peace Fund	678'038	32'032	-	-	(403'896)	306'172
<b>Total Restricted Funds</b>	4'205'026	152'351	1'953'465	2'547'088	(4'834'697)	4'023'235
<b>Unrestricted funds</b>						
General Endowment Fund	48'977'118	(95'186)	5'546'764	1'150'710	(5'111'530)	50'467'876
Capital of the foundation						
Paid-in capital	10'925	-	-	-	-	10'925
Special reserve	1'546'422	-	-	-	-	1'546'422
<b>Total Unrestricted Funds</b>	50'534'465	(95'186)	5'546'764	1'150'710	(5'111'530)	52'025'223
<b>Total</b>	54'739'491	57'166	7'500'229	3'697'798	(9'946'227)	56'048'458

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

**WORLD SCOUT FOUNDATION, GENEVA**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	31.12.2022	31.12.2021
	USD	USD
<b>Cash flow from operations</b>		
Operating surplus / (deficit)	(12'116'846)	1'251'800
Non-cash items:		
Unrealised losses / (gains) (Note O)	6'348'379	(6'171'146)
Provision on donation	-	2'250'000
Depreciation of fixed assets	7'804	5'425
Decrease in prepayments	76'843	3'823'120
Increase / (Decrease) in current liabilities and undisbursed grants payable	268'328	1'177'542
<b>Cash flow from operations</b>	<b>(5'415'492)</b>	<b>2'336'741</b>
<b>Cash flows from investing activities</b>		
Net inflow / (outflow) from financial assets	5'050'377	(5'792'025)
Investment in fixed assets	(12'563)	(13'902)
<b>Cash (outflow) from investing activities</b>	<b>5'037'815</b>	<b>(5'805'927)</b>
<b>Cash flows from financing activities</b>		
Loan from related party (Note N)	(100'000)	3'299'476
Loan JP Morgan	883'625	-
Advanced Agreement	250'000	-
<b>Cash inflow / (outflow) from financing activities</b>	<b>1'033'625</b>	<b>3'299'476</b>
<b>Net increase / (decrease) in cash</b>	<b>655'950</b>	<b>(169'710)</b>
Cash at 1 January	1'579'151	1'748'861
Cash at 31 December	2'235'101	1'579'151
<b>Net increase / (decrease) in cash</b>	<b>655'950</b>	<b>(169'710)</b>

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

**WORLD SCOUT FOUNDATION, GENEVA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Note A – Activities of the Foundation**

The purpose for which the Foundation is established in Switzerland since 1969, is to develop the World Scout Movement by supplying to it inter alia the financial means necessary for its action. It is monitored by the Swiss Federal Supervisory Board for Foundations.

**Note B – Accounting principles and presentation of the financial statements**

**1. Reporting framework**

The accounting principles and presentation of the financial statements of the World Scout Foundation have been prepared in accordance with Swiss GAAP RPC and the foundation's statutes.

*Approval of financial statements*

The Board of the Foundation approved the financial statements for the year ended 31 December 2021 on 23 April 2022.

**2. Basis for preparing the financial statements**

The financial statements have been prepared using the historical cost principle and are prepared on an accruals basis unless otherwise stated. The books of account and financial statements are presented in USD.

**3. Foreign currency conversion**

Transactions during the year in foreign currencies are accounted for at an average monthly exchange rate. Assets and liabilities in foreign currencies are converted at rates applicable at the period-end. Rates applied at period-end were as follows:

	<u>31.12.2022</u>	<u>31.12.2021</u>
	USD	USD
CHF 1.00	1.0149	1.0975
EUR 1.00	-	1.1372
GBP 1.00	-	1.3545

**4. Cash**

Cash (including cash holdings and bank account holdings) also includes short term deposits (deposits of less than three months) which are valued at nominal value. Cash received for projects is considered as restricted.

**WORLD SCOUT FOUNDATION, GENEVA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Note B – Accounting principles and presentation of the financial statements (continued)**

**5. Donations receivable**

The only donation receivable is the pledge from the Kingdom of Saudi Arabia for the Messengers of Peace Initiative. This pledge was due to be paid in annual grants up to the year 2020. As a firm institutional donation, this pledge is accounted for on an accrued basis.

Regardless of the size of that pledge, Pledges from individuals are accounted for on a cash basis.

**6. Financial assets**

Marketable securities are presented at market value and as non-current assets as they are generally held for more than 12 months. These investments are however realisable at short notice.

The Foundation's investment principles are determined by the World Scout Foundation (WSF) Deed, and its Investment Policy which is incorporated into the Deed as an appendix. While the ultimate responsibility for the management and oversight of the WSF endowment fund lies with the WSF Board, it has delegated the responsibility for the management of the endowment fund within the broad lines of the Investment Policy to the WSF Investment Committee. The Foundation's assets (both the General Endowment Fund and the Designated Purpose Fund – Note B 10) are invested as part of one portfolio, managed by JP Morgan Switzerland, the custodial investment manager, and reported on a monthly basis to management and the Board. The allowable range of asset categories is set out in note D. The Board can decide under exceptional circumstances to allow the Investment Committee the freedom to broaden these ranges.

