

THE GIRLS' BRIGADE - SINGAPORE

Unique Entity Number: S61SS0001A

REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

LO HOCK LING & CO

Certified Public Accountants

盧鶴齡會計公司



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The Girls' Brigade - Singapore

(Registered under the Societies Act, Chapter 311)

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THE GIRLS' BRIGADE - SINGAPORE

(Registered under the Societies Act, Chapter 311)

STATEMENT BY THE BRIGADE EXECUTIVE COMMITTEE

In our opinion, the financial statements set out on pages 4 to 26 are properly drawn up in accordance with the provisions of the Societies Act, Cap. 311 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of The Girls' Brigade – Singapore (the "Brigade") as at 31 December 2012 and of the results, changes in funds and cash flows of the Brigade for the year ended on that date.

On behalf of the Brigade Executive Committee



MS EVELYN YIP SOOK LAI
BRIGADE COMMISSIONER



MS IRENDATING FONG KHEW
HONORARY TREASURER

Singapore, 13 March 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

THE GIRLS' BRIGADE - SINGAPORE

(Registered under the Societies Act, Chapter 311)

Report on the Financial Statements

We have audited the accompanying financial statements of The Girls' Brigade - Singapore (the "Brigade") set out on pages 4 to 26, which comprise the balance sheet (statement of financial position) as at 31 December 2012, and the statement of income and expenditure, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act, Cap. 311 (the "Act") and 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Brigade Executive Committee, 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 GIRLS' BRIGADE - SINGAPORE

(Registered under the Societies Act, Chapter 311)

(continued)

Opinion

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

Report on Other Legal and Regulatory Requirements


In our opinion,

- (a) the accounting and other records required by the regulations enacted under the Act to be kept by the Brigade have been properly kept in accordance with those regulations; and
- (b) the fund-raising appeals held during the year has been carried out in accordance with regulation 6 of the Societies Regulations issued under the Act and proper accounts and other records have been kept of the fund raising appeals.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- (i) the use of the donation monies was not in accordance with the objectives of the Brigade required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (ii) the Brigade has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Singapore, 13 March 2013


LO HOCK LING & CO.
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

THE GIRLS' BRIGADE - SINGAPORE

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Statement of Income and Expenditure for the year ended 31 December 2012

	<u>Notes</u>	<u>2012</u>	<u>2011</u>
		\$	\$
<u>Income</u>			
Brigade fortnight collections	4	590,120	600,538
Donations/contributions	5	639,050	540,130
Grants income	6	463,892	424,854
Interest income		4,937	4,464
Income from GB shop	7	28,040	15,403
Rental income from investment property		-	5,000
Sundry income	8	137,021	66,628
		1,863,060	1,657,017
<u>Less: Expenditure</u>			
Training and development programmes	9	117,943	81,632
Brigade activities	10	109,531	76,924
Corporate communication		8,865	125
Extension programmes	11	147,774	80,910
Company programme expenses		294,430	260,327
GB company care support costs	12	19,821	19,471
GB headquarters expenses	13	670,446	632,762
		1,368,810	1,152,151
Surplus for the year transferred to general accumulated fund		494,250	504,866

The accompanying notes form an integral part of these financial statements.

THE GIRLS' BRIGADE - SINGAPORE

(Registered under the Societies Act, Chapter 311)

Statement of Financial Position as at 31 December 2012

	<u>Notes</u>	<u>2012</u>	<u>2011</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Property, plant and equipment	14	104,293	88,807
Investment property	15	72,070	73,334
Fixed deposits	18	6,649	6,649
Total Non-Current Assets		<u>183,012</u>	<u>168,790</u>
<u>Current Assets</u>			
Inventories	16	185,421	223,608
Trade and other receivables	17	177,686	142,753
Fixed deposits	18	4,298,253	4,292,017
Cash and bank balances	18	1,844,571	1,253,721
Total Current Assets		<u>6,505,931</u>	<u>5,912,099</u>
Total Assets		<u>6,688,943</u>	<u>6,080,889</u>
<u>FUNDS AND LIABILITIES</u>			
<u>Funds</u>			
General accumulated fund		3,074,994	2,580,744
Capital fund	19	171,963	171,963
Development fund	20	572,249	572,249
GB HQ building fund	21	1,274,496	1,262,736
Special funds	22	494,296	500,997
Total Funds		<u>5,587,998</u>	<u>5,088,689</u>
<u>Current Liabilities</u>			
Accounts payable	23	1,060,633	905,331
Deferred grant income	26	40,312	86,869
Total Current Liabilities		<u>1,100,945</u>	<u>992,200</u>
Total Funds and Liabilities		<u>6,688,943</u>	<u>6,080,889</u>

The accompanying notes form an integral part of these financial statements.