The Investment Committee has agreed on a revised asset allocation policy at its meeting in October 2019. This policy has been approved by the Foundation Board at its meeting in April 2020.

In early 2013, the Foundation agreed to accept a transfer from a related party, the Asia-Pacific Foundation, to invest on its behalf.

In September 2015, the Foundation agreed to accept a transfer from a related party, the Africa Scout Foundation, to invest on its behalf.

In March 2018, the Foundation agreed to accept a transfer from a related party, the World Scout Bureau, to invest on its behalf.

In July 2021, the Foundation agreed to accept a transfer from a related party, the Interamerican Scout Foundation, to invest of its behalf.

In October 2021, the Foundation agreed to accept a transfer from a related party, the WSB-APR Scout Office, to invest of its behalf.

In October 2021, the Foundation agreed to accept a transfer from a related party, the WSB-Central Office KL, to invest of its behalf.

These funds of these four related parties are invested alongside the investments of the Foundation.

**WORLD SCOUT FOUNDATION, GENEVA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Note B – Accounting principles and presentation of the financial statements (continued)**

**7. Accrued expenses and accounts payable**

Accrued expenses are recognised and carried at the anticipated amount to be invoiced. Accounts payable are recognised and carried at the original invoiced amount. Accounts payable are normally settled on 30-day terms.

**8. Undisbursed grants payable**

Grant expenditure is recognised following the signature of a formal written contract and is then transferred from the relevant fund to Grants committed. Grants may be currently committed (less than one year) or committed over more than a one year period and in this case are presented as non-current liabilities.

**9. Capital of the foundation**

The Paid-in capital of the foundation is USD 10'925: CHF 10'000 (2021: USD 10'925: CHF 10'000).

The Special reserve was created by the Board to maintain a steady grant to the World Organization of the Scout Movement and contingency.

**10. Funds**

The Foundation maintains two types of funds:

- **Restricted Funds**

**The Designated Purpose Funds**, containing the Operational Support Fund (the original purpose of the Designated Purpose Fund as defined in the Deed) and Donor Advised Funds, receives allocations of the Foundation's income and from which the operational and project expenses of the Foundation shall be paid in amounts as determined by the Board of the Foundation.

Designated Purpose Funds are restricted funds and consists of funds granted for specific operational or project activities. These funds either cover current obligations for specific projects or activities still in progress at the year end or need to be used for implementing the same project activities in the following year subject to approval by the Board.

**The Messengers of Peace Fund** (formerly known as the King Abdullah Fund for Dialogue and Peace) is a restricted fund disclosed separately in the balance sheet due to its significance.

- **Unrestricted Funds**

**General Endowment Fund** - constitutes the invested principal of the Foundation. Gifts and legacies received by the Foundation are held in this fund, unless otherwise directed by their terms. Distributions to the World Organisation of the Scout Movement are made from this fund in accordance with the Statement of Invested Policies and Objectives.

**WORLD SCOUT FOUNDATION, GENEVA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note B – Accounting principles and presentation of the financial statements (continued)**

Distributions to the World Organization of the Scout Movement are determined by the Board of the Foundation.

**11. Donation income**

• **Institutional donations**

These are committed by a written donation agreement to the World Scout Foundation and are accounted for on an accrual basis.

All donations received where the use is limited by restrictions, donor-imposed purpose or time restrictions have been classified as restricted funds.

Foreign currency exchange gains and losses realised between the date of the written donation agreement and the date of the actual receipt of cash and those unrealised at the date of the statement of the financial position are recorded in the statement of income.

• **Individual donations**

These are accounted for on a cash basis, given their relative size and significance.

**12. Project and grant expenditure**

All grants are governed by a written grant agreement and are expensed in full when the agreement is signed. Over the period of the grant agreement funds are disbursed by way of reduction grant commitments.

The Foundation's main grant expenditure is as follows:

- Grants paid to the World Organisation of the Scout Movement
- Grants paid to National Scout Organisations

The project expenditure is as follows:

- Project expenditures under The Messengers of Peace Initiative
- Project expenditures under agreement with other donors.

**13. Financial income and costs**

Financial income comprises gains on sale of investments, interest receivable on funds invested and income from securities. Interest income is recognised in the statement of income and expenditure as it accrues, taking into account the effective yield on the asset.

Financial costs comprise loss on sale of investments, bank charges and investment management fees.

Net financial income is allocated 25% to the Operational Support Fund within the Designated Purpose Fund and 75% to the General Endowment Fund, except for unrealised foreign exchange gains or losses on institutional donations receivable, allocated to the General Endowment Fund.

**WORLD SCOUT FOUNDATION, GENEVA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note B – Accounting principles and presentation of the financial statement (continued)**

**14. Other income and expense recognition**

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

**15. Related parties**

The following are considered as related parties by the Foundation:

- The World Organisation of the Scout Movement
- The World Scout Bureau
- National Scout Organisations
- Related party funds held abroad
- The members of the WSF Board
- Asia-Pacific Foundation
- Africa Scout Foundation.
- Interamerican Scout Foundation

**16. Taxation**

The Foundation has received tax exemption in the canton of Geneva for both income and capital taxes. The Foundation also benefits from the federal tax exemption in Switzerland. These exemptions are subordinated to the respect of specific goals set out in the Foundation's articles of incorporation.

**WORLD SCOUT FOUNDATION, GENEVA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note C – Donations receivable**

Donations receivables are composed by the receivables from the Messengers of Peace Fund (formerly known as The King Abdullah Fund for Dialogue and Peace).

The Messengers of Peace Fund is a restricted purpose fund. In 2011, the Foundation received a pledge of USD 37'250'000 designated for the support of projects under the Messengers of Peace Initiative ("MOP"). Of this pledge, USD 10'000'000 has been designated for projects managed within the Kingdom of Saudi Arabia, and the balance of USD 27'250'000 is under the management of the World Scout Foundation, and should be disbursed over a ten year period. The budget for this programme was approved by the WSF Board at its meeting in Ottawa in 2010.

In 2021 a provision of US\$ 2'250'000 was made related to the Messengers of Peace Initiative for the period 2011-2021 to cover the already made cost and commitments to the World Organization of the Scout Movement for project funding related to awarded grants under the Messengers of Peace Initiative to National Scout Organizations and World Scout Bureau entities in 2020 and 2021.

The Messengers of Peace Initiative, with another ten years and a grant of US\$50 million, is under consideration and has yet to be fully confirmed. It has already been agreed earlier that the remaining US\$250 thousand will not be received.

In 2022 the provision created will remain on the balance sheet.

**WORLD SCOUT FOUNDATION, GENEVA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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The Messengers of Peace Fund (formerly known as The King Abdullah Fund for Dialogue and Peace)

	Year	USD	Current donations receivable USD	Non-current donations receivable USD
Original pledge	2011	37'250'000		
Projects within Saudi Arabia		<u>(10'000'000)</u>		
Under management WSF		27'250'000		
Less: Donations received		(2'400'000)		
Less: King Abdullah Fund donation		<u>(729'000)</u>		
Donations receivable		24'121'000		
Less: Donations received	2012	(7'421'000)		
Less: Projects within Saudi Arabia		<u>(200'000)</u>		
Donations receivable		16'500'000	2'000'000	14'500'000
Less: Donations received	2013	<u>(2'000'000)</u>		
Donations receivable		14'500'000	2'000'000	12'500'000
Less: Donations received	2014	<u>(2'000'000)</u>		
Donations receivable		12'500'000	2'250'000	10'250'000
Less: Donations received	2015	(2'000'000)		
Balance 2015 donation not Received		<u>(250'000)</u>		
Donations receivable		10'250'000	2'000'000	8'250'000
Less: Donations received	2016	<u>0</u>		
Donations receivable		10'250'000	4'000'000	6'250'000
Less: Donations received	2017	<u>(2'000'000)</u>		
Donations receivable		8'250'000	4'000'000	4'250'000
Less: Donations received	2018	<u>(2'000'000)</u>		
		6'250'000	4'000'000	2'250'000
Less: Donations received	2019	<u>0</u>		
		6'250'000	6'250'000	0
Less: Donations received	2020	<u>0</u>		
		6'250'000	6'250'000	0
Less: Donations received	2021	<u>(4'000'000)</u>		
		2'250'000	2'250'000	0
Less Provision for Donation		<u>(2'250'000)</u>		
		0	0	0

**WORLD SCOUT FOUNDATION, GENEVA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Note D – Statement of financial assets**

		31.12.2022	31.12.2021
		USD	USD
Global Equity	Finduciary Trust Co.	6'881'445	10'194'219
		<b>6'881'445</b>	<b>10'194'219</b>
Venture Capital/ Private Equity	Schröder (Funds III) (i)	186'278	257'766
	Schröder (Funds IV) (ii)	461'504	672'864
	CF Capital Partners V LP (iii)	1'226'273	1'447'833
	Horsley Bridge XI Growth Buyout (iv)	2'435'436	2'278'854
	JPM Vintage 2022	89'206	0
		<b>4'398'697</b>	<b>4'657'317</b>
Multi Asset Class	J. P Morgan	42'937'901	52'069'578
		<b>42'937'901</b>	<b>52'069'578</b>
<b>Total</b>		<b>54'218'043</b>	<b>66'921'114</b>

(i) Schroder (Funds III): the total commitment amounts to EUR 1'000'000 and the uncalled capital to EUR 6'827.61 (2021: EUR 10'512.12).

(ii) Schroder (Funds IV): the total commitment amounts to EUR 1'000'000 and the uncalled capital to EUR 11'430.99 (2021: EUR 14'847.19).

(iii) CF Capital Partners V, LP: the total commitment amounts to USD 1'100'000 and the uncalled capital to USD 116'050 (2021: USD 116'050).