THE GIRLS' BRIGADE - SINGAPORE

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Statement of Changes in Funds for the year ended 31 December 2012

	General accumulated fund	Capital fund	Development fund	GB HQ building fund	Special funds	Total funds
	\$	\$	\$	\$	\$	\$
Balance as at 31 December 2010	2,075,878	171,963	572,249	1,253,906	522,340	4,596,336
Surplus for the year	504,866	-	-	-	-	504,866
Funds received during the year	-	-	-	8,830	4,132	12,962
Funds utilised during the year	-	-	-	-	(25,475)	(25,475)
Balance as at 31 December 2011	2,580,744	171,963	572,249	1,262,736	500,997	5,088,689
Surplus for the year	494,250	-	-	-	-	494,250
Funds received during the year	-	-	-	11,760	1,740	13,500
Funds utilised during the year	-	-	-	-	(8,441)	(8,441)
Balance as at 31 December 2012	3,074,994	171,963	572,249	1,274,496	494,296	5,587,998

The accompanying notes form an integral part of these financial statements.

THE GIRLS' BRIGADE - SINGAPORE

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Statement of Cash Flows for the year ended 31 December 2012

	<u>Notes</u>	<u>2012</u>	<u>2011</u>
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Surplus for the year		494,250	504,866
Adjustments for:			
Depreciation expenses	25	50,629	34,357
Property, plant and equipment written off		-	169
Deferred grant amortised to income	26a	(8,707)	(1,176)
Interest income		(4,937)	(4,464)
Operating surplus before changes in working capital		531,235	533,752
Decrease/(increase) in inventories		38,187	(1,073)
Increase in accounts receivable		(68,282)	(61,057)
Increase in accounts payable		188,651	328,835
Cash generated from operations		689,791	800,457
Interest income		4,937	4,464
Net cash from operating activities		694,728	804,921
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Purchase of property, plant and equipment	14	(64,851)	(54,647)
Net cash used in investing activities		(64,851)	(54,647)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>			
Increase in GB HQ building fund	21	11,760	8,830
(Decrease)/increase in special funds (net)	22	(6,701)	(21,343)
MOE Grants for special projects utilised (net)	26b	(37,850)	(126,750)
Increase in fixed deposit pledged with bank	18	(265)	(6,911)
(Decrease)/increase in fixed deposits with original maturities over 3 months		1,435,062	(2,606,863)
Net cash from/(used in) financing activities		1,402,006	(2,753,037)
Net increase/(decrease) in cash and cash equivalents		2,031,883	(2,002,763)
Cash and cash equivalents at beginning of the year		2,782,094	4,784,857
Cash and cash equivalents held as custodian for GB companies		(593,361)	(535,366)
Cash and cash equivalents at end of the year	18	<u>4,220,616</u>	<u>2,246,728</u>

The accompanying notes form an integral part of these financial statements.

THE GIRLS' BRIGADE - SINGAPORE

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NOTES TO THE FINANCIAL STATEMENTS - 31 December 2012

The following notes form an integral part of the financial statements.

1. GENERAL INFORMATION

The Girls' Brigade - Singapore (the "Brigade") is registered in the Republic of Singapore under the Societies Act, Cap. 311. It is also a charity registered under the Charities Act, Cap. 37, and an Institution of a Public Character registered with the Ministry of Education. Its registered office is located at 795 Upper Serangoon Road, Singapore 534667.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The Brigade presents its financial statements in Singapore dollars, which is also its functional currency. These financial statements are prepared in accordance with the historical cost convention and comply with Singapore Financial Reporting Standards (FRS), including related Interpretations promulgated by the Accounting Standards Council.

During the financial year, the Brigade adopted all the applicable new/revised FRSs which are effective on or before 1 January 2012. The adoption of these new/revised FRSs did not have any material effect on the company's financial statements and did not result in substantial changes to the company's accounting policies.

(b) Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Brigade's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(A) *Key Sources of Estimation Uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date 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.

Depreciation on Property, Plant and Equipment and Investment Property

The costs of property, plant and equipment and investment property are depreciated on a straight-line basis over their estimated useful lives. Management's estimates of the useful lives of these assets are disclosed in notes 2(f) and 2(g). Changes in the expected usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised. The carrying amounts of property, plant and equipment and investment property and their respective depreciation charge for the year are disclosed in notes 14 and 15 to the financial statements.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Significant Accounting Estimates and Judgments (continued)

(B) *Critical Judgments Made in Applying Accounting Policies*

In the process of applying the Brigade's accounting policies, the management has made certain judgments, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

(i) *Impairment of Trade Receivables*

The impairment policy for bad and doubtful debts of the Brigade is based on the evaluation of collectibility and ageing analysis of the accounts receivables and on management's judgment. At the balance sheet date, trade receivables amounting to \$67,793 (2011: \$33,305) were past due but regarded as not impaired. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current credit worthiness and the past collection history of each customer. If the financial condition of these customers were to deteriorate, resulting in an impairment of their ability to make payment, allowance for impairment will be required.

(ii) *Net Realisable Value of Inventories*

Net realisable value of inventories, which consist mainly of books and uniform accessories, is the estimated selling price in the ordinary course of business, less estimated selling expenses. These estimates are based on the current market condition and historical experience of selling products of similar nature. Management will reassess the estimations at the balance sheet date. The carrying amount of inventories is stated in note 16 to the financial statements.

(iii) *Impairment of Non-Financial Assets*

The carrying amounts of the Brigade's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated based on the higher of the value in use and the asset's net selling price. Estimating the value in use requires the management to make an estimate of the expected future cash flows from the continuing use of the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) FRS and INT FRS not yet effective

The Brigade has not applied any new FRS or INT FRS (Interpretations of Financial Reporting Standards) that has been issued as at the balance sheet date but is not yet effective. The Executive Committee does not anticipate the adoption of the new FRS and INT FRS in future financial periods to have any material impact on the Brigade's financial statements in the period of initial application.

(d) Revenue Recognition

(i) Brigade fortnight collections, donations and contributions are recognised as income upon receipt.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Revenue Recognition (continued)

- (ii) Government grants are recognised when there is reasonable assurance that the Brigade will comply with the conditions attaching to the grants and that the grants will be received.

Government grants related to assets are recognised as deferred income in the balance sheet, and are amortised to income over the useful life of the assets to match the depreciation of the property, plant and equipment purchased with the related grants.

Grants related to income are recognised in the statement of income and expenditure on a systematic basis over the periods in which the Brigade recognises as expenses the related costs for which the grant is intended to compensate. Accordingly, the related operating expenditure are deducted against such grants.

- (iii) Interest on fixed deposits and savings accounts are recognised as income on a time proportion basis.
- (iv) Revenue from sale of goods is recognised upon delivery of the goods and acceptance by the customer.
- (v) Rental income from operating lease is recognised on a straight line basis over the lease period.

(e) Fund Accounting

Monies received for specific purposes are credited directly to the respective fund accounts. Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Unless specifically indicated, fund balances are not represented by any specific assets but are represented by the total net assets of the Brigade.

(f) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Brigade and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Any estimated costs of dismantling and removing the property, plant and equipment and reinstating the site to its original condition (reinstatement costs) are capitalised as part of the cost of the property, plant and equipment.

Depreciation is calculated on the straight line basis so as to write off the cost, less the residual value, of the assets over their estimated useful lives. The annual rates of depreciation are as follows:

Computers	3 years
Office equipment	5 years
Office furniture	10 years
Renovation	3 years

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Property, Plant and Equipment (continued)

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

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted as appropriate, at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets is recognised in profit or loss in the year the asset is derecognised.

(g) Investment Properties

Investment properties which are held on a long term basis for investment potential and rental income are stated at cost less accumulated depreciation and any impairment loss. Depreciation is calculated on the straight line basis so as to write off the cost, less residual value, of the leasehold property over the remaining lease period which expires in 2069.

(h) Inventories

Inventories are stated at lower of cost and net realisable value after adequate allowance has been made for deteriorated, damaged, obsolete or slow-moving inventories. Cost is determined on the weighted average basis.

(i) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Receivables with a short duration are not discounted.

When there is objective evidence that the Brigade will not be able to collect all amounts due according to the original terms of the receivables, an impairment loss is recognised. The amount of the impairment loss is measured as the difference between the carrying value of the receivable and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the receivable is reduced directly or through the use of an allowance account. The amount of the loss is recognised in profit or loss.

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 shall be reversed either directly or by adjusting an allowance account. The amount of the reversal shall be recognised in profit or loss.

(j) Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, cash at bank and bank deposits that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in value and with maturity of three months or less from the date of acquisition.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Other Payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(l) Income Taxes

As a registered charity under the Charities Act, Cap. 37, the Brigade's income is exempt from income tax under Section 13(1)(zm) of the Income Tax Act, Cap.134.

(m) Employee Benefits

Defined Contribution Plans

The Brigade makes contributions to the state provident fund (Central Provident Fund). Such contributions are recognised as compensation expenses in the same period as the employment that gave rise to the contributions.