(iv) Horsley Bridge XI Growth Buyout: the total commitment amounts to USD 2'000'000 and the uncalled capital to USD 287'320 (2021: USD 347'800).

**WORLD SCOUT FOUNDATION, GENEVA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Financial Asset and Cash Allocation**

The asset allocation (including cash) as of 31 December 2022 is the following:

	Allowable Range	Allocation as Invested	Target Allocation
	-----	-----	-----
Global Equity	49-61%	38.9%	55.0%
Emergin Markets	7-13%	4.2%	10.0%
Venture Capital / Private Equity	3-7%	8.4%	5.0%
Hedge Funds	9-15%	6.0%	12.0%
Global Bonds	10-16%	28.1%	13.0%
Infaltion Linked Bonds	2-8%	3.1%	5.0%
Alternative Assets		9.4%	
Cash		1.8%	
	-----	-----	-----
		<b>100.0%</b>	<b>100.0%</b>
	-----	-----	-----

The Board has set the above ranges in the WSF Investment Policy, but has decided, given the economic crisis of 2008, to allow the Investment Committee the flexibility to work outside these ranges as needed. It has requested the Committee to report on its use of this flexibility in each meeting of the Board.

**WORLD SCOUT FOUNDATION, GENEVA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note E – Fixed Assets**

	2022	2021
	USD	USD
Gross value as of 01.01	109'033	95'129
Additions	12'563	13'902
Balance as at 31.12	<b>121'596</b>	<b>109'031</b>
Accumulated depreciation as 01.01	(98'183)	(92'755)
Depreciation	(7'804)	(5'425)
Balance as at 31.12	<b>(105'987)</b>	<b>(98'180)</b>
Net Value as at 31.12.	<b>15'609</b>	<b>10'851</b>

**WORLD SCOUT FOUNDATION, GENEVA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note F – Undisbursed grants payable**

	2022	2021
	USD	USD
<i>Current liabilities</i>		
World Organisation of the Scout Movement	2'100'000	2'100'000
National Scout Organisations	1'776'599	1'522'057
	<b>3'876'599</b>	<b>3'622'057</b>
<i>Non-current liabilities</i>		
National Scout Organisations	0	0
	<b>0</b>	<b>0</b>
<i>Total undisbursed grants payable</i>	<b>3'876'599</b>	<b>3'622'057</b>
Total projects awarded subject to yearly approval	0	8'975

**WORLD SCOUT FOUNDATION, GENEVA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note G – Designated Purpose Funds**

The Foundation's Designated Purpose Funds, all of which are restricted purpose funds, comprises the following sub-funds:

	Balance 31.12.2021	Adjustment allocation in 2021	Net financial income (loss)	Allocation of income (Note L)	Allocation of expenditure (Note M)	Balance 31.12.2022
	USD	USD		USD		
QUEEN SILVIA FUND	517'380					517'380
OPERATIONAL SUPPORT FUND	184'499	3'669'898	(2'147'040)	312'123	(2'019'480)	
AMERICAN FOUNDOUK & MOR. FUND	1	(1)				
THE SALINAS FUND	9'061	(9'061)				
PRINCE ALWALEED FUND	69'220			300'000	(325'624)	43'596
MARGOT C BOGART FUND	39'903			36'500	(60'000)	16'403
BILL PHILLIPS FUND						
SCHWYZER FUND	16'067	(16'067)				
WAYNE & CHRISTINE PERRY FAMILY FUND	52'015				(100'000)	(47'985)
TURLEY FUND	(55'975)			100'000	(89'300)	(45'275)
OPPENHEIMER FUND						
WEISER FUND	127'146			146'362	(148'310)	125'197
KING ABDULLAH INT. FOUNDATION FUND	241'903	(241'903)				
RYFFEL FUND						
SMALL PROJECTS FUND	48'003			13'500		61'503
NEPAL EARTHQUAKE FUND	78'540				(10'000)	68'540
CONDIT PHIL AND GEDA FUND	55'097	(4'276)		99'253	(164'287)	(14'213)
SCOUT DONATION PLATFORM FUND	15'110	(60)		773'300	(730'045)	58'305
JACK FURST FUND		1'292				1'292
BEAT WENGER FUND	399'966			100'000		499'966
PRINCE ALWALEED FUND FOR SDGS	(273'118)	(756)		1'097'284	(697'717)	125'693
DANISH FUND						
SCARF CIRCLE FUND	37'521			9'903		47'424
ROBLEDO CERVANTES FUND	4'755				(4'755)	
M&G ADAMS WORLD SCOUTING LEADERSHIP FL	1'020'130			9'139	(40'558)	988'711
D & H IMHOLZ MOP FUND	153'476	(4'374)		414'508	(222'031)	341'579
D & H IMHOLZ TTL FUND	799'811	(7'500)			(265'035)	527'276
BILDT NILS FUND	45'922				(93'202)	(47'280)
WHO FUND	130'632				(120'302)	10'330
<b>Total</b>	<b>3'717'063</b>	<b>3'387'193</b>	<b>(2'147'040)</b>	<b>3'411'871</b>	<b>(5'090'646)</b>	<b>3'278'441</b>

**The Operational Support Fund** - this comprises: The Royal Endowment Fund (of H.M. The King of Sweden), the Margot and Jeremiah Bogert Fund, the Janet and Rick Cronk Fund, the Klaus Jacobs Fund, the Meriel and Howard Kilroy Fund, the Lars Kolind Fund, the Garnet de la Hunt Fund, the Wayne and Christine Perry Fund 1 and the Joullian Endowment Fund.