(n) Impairment of Non-financial Assets

The carrying amounts of the Brigade's assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

An impairment loss on a non-revalued asset is recognised in profit or loss. An impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

(o) Leases

Operating Leases

Leases whereby the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases.

When the Brigade is the lessor, assets leased out under operating leases are included in investment property. Income arising from such operating lease is recognised on a straight line basis over the lease term.

When the Brigade is the lessee, operating lease payments are recognised as an expense on a straight line basis over the lease term.

(p) Provisions

Provisions are recognised when the Brigade has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

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3. PRINCIPAL ACTIVITIES

The principal activities of the Brigade are to organise activities designed to help girls attain physical, mental and spiritual maturity, and encourage girls to express what they learn through practical service to homes, churches, the community and the world.

4. BRIGADE FORTNIGHT COLLECTIONS

	<u>2012</u>	<u>2011</u>
	\$	\$
Brigade fortnight collections		
- tax exempt	313,446	320,644
- non-tax exempt	318,086	320,642
	631,532	641,286
Less: Allocation of funding		
Transfer to GB HQ Building Fund (note 21)	11,760	8,830
Transfer to Extension Programmes	22,625	24,966
Office expenses	7,027	6,952
	41,412	40,748
	590,120	600,538

5. DONATIONS/CONTRIBUTIONS

	<u>2012</u>	<u>2011</u>
	\$	\$
General donations		
- tax exempt	76,141	70,445
- non-tax exempt	173,342	146,168
Contributions from users of GB Centre	389,567	323,517
	639,050	540,130

6. GRANTS INCOME

	<u>2012</u>	<u>2011</u>
	\$	\$
Grants from Ministry of Education		
- Uniformed Group Training Grant	30,000	30,000
- Capitation Grant	47,952	48,072
- Singapore Land Authority Grant	338,719	326,412
- Uniform Group Travel Grant	1,581	-
National Integration Council		
- National Population and Talent Development	45,640	-
National Council of Social Service		
- VCF ICT Non-Core Components Grant	-	20,370
	463,892	424,854

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7. INCOME FROM GB SHOP

	<u>2012</u>	<u>2011</u>
	\$	\$
Sales	198,264	188,005
Less: Cost of sales		
Inventories at beginning of the year	223,608	222,535
Purchases	88,395	126,384
Inventories at end of the year (note 16)	(185,421)	(223,608)
	<u>126,582</u>	<u>125,311</u>
Surplus from sales	71,682	62,694
Less:		
Support staff costs (note 24)	30,152	32,915
General expenses	12,716	10,606
Bad debts written off	774	3,770
	<u>43,642</u>	<u>47,291</u>
Net surplus	<u>28,040</u>	<u>15,403</u>

8. SUNDRY INCOME

	<u>2012</u>	<u>2011</u>
	\$	\$
MOE maintenance grant (note 26)	8,707	1,176
Income from seminars and workshops	8,609	4,885
Membership dues	9,264	2,102
Surplus from BB-GB Campsite	100,000	50,000
Miscellaneous income	10,441	8,465
	<u>137,021</u>	<u>66,628</u>

9. TRAINING AND DEVELOPMENT PROGRAMMES

	<u>Support/ fees received</u>	<u>Expenses incurred</u>	<u>Net expenditure</u>
	\$	\$	\$
<u>2012</u>			
<u>Junior, Secondary & Post-Secondary</u>			
Training and Adventure Camps	16,615	21,026	4,411
Training conferences, course and activities	32,104	70,094	37,990
Support staff costs for training/ development (note 24)	-	30,810	30,810
Special Project on V2HA (note 26b)	37,850	37,850	-
	<u>86,569</u>	<u>159,780</u>	<u>73,211</u>

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9. TRAINING AND DEVELOPMENT PROGRAMMES (continued)

<u>2012</u> (continued)	Support/ fees received	Expenses incurred	Net expenditure
	\$	\$	\$
<u>Officers' Development</u>			
Training seminars, workshops and courses	3,240	5,748	2,508
Other activities	20,215	47,751	27,536
Support staff costs for training/ development (note 24)	-	14,688	14,688
	<u>23,455</u>	<u>68,187</u>	<u>44,732</u>
 Total	 <u>110,024</u>	 <u>227,967</u>	 <u>117,943</u>
 <u>2011</u>			
<u>Junior, Secondary & Post-Secondary</u>			
Training and Adventure Camps	18,572	20,588	2,016
Training conferences, course and activities	52,866	65,781	12,915
Support staff costs for training/ development (note 24)	-	32,615	32,615
Special Project on V2HA (note 26b)	126,750	126,750	-
	<u>198,188</u>	<u>245,734</u>	<u>47,546</u>
<u>Officers' Development</u>			
Training seminars, workshops and courses	4,688	11,352	6,664
Other activities	18,953	37,030	18,077
Support staff costs for training/ development (note 24)	-	9,345	9,345
	<u>23,641</u>	<u>57,727</u>	<u>34,086</u>
 Total	 <u>221,829</u>	 <u>303,461</u>	 <u>81,632</u>

10. BRIGADE ACTIVITIES

	Support/ fees received	Expenses incurred	Net expenditure
	\$	\$	\$
<u>2012</u>			
Exco retreats	-	389	389
Ceremony and meeting expenses	-	18,497	18,497
Other activities	121,770	172,508	50,738
Support staff costs for Brigade activities (note 24)	-	39,907	39,907
	<u>121,770</u>	<u>231,301</u>	<u>109,531</u>
 Total	 <u>121,770</u>	 <u>231,301</u>	 <u>109,531</u>
 <u>2011</u>			
Exco retreats	-	723	723
Ceremony and meeting expenses	-	8,244	8,244
Other activities	-	3,579	3,579
Support staff costs for Brigade activities (note 24)	-	64,378	64,378
	<u>-</u>	<u>76,924</u>	<u>76,924</u>
 Total	 <u>-</u>	 <u>76,924</u>	 <u>76,924</u>

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11. EXTENSION PROGRAMMES

	<u>2012</u>	<u>2011</u>
	\$	\$
Donations received	79,390	52,710
Less:		
Extension expenses	44,612	28,348
GB friendship day	76,623	16,331
Support staff costs (note 24)	105,929	88,941
	227,164	133,620
	147,774	80,910

12. GB COMPANY CARE SUPPORT COSTS

	<u>2012</u>	<u>2011</u>
	\$	\$
Support fee received	-	-
Less:		
Salaries and related costs (note 24)	17,983	17,915
Company care support expenses	1,838	1,556
	19,821	19,471
	19,821	19,471

13. GB HEADQUARTERS EXPENSES

	<u>2012</u>	<u>2011</u>
	\$	\$
Bad debts written off - non-GB shop	20	847
Bank charges	1,833	2,565
Computer maintenance	2,490	1,239
Conference and seminars expenses	949	1,058
Depreciation expenses (note 25)	50,629	34,357
Donation	-	4,010
Exchange loss	198	130
Insurance	16,773	15,119
Property, plant and equipment written off	-	169
Medical expense and staff welfare	5,271	2,275
Newsletter and publications	4,200	6,096
Office expenses	18,119	14,936
Operating lease expense	338,719	326,412
Operating supplies	161	777
Professional fees	6,289	4,652
Repairs and maintenance	37,522	29,541
Salaries, related costs and CPF contributions (note 24)	126,927	121,845
Stationery, postage and telephone	3,013	9,844
Subcontract services	22,740	25,500
Subscriptions	2,412	2,102
Transport	57	604
Utilities and conservancy charges	32,124	28,684
	670,446	632,762
	670,446	632,762

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14. PROPERTY, PLANT AND EQUIPMENT

	\$	\$	\$	\$	\$	\$	\$
<u>Cost</u>							
At 1 January 2011	63,941	50,005	5,262	45,678	6,865	732,072	903,823
Additions	3,197	-	-	-	-	51,450	54,647
Disposal/written-off	(17,495)	(4,614)	(2,763)	-	(550)	(5,818)	(31,240)
At 31 December 2011 and 1 January 2012	49,643	45,391	2,499	45,678	6,315	777,704	927,230
Additions	11,515	16,810	1,300	7,469	-	27,757	64,851
At 31 December 2012	61,158	62,201	3,799	53,147	6,315	805,461	992,081
<u>Accumulated depreciation</u>							
At 1 January 2011	40,395	34,448	5,262	28,621	4,198	723,477	836,401
Charge for the year	14,715	7,149	-	4,568	682	5,979	33,093
Disposal/written-off	(17,495)	(4,614)	(2,763)	-	(381)	(5,818)	(31,071)
At 31 December 2011 and 1 January 2012	37,615	36,983	2,499	33,189	4,499	723,638	838,423
Charge for the year	10,524	6,841	87	5,252	631	26,030	49,365
At 31 December 2012	48,139	43,824	2,586	38,441	5,130	749,668	887,788
<u>Carrying amount</u>							
At 31 December 2012	13,019	18,377	1,213	14,706	1,185	55,793	104,293
At 31 December 2011	12,028	8,408	-	12,489	1,816	54,066	88,807

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15. INVESTMENT PROPERTY

	<u>2012</u>	<u>2011</u>
	\$	\$
Leasehold office premises – at cost	110,000	110,000
Less: Accumulated depreciation		
Balance as at 1 January 2012	36,666	35,402
Charge for the year	1,264	1,264
Balance as at 31 December 2012	37,930	36,666
	72,070	73,334

The fair values of the above investment property as at 31 December 2012, determined by Brigade Executive Committee on the basis of comparable sales by reference to market evidence of transaction prices for similar properties, is approximately \$700,000. In the Brigade Executive Committee's opinion, there is no impairment in the carrying amount of the above property.