These funds have been designated by their donors and the Board of the Foundation to produce, in priority, contributions in favour of the operational budget of the Foundation on a continuing basis. No written by-laws have been prepared for these funds by the donors, and are thus operated at the discretion of the WSF Board.

**Donor Advised Funds – Projects** The Foundation operates a number of Donor Advised Funds (DAFs), designated by donors to support projects run by Scouts worldwide. Donor Advised Funds are normally established for donations around or over USD 1 million.

**WORLD SCOUT FOUNDATION, GENEVA  
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The decision making related to expenditure on these DAFs is governed by both the instructions of the donor, and the guidelines established by the World Scout Foundation Board for the operation of the Messengers of Peace Fund. In summary, grant applications are presented to WOSM through their regional decision committees, assessed by the WSB office in Kuala Lumpur which recommends fund allocations. The WSF team in Geneva disburses grants according to the grant disbursement schedule in the signed contract with the beneficiary. Reporting and evaluations are assured by the WOSM team, in coordination with the WSF office.

Details of each of these Donor Advised Funds together with the general funding guidelines are available from the WSF office in Geneva.

**Note H – General Endowment Fund**

As at 31 December 2022, the value of the General Endowment Fund is as follows:

	Balance 31.12.2021	Adjustment allocation in 2021	Net financial income (loss)	Allocation of income (Note L)	Allocation of expenditure (Note M)	Balance 31.12.2022
	USD	USD		USD		
CAPITAL ENDOWMENT FUND	45'365'078	(3'669'898)	(6'441'120)	1'748'877	(3'077'380)	33'925'556
ROYAL BIRTHDAY FUND	3'697'969	0	0	0	0	3'697'969
D & H IMHOLZ FUND	1'404'830	0	0	0	0	1'404'830
<b>Total</b>	<b>50'467'876</b>	<b>(3'669'898)</b>	<b>(6'441'120)</b>	<b>1'748'877</b>	<b>(3'077'380)</b>	<b>39'028'355</b>

The General Endowment Fund is an unrestricted fund and comprises all Baden-Powell Fellowship, Honours Programme and other general contributions. It also contains three sub-funds:

**The Royal Birthday Fund**

This fund received contributions to celebrate the 50th birthday of the Honorary President, His Majesty the King of Sweden.

**The Doris & Hans Imholz Fund**

This fund is designated by the Imholz Family to produce investment revenue in favour of the World Scout Foundation's priorities.

Included in the General Endowment Fund is a fund that, due to the request for anonymity by the late donor, is not listed separately for reporting purposes.

**WORLD SCOUT FOUNDATION, GENEVA  
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**Note I – Individual Donations**

Under this caption are the donations received from various sources which are placed in the Endowment Fund or in one of the Designated Purpose Funds.

	31.12.2022	31.12.2021
	USD	USD
BADEN-POWE BADEN-POWELL FELLOWSHIP (OLD)	136'450	37'682
BADEN-POWE BADEN-POWELL FELLOWSHIP (NEW)	293'117	165'549
HONOURS PROGRAM	267'306	350'733
REGAL CIRCLE	881'735	192'923
D & H IMHOLZ MOP FUND	414'508	300'000
D & H IMHOLZ TTL Fund	0	0
ALWALEED GLOBAL PROJECTS FUND	300'000	300'000
MARGOT C BOGERT FUND	36'500	0
WAYNE AND CHRISTINE PERRY FUND 1	0	50'000
TURLEY FUND	100'000	100'000
WEISER FUND	146'362	134'090
WAYNE AND CHRISTINE PERRY FAMILY FUND	0	100'000
CONDIT PHIL AND GEDA FUND	99'253	103'884
SMALL PROJECTS FUND	13'500	18'210
SCOUT DONATION PLATFORM	773'300	67'300
WENGER BEAT FUND	100'000	100'000
ALWALEED SCOUTS FOR SDG FUND	1'097'284	645'866
THE SCARF CIRCLE FUND	9'903	5'937
M&G ADAMS WORLD SCOUTING LEADERSHIP FUND	9'139	100'000
BILDT NILS FUND	0	116'373
WHO FUND	0	200'000
Other	240'967	86'631
<b>Total Donations</b>	<b>4'919'324</b>	<b>3'175'177</b>

\* Under this heading are recorded the funds ultimately destined to projects to be carried out by National Scout Organisations or by the World Scout Bureau, except for The Messengers of Peace Initiative (e.g. Food for Life) which various donors have channelled through the World Scout Foundation. Included are also the participation fees for BP Fellowship Events.