Direct operating expenses arising from the above income generating investment property during the year amount to \$5,683 (2011: \$5,682). The above investment property, used exclusively for purposes conducive to social development in Singapore, is exempt from property tax under Section 6(6) of the Property Tax Act, Cap. 254.

16. INVENTORIES

	<u>2012</u>	<u>2011</u>
	\$	\$
Inventories at GB Shop, carried at cost	265,914	303,044
Less: Amounts written down to net realisable value		
Balance at beginning of the year	79,436	79,436
Write-down in current year	1,057	-
Balance at end of the year	80,493	79,436
Total carrying amount of inventories at lower of cost and net realisable value	185,421	223,608

The total carrying amount of inventories approximate their fair value less costs to sell.

The cost of inventories recognised as an expense and included as cost of sales (note 7) amounted to \$126,582 (2011: \$125,311).

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17. TRADE AND OTHER RECEIVABLES

	<u>2012</u>	<u>2011</u>
	\$	\$
Trade receivables:		
- due from GB Companies	57,163	28,633
- due from others	29,514	26,246
Sundry receivables	<u>47,994</u>	<u>48,148</u>
	134,671	103,027
Less: Allowance for doubtful debts		
Balance at beginning of the year	-	8,123
Current year's allowance	557	-
Write-off during the year	-	(8,123)
Balance at end of the year	<u>557</u>	<u>-</u>
	134,114	103,027
Deposits	2,770	5,220
Prepayments	<u>40,802</u>	<u>34,506</u>
	<u>177,686</u>	<u>142,753</u>

Trade and sundry receivables are unsecured, non-interest bearing and expected to be repayable within 90 days or on demand.

18. CASH AND CASH EQUIVALENTS

	<u>2012</u>	<u>2011</u>
	\$	\$
Fixed deposits with banks with maturities		
within 12 months	4,298,253	4,292,017
over 12 months	<u>6,649</u>	<u>6,649</u>
	4,304,902	4,298,666
Less:		
Fixed deposits pledged with bank	82,111	81,846
Fixed deposits with original maturities over 3 months	1,253,385	2,688,447
	<u>1,335,496</u>	<u>2,770,293</u>
Unencumbered fixed deposits with original		
maturities not more than 3 months	2,969,406	1,528,373
Cash and bank balances	1,844,571	1,253,721
Cash and cash equivalents held as custodian		
for GB companies	(593,361)	(535,366)
Cash and cash equivalents in statement of		
cash flows	<u>4,220,616</u>	<u>2,246,728</u>

Bank balances include an amount of \$2,309 (2011: \$2,507) denominated in United States dollar.

The fixed deposits of the Brigade mature within 12 months (2011: 14 months) from the balance sheet date and bear interest at rates ranging from 0.05% to 0.95% (2011: 0.1% to 0.95%) per annum.

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19. CAPITAL FUND

	<u>2012</u>	<u>2011</u>
	\$	\$
Capital fund	<u>171,963</u>	<u>171,963</u>

This represents the initial fund set up for establishing The Girls' Brigade - Singapore.

20. DEVELOPMENT FUND

	<u>2012</u>	<u>2011</u>
	\$	\$
Development fund	<u>572,249</u>	<u>572,249</u>

This fund was set up for the purpose of financing the development and expansion of facilities, including the purchase of a premise.

21. GB HQ BUILDING FUND

	<u>2012</u>	<u>2011</u>
	\$	\$
Balance at beginning of the year	1,262,736	1,253,906
GB fortnight donations (note 4)	<u>11,760</u>	<u>8,830</u>
Balance at end of the year	<u>1,274,496</u>	<u>1,262,736</u>

This represents funds raised to finance the purchase of a headquarter.