**WORLD SCOUT FOUNDATION, GENEVA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**Note J – Project and grant expenditure**

	<i>Note</i>	31.12.2022	31.12.2021
		USD	USD
<b>MOP</b>			
Special Project Grant			
Local Capacity Strengthening		60'539	44'875
Global Network		98'491	28'096
Publications and Badges		0	273
Coordination and Governance		362'378	330'652
<b>Total MOP</b>		<b>521'408</b>	<b>403'896</b>
<b>Other projects</b>			
Reception expenditure		224'532	9'412
American Foundouk and M. Fund	G	0	94'799
The Prince Alwaleed Global Projects Fund	G	325'624	292'000
The Margot C. Bogart Fund	G	60'000	0
The Turley Fund	G	89'300	100'000
The Weisser Fund	G	148'310	108'397
The Wayne & Christine Perry Family Fund	G	100'000	99'996
The Neapal Earthquake Fund	G	10'000	0
Small Projets Fund	G	0	17'740
The Phil und Gerda Condit Fund	G	164'287	260'511
Scout Donation Platform	G	730'045	52'190
The Prince Alwaleed Scouts for SGDs Fund	G	697'717	631'000
The Hector Robledo Cerfants Fund	G	4'755	25'225
M& G Adams world scouting leadership Fund	G	40'558	59'442
The Doris & Hans Imholz MoP Fund	G	222'031	426'524
The Doris & Hans Imholz TTL Fund	G	265'035	193'332
The Nils Bildt Fund	G	93'202	165'637
WHO Fund	G	120'302	69'368
Miscellaneous projects	G	290'150	61'530
<b>Total Other projects</b>		<b>3'585'848</b>	<b>2'667'103</b>
Allocated to Designated Purpose Funds	<i>M</i>	3'585'848	2'667'103
<b>Total</b>		<b>4'107'256</b>	<b>3'070'999</b>

**WORLD SCOUT FOUNDATION, GENEVA  
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**Note K – Administrative expenditure**

The administrative expenses, including fund raising, grant management and governance support, committed by the Foundation are listed below.

	<u>Budget 2022</u>	<u>Actuals 2022</u>	<u>Actuals 2021</u>
	USD	USD	USD
Staff cost	1'226'000	1'121'404	1'305'322
Travel	120'000	127'073	45'249
Publications	65'000	9'668	31'768
Meetings	15'000	173	7'601
Office premises & equipment	52'000	49'429	75'955
Office services	79'000	175'459	222'660
Professional fees	168'000	278'090	127'488
Insignia & certificates	10'000	252	0
Miscellaneous	15'000	0	9'186
Honors programm	10'000	2'437	0
Moving Costs Geneve - Kandersteg	45'000	27'963	0
	<b><u>1'805'000</u></b>	<b><u>1'791'948</u></b>	<b><u>1'825'228</u></b>
<b><i>Funding: Specific income</i></b>			
Other income	<u>0</u>	<u>(100'653)</u>	<u>(280'816)</u>
Total other income	<u>0</u>	<u>(100'653)</u>	<u>(280'816)</u>
Allocation from Operational Support Fund	<u>-1'805'000</u>	<u>1'691'295</u>	<u>1'544'412</u>
	<b><u>1'805'000</u></b>	<b><u>1'791'948</u></b>	<b><u>1'825'228</u></b>

There were 7 employees by the end of the year. The provision for untaken leave was increased by USD 6'425.04 to USD 437'077.38 (2021: USD 430'652.34).

Other income comprises direct donations from Board members to cover administrative expenditure.

**WORLD SCOUT FOUNDATION, GENEVA  
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**Note L – Allocation of Operational income**

	<i>Note</i>	31.12.2022	31.12.2021
		USD	USD
Individual donations	<i>I</i>	4'919'324	3'175'177
Other income	<i>K</i>	100'653	280'816
Income from related party funds	<i>N</i>	150'542	241'805
		<u>5'170'519</u>	<u>3'697'798</u>
<b>Allocation of operational income</b>			
Designated Purpose Funds	<i>G</i>	3'421'642	2'447'088
General Endowment Fund	<i>H</i>	1'748'877	1'250'710
		<u>5'170'519</u>	<u>3'697'798</u>

Operational income received where the use is limited by restrictions, donor-imposed purpose or time restrictions are classified as restricted funds and are allocated in Designated Purpose Funds or in The Messengers of Peace Fund.

All other operational income, comprises all Baden-Powell Fellowship, Honours Programme and other general contributions, are classified as unrestricted fund and are allocated to the General Endowment Fund.