22. SPECIAL FUNDS

	Balance as at <u>1 January</u>	Funds received	Funds utilised	Balance as at <u>31 December</u>
	\$	\$	\$	\$
<u>2012</u>				
Bible fund (a)	12,252	-	(3,000)	9,252
GB Club (b)	4,058	-	-	4,058
Elsie Lyne Scholarship Fund (c)	61,962	750	(5,441)	57,271
LGT Challenge and One Chance project - Cambodia (d)	120,654	990	-	121,644
Florence Ko fund (e)	<u>302,071</u>	<u>-</u>	<u>-</u>	<u>302,071</u>
	<u>500,997</u>	<u>1,740</u>	<u>(8,441)</u>	<u>494,296</u>
<u>2011</u>				
Bible fund (a)	12,756	-	(504)	12,252
GB Club (b)	4,058	-	-	4,058
Elsie Lyne Scholarship Fund (c)	65,963	-	(4,001)	61,962
LGT Challenge and One Chance project - Cambodia (d)	137,492	4,132	(20,970)	120,654
Florence Ko fund (e)	<u>302,071</u>	<u>-</u>	<u>-</u>	<u>302,071</u>
	<u>522,340</u>	<u>4,132</u>	<u>(25,475)</u>	<u>500,997</u>

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22. SPECIAL FUNDS (continued)

The above funds are to be used for the following designated purposes, according to the intentions of the donors:

- (a) Bible fund: To finance the printing or buying of bibles for resale or free distribution for extension programmes.
- (b) GB Club: To finance Girls' Brigade alumni activities.
- (c) Elsie Lyne Scholarship Fund: To provide financial assistance to deserving GB girls in the area of education and leadership training.
- (d) LGT Challenge and One Chance project - Cambodia: To provide financial assistance for needy children and community projects in Cambodia.
- (e) Florence Ko fund: To provide funding for extension of God's Kingdom among girls and women overseas and the Brigade's mission of developing women.

23. ACCOUNTS PAYABLE

	<u>2012</u>	<u>2011</u>
	\$	\$
Accrued operating expenses	68,399	22,760
Monies held in custody for GB companies	593,361	535,366
Due to BB/GB Campsite	251,300	250,145
Deposits received	16,825	12,896
Sundry payables	<u>130,748</u>	<u>84,164</u>
	<u>1,060,633</u>	<u>905,331</u>

Accounts payable are non-interest bearing and are normally settled on demand.

24. EMPLOYEE BENEFITS EXPENSE

Employee benefits expense charged to the income and expenditure statement is as follows:

	<u>2012</u>	<u>2011</u>
	\$	\$
Salaries and related costs	321,706	327,037
Employer's contributions to Central Provident Fund	<u>44,690</u>	<u>40,917</u>
Total employee benefits expense	<u>366,396</u>	<u>367,954</u>

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24. EMPLOYEE BENEFITS EXPENSE (continued)

The above employee benefits expenses are allocated to the following programmes:

	<u>2012</u>	<u>2011</u>
	\$	\$
GB shop (note 7)	30,152	32,915
Training and development programmes (note 9)	45,498	41,960
Brigade activities (note 10)	39,907	64,378
Extension programmes (note 11)	105,929	88,941
GB company care support costs (note 12)	17,983	17,915
GB HQ expenses (note 13)	<u>126,927</u>	<u>121,845</u>
	<u>366,396</u>	<u>367,954</u>

25. DEPRECIATION EXPENSES

	<u>2012</u>	<u>2011</u>
	\$	\$
Depreciation on:		
Property, plant and equipment (note 14)	49,365	33,093
Investment property (note 15)	<u>1,264</u>	<u>1,264</u>
	<u>50,629</u>	<u>34,357</u>

26. DEFERRED GRANT INCOME

	<u>2012</u>	<u>2011</u>
	\$	\$
MOE grants for		
(a) Enhancement of GB HQ		
Balance at 1 January	49,019	50,195
Amortised to income during the year (note 8)	(8,707)	(1,176)
Balance at 31 December	40,312	49,019
(b) Special project on V2HA		
Balance at 1 January	37,850	164,600
Funds utilised (note 9)	(37,850)	(126,750)
Balance at 31 December	<u>-</u>	<u>37,850</u>
	<u>40,312</u>	<u>86,869</u>

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26. DEFERRED GRANT INCOME (continued)

(a) MOE Grant for Enhancement of GB HQ

This grant is a subsidy for the enhancement of training facilities relating to safety and hygiene at GB HQ. The Brigade is given 2 years from 9 December 2010 for the completion of this project. Any balance or accumulated interest upon the completion of the project are to be returned to Ministry of Education Co-Curricular Activities Branch (MOE CCAB).

(b) MOE Grant for Special Project on V2HA - Healthy Attitudes with Values Venture

This grant is for funding a special project which seeks to create a seamless game-based environment to deliver online learning for the Healthy Attitudes component of the Girls' Brigade programme for secondary girls. The Brigade is given 2 years from 31 December 2010 for the completion of the special project. Any excess or unused fund at the end of the 2 years is to be returned to the Ministry of Education.

27. TAX EXEMPT DONATIONS

	<u>2012</u>	<u>2011</u>
	\$	\$
Corporate donors	13,776	2,600
Individual donors	<u>390,286</u>	<u>399,179</u>
	<u>404,062</u>	<u>401,779</u>

28. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Brigade if the Brigade has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Brigade and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Brigade is governed by the Brigade Council. The administration of the Brigade is vested in the Brigade Executive Committee which supervises and manages the affairs of the Brigade.

The Brigade has in place a conflict of interests policy in its code of conduct. All members of the Brigade Executive Committee and senior management are required to declare their interests yearly.

Key management personnel

The key management personnel comprise members of the Brigade Executive Committee and senior management staff employed by the Brigade. Members of the Brigade Executive Committee are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses.

The three highest paid executives employed by the Brigade receive annual remuneration of less than \$100,000 (2011: less than \$100,000) each.

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29. FINANCIAL RISK MANAGEMENT

The Brigade is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are credit risk, liquidity risk, foreign exchange risk and interest rate risk. The Executive Committee reviews and agrees on policies for managing each of these risks and they are summarised below:

(i) Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of customers or other counterparties to settle their financial and contractual obligations to the Brigade as and when they fall due.

The Brigade's main financial assets consist of cash and cash equivalents. Cash and bank deposits are placed with financial institutions which are regulated.

The Executive Committee has credit policies in place to minimise exposure to credit risk.

At the balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Brigade.

Financial assets that are past due but not impaired

The Brigade has trade receivables that are past due but not impaired. These trade receivables are unsecured and the analysis of their aging at balance sheet date is as follows:

	<u>2012</u>	<u>2011</u>
	\$	\$
Trade receivables past due:		
31 to 60 days	13,383	2,148
61 to 90 days	11,258	891
91 to 120 days	7,655	2,309
More than 120 days	<u>35,497</u>	<u>27,957</u>
	<u>67,793</u>	<u>33,305</u>

(ii) Liquidity risk

Liquidity risk is the risk that the Brigade will encounter difficulty in meeting financial obligations due to shortage of funds.

The Executive Committee monitors the liquidity risk of the Brigade and maintains a level of cash and cash equivalents deemed adequate to finance the Brigade's operations and to mitigate the effects of fluctuations in cash flows.

All financial liabilities of the Brigade are repayable on demand as disclosed in note 23 to the financial statements.

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29. FINANCIAL RISK MANAGEMENT (continued)

(iii) Foreign exchange risk

The Brigade is exposed to fluctuations in United States Dollars (USD) exchange rates arising from its USD current account, as disclosed in note 18 to the financial statements. However, the net exposure is not expected to be significant.

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Brigade's financial instruments will fluctuate because of changes in market interest rates.

The Brigade does not have any interest-bearing financial liabilities. Its only exposure to interest rate risk relates to interest-earning bank deposits. The Executive Committee monitors movements in interest rates to ensure deposits are placed with financial institutions offering optimal rates of return.

The interest rates and terms of maturity of financial assets of the Brigade are disclosed in note 18 to the financial statements.

30. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of cash and cash equivalents, receivables and payables approximate their fair values due to their short term nature.

31. RESERVES MANAGEMENT POLICY

The primary objective of the Brigade's reserves management policy is to provide financial stability and the means to support its ongoing programmes and develop its principal activities.

As at the balance sheet date, the Brigade's reserves consist of:

- (a) Unrestricted fund, namely the General accumulated fund; and
- (b) Restricted / designated funds, which comprise the Capital fund (note 19), Development fund (note 20), GB HQ building fund (note 21) and Special funds (note 22).

Restricted / designated funds are only used for the specific purposes for which the funds were set up.

The Executive Committee periodically reviews the amount of reserves that are required to ensure that they are adequate to fulfill the Brigade's continuing obligations.

The Brigade is not subject to externally imposed reserves requirements.

There were no changes to the Brigade's approach to reserves management during the year.

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32. COMPARATIVE FIGURES

The Brigade has netted the following balance sheet items to conform with the current year's presentation, which more meaningfully reflect the nature of the underlying transactions:

	2011 <u>(Restated)</u>	2011 <u>(Previously reported)</u>
	\$	\$
Deferred company programme expenses	-	201,567
Due to GB companies	-	736,933
Monies held in custody for GB companies	535,366	-

33. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2012 were authorised for issue by the Brigade Executive Committee on 13 March 2013.