**WORLD SCOUT FOUNDATION, GENEVA  
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**Note M – Allocation of expenditure**

	<i>Note</i>	31.12.2022	31.12.2021
		USD	USD
Project and grant expenditure	<i>J</i>	(4'107'256)	(3'070'999)
Grant to World Organization of the Scout Movement	<i>P</i>	(2'800'000)	(2'800'000)
Administrative expenditure	<i>K</i>	(1'791'948)	(1'825'228)
Provision on donation	<i>C</i>	0	(2'250'000)
<b>Total expenditure</b>		<b>(8'699'204)</b>	<b>(9'946'227)</b>
<b>Allocation of operational expenditure</b>			
Grant to World Organisation of the Scout Movement	<i>P</i>	(2'800'000)	(2'800'000)
Other projects	<i>J</i>	(290'150)	(61'530)
Provision on donation	<i>C</i>	0	(2'250'000)
<b>A - Total General Endowment Fund</b>	<b><i>H</i></b>	<b>(3'077'380)</b>	<b>(5'111'530)</b>
The Messengers of Peace Fund	<i>J</i>	(521'408)	(403'896)
<b>B- Total The Messengers of Peace Fund</b>		<b>(521'408)</b>	<b>(403'896)</b>
Administrative expenditure	<i>K</i>	(1'791'948)	(1'825'228)
Other projects	<i>J</i>	(3'298'698)	(2'605'573)
<b>C - Total Designated Purpose Funds</b>	<b><i>G</i></b>	<b>(5'090'646)</b>	<b>(4'430'801)</b>

**WORLD SCOUT FOUNDATION, GENEVA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Note N – Related Party transactions**

**1. Loan from related party**

In April 2013, the Asia-Pacific Foundation transferred USD 1'700'000 to the Foundation to invest on its behalf and withdrew USD 100'000 in February 2017.

In September 2015, the Africa Scout Foundation transferred USD 200'000 to the Foundation to invest on its behalf.

In March 2018, the World Scout Bureau transferred USD 1'500'000 to the Foundation to invest on its behalf, withdrew USD 100'000 in May 2021 and did an additional transfer of USD 700'000 in October 2021.

In July 2021, the Interamerican Scout Foundation transferred USD 2'599'476 to the Foundation to invest on its behalf.

In October 2021, the WSB APR Scout Office transferred USD 100'000 to invest on its behalf. In the FS it is combined with the Asia-Pacific Foundation total.

In December 2022, an 'advancement agreement' was signed between the World Scout Bureau and the WSF to receive US\$250k back from the Q4 disbursement of the Operational Grant to alleviate the cashflow shortly and to be able to pay an urgent grant disbursement to an NSO. The amount was paid back in early February 2023.

The net gain or loss on investment is presented in Note O and the loans in the balance sheet as follows:

	31.12.2022	31.12.2021
	USD	USD
Loan from Asia-Pacific Scout Foundation	2'875'183	2'581'931
Loan from Africa Scout Foundation	328'471	294'105
Loan From World Scout Bureau	2'625'251	2'415'302
Loan from Interamerican Scout Foundation	2'659'155	2'599'475
Gain / (Loss) in investment, net Asia-Pacific Foundation	(442'311)	293'252
Gain / (Loss) in investment, net Africa Scout Foundation	(50'533)	34'336
Gain / (Loss) in investment, net World Scout Bureau	(403'689)	209'949
Gain / (Loss) in investment, net Interamerican Scout Foundation	(407'781)	59'679
	(100'000)	
Interamerican Scout Foundation Withdrawal	7'083'746	8'488'029
Loan from related party		
<i>Asia-Pacific Foundation</i>	2'432'872	2'875'183
<i>Africa Scout Foundation</i>	277'938	328'471
<i>World Scout Bureau</i>	2'221'562	2'625'251
<i>Interamerican Scout Foundation</i>	2'151'374	2'659'155
	31.12.2022	31.12.2021
	USD	USD
Advancement Agreement WSB (Paid back february 2023)	250'000	0

**WORLD SCOUT FOUNDATION, GENEVA  
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**Note N – Related Party transactions (continued)**

**2. Income from related party funds**

Three funds were historically raised in the name of the World Scout Foundation as donors had intended to make donations directly to the Foundation. However, for their own reasons, the donors finally preferred to make these donations to other national scout organisations. These funds are therefore owned and managed by the national scout organisations of the respective countries and the World Scout Foundation exerts no control over these funds. However, given the historic nature of the establishment of these funds, the revenues are transferred once a year to the World Scout Foundation and as a result, income from these funds are therefore considered as related party income.

**Annual distribution:**

	Note	31.12.2022	31.12.2021
		USD	USD
Interest Scouts of Australia		0	0
Interest Scouts of Canaca		150'542	241'805
Interest WSF Germany		0	0
<b>Total expenditure</b>		150'542	241'805

**Total funds held by:**

	31.12.2022	31.12.2022	31.12.2021	31.12.2021
	original currency	USD	original currency	USD
Scouts of Australia	1'856'794	<b>1'260'897</b>	1'737'599	<b>1'260'781</b>
Scouts of Canada	5'223'922	<b>3'856'393</b>	6'188'801	<b>4'842'160</b>
WSF Germany	243'196	<b>259'609</b>	247'399	<b>281'343</b>
		<b>5'376'899</b>		<b>6'384'284</b>

**WORLD SCOUT FOUNDATION, GENEVA**  
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**Note O – Net financial income**

Net financial income / (loss) is allocated for 25% to the Operational Support Fund of the Designated Purpose Fund and for 75% to the General Endowment Fund.

In 2022, the markets led to an decrease of -14.78% of the portfolio (+8.69% in 2021).

	<i>Note</i>	31.12.2022	31.12.2021
		USD	USD
<b>Financial Income</b>			
Interest and dividend income		355'615	411'453
Realized gain on sale of investments		739'954	2'101'136
Unrealised gain on fluctuation in financial assets value		1'812'990	6'439'196
Realized gain on exchange differences		17'532	14'093
<b>Total financial income</b>		<u>2'926'091</u>	<u>8'965'878</u>
<b>Financial Costs</b>			
Unrealised (loss) on fluctuation in financial assets value		(9'465'684)	(268'050)
Realized loss on sale on investments		(2'846'929)	(150'533)
Realized loss on exchange differences		(51'625)	(19'810)
Bank charges & investment management fees		(454'328)	(430'009)
<b>Total financial costs</b>		<u>(12'818'565)</u>	<u>(868'403)</u>
(Gain) / Loss Asia-Pasific Foundation	<i>N</i>	442'311	(293'252)
(Gain) / Loss Africa Scout Foundation	<i>N</i>	50'533	(34'336)
(Gain) / Loss World Scout Bureau	<i>N</i>	403'689	(209'949)
(Gain) / Loss Interamerican Scout Foundation	<i>N</i>	407'781	(59'679)
		<u>1'304'314</u>	<u>(597'216)</u>
<b>Total</b>		<u>(11'514'251)</u>	<u>(1'465'649)</u>
<b>Net financial income / (loss)</b>		<u>-8'588'160</u>	<u>7'500'229</u>
<b>Allocation of net financial income / (loss)</b>			
Designated Purpose Funds	<i>G</i>	-2'147'040	1'953'465
General Endowment Fund	<i>H</i>	-6'441'120	5'546'764
		<u>-8'588'160</u>	<u>7'500'229</u>

**WORLD SCOUT FOUNDATION, GENEVA  
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**Note P - Grant to the World Organization of the Scout Movement**

The Board of the Foundation has resolved to disburse grants to the World Organisation of the Scout Movement equivalent to 4.75% of the capital of the Foundation, averaged over the previous twelve trailing quarters, being USD 2'800'000 (2020: USD 2'800'000).

	<u>31.12.2022</u>	<u>31.12.2021</u>
	USD	USD
Grant to World Organization of the Scout Movement	2'800'000	2'800'000

**Note Q – Payment to members of the bodies in charge**

No fees or expenses are paid to officers or members of the Board or Sub-Committees of the World Scout Foundation. All their time and expenses are voluntary contributions from the individuals concerned.

**Note R – Pension Plan**

From the 1<sup>st</sup> January 2014, the World Scout Foundation staff is insured against the economic consequences of old age, invalidity and death, according to the provisions of the Federal Law for occupational benefits, old age and survivors (LPP), by COPRE ("La Collective de Prévoyance"). According to the defined contribution plan, the employees and the employer pay determined contributions. The annual contributions to the pension plan are recorded during the period to which they relate.

	<u>31.12.2022</u>	<u>31.12.2021</u>
	USD	USD
Contributions paid	164'704	167'631
Contributions retained on employee's payroll	79'391	69'332
Pension benefit expenses included in staff expenses (see Staff cost in Note K)	76'595	125'366

As at 31 December 2022, the World Scout Foundation has a liability against COPRE of CHF 12'477.45 (2021: CHF 30'743.35).

COPRE is a collective institution. In accordance with the solidarity principle of the pension's dispositions, no deficit or surplus of coverage can be established on a pro-rata basis for the WSF. The capital ratio as at 31 December 2022 was not available at the time the financials were prepared

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**Note S – JP Morgan Credit Facility Agreement**

The Board approved a Credit Facility Agreement for max US\$ 5'000'000 with JP Morgan on 23rd April 2022. This to alleviate the cash flow pressure, normally solved by annual redemptions of the FTCl portfolio. Due to the market conditions in 2022, keeping the investment portfolio intact was preferred.

On 15th July 2022, with the approval of the Investment Committee and the Executive Committee, a withdrawal of US\$ 1'000'000 was executed.

On 21st December 2022, we repaid US\$ 250'000.

Over 2022 a total of US\$ 18'670 in interest was charged to the Credit Facility.

JP Morgan charged another US\$89'339 to the Credit Facility for the capital calls on the JP Morgan Vintage product (private equity), and US\$25'616 in fees and expenses for this product.

JP Morgan has been instructed that all future capital calls must be sent to the office to be paid out of the available cash on the UBS bank accounts. The Investment Committee has been informed about this situation.

	31.12.2022	31.12.2021
	USD	USD
Loan JP Morgan	863'625	