

THE GIRLS' BRIGADE - SINGAPORE

Unique Entity Number: S61SS0001A

REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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)


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 Charities Act, Cap. 37, 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 2013 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 SOH LIN CHU
HONORARY TREASURER

Singapore, 19 March 2014

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 2013, 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.

Brigade Executive Committee's Responsibility for the Financial Statements

The Brigade Executive Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Charities Act, Cap. 37, Societies Act, Cap. 311 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 Charities Act, Cap. 37, 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 Brigade as at 31 December 2013 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 Societies 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 Societies Act, Cap. 311 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 as 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, 19 March 2014


LO HOCK LING & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS SINGAPORE

THE GIRLS' BRIGADE - SINGAPORE

(Registered under the Societies Act, Chapter 311)

Statement of Income and Expenditure for the year ended 31 December 2013

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
		\$	\$
<u>Income</u>			
Brigade fortnight collections	4	604,628	590,120
Donations/contributions	5	584,689	639,050
Grants income	6	445,132	463,892
Interest income		4,963	4,937
Income from GB shop	7	42,199	28,040
Sundry income	8	103,486	137,021
		1,785,097	1,863,060
<u>Less: Expenditure</u>			
Training and development programmes	9	84,197	117,943
Brigade activities	10	61,244	109,531
Corporate communication		10,870	8,865
Extension programmes	11	134,435	147,774
Company programme expenses		234,917	294,430
GB company care support costs	12	16,783	19,821
GB headquarters expenses	13	678,586	670,446
		1,221,032	1,368,810
Surplus for the year transferred to general accumulated fund		564,065	494,250

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 2013

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Property, plant and equipment	14	68,879	104,293
Investment property	15	70,805	72,070
Fixed deposits	18	6,839	6,649
Total Non-Current Assets		<u>146,523</u>	<u>183,012</u>
<u>Current Assets</u>			
Inventories	16	170,215	185,421
Trade and other receivables	17	170,019	177,686
Fixed deposits	18	5,154,487	4,298,253
Cash and bank balances	18	1,664,523	1,844,571
Total Current Assets		<u>7,159,244</u>	<u>6,505,931</u>
Total Assets		<u>7,305,767</u>	<u>6,688,943</u>
<u>FUNDS AND LIABILITIES</u>			
<u>Funds</u>			
General accumulated fund:			
- General fund		3,298,065	3,074,994
- GB companies programme fund	19	340,994	-
		3,639,059	3,074,994
Capital fund	20	171,963	171,963
Development fund	21	572,249	572,249
GB HQ building fund	22	1,287,578	1,274,496
Special funds	23	497,071	494,296
Total Funds		<u>6,167,920</u>	<u>5,587,998</u>
<u>Current Liabilities</u>			
Accounts payable	24	1,005,750	1,060,633
Deferred grant income	27	132,097	40,312
Total Current Liabilities		<u>1,137,847</u>	<u>1,100,945</u>
Total Funds and Liabilities		<u>7,305,767</u>	<u>6,688,943</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 2013

	← General Accumulated fund →	Capital fund	Development fund	GB HQ building fund	Special funds	Total funds
	\$	\$	\$	\$	\$	\$
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
Surplus for the year	564,065	-	-	-	-	564,065
Funds received during the year	-	-	-	13,082	3,808	16,890
Funds utilised during the year	-	-	-	-	(1,033)	(1,033)
Transfer of funds	(340,994)	-	-	-	-	-
Balance as at 31 December 2013	3,298,065	171,963	572,249	1,287,578	497,071	6,167,920

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 2013

	Notes	2013	2012
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Surplus for the year		564,065	494,250
Adjustments for:			
Depreciation expenses	26	49,278	50,629
Deferred grant amortised to income	27(a)	(16,024)	(8,707)
Interest income		(4,963)	(4,937)
Operating surplus before changes in working capital		592,356	531,235
Decrease in inventories		15,206	38,187
Decrease/(increase) in accounts receivable		7,667	(68,282)
(Decrease)/increase in accounts payable		(54,883)	188,651
Cash generated from operations		560,346	689,791
Interest income		4,963	4,937
Net cash from operating activities		565,309	694,728
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Purchase of property, plant and equipment	14	(12,599)	(64,851)
Net cash used in investing activities		(12,599)	(64,851)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>			
Increase in GB HQ building fund	22	13,082	11,760
Increase/(decrease) in special funds (net)	23	2,775	(6,701)
Increase/(decrease) MOE Grants for special projects	27(b) &(c)	120,245	(37,850)
Grants refunded to MOE	27(a)	(12,436)	-
Increase in fixed deposit pledged with bank	18	(454)	(265)
Increase/(decrease) in fixed deposits with original maturities over 3 months		(852,237)	1,435,062
Net cash (used in)/from financing activities		(729,025)	1,402,006
Net (decrease)/increase in cash and cash equivalents		(176,315)	2,031,883
Cash and cash equivalents at beginning of the year		4,813,977	2,782,094
Cash and cash equivalents held as custodian for GB companies		(609,615)	(593,361)
Cash and cash equivalents at end of the year	18	<u>4,028,047</u>	<u>4,220,616</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 2013

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 2013. 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 \$19,076 (2012: \$67,793) 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>2013</u>	<u>2012</u>
	\$	\$
Brigade fortnight collections		
- tax exempt	312,258	313,446
- non-tax exempt	336,837	318,086
	649,095	631,532
Less: Allocation of funding		
Transfer to GB HQ Building Fund (note 22)	13,082	11,760
Transfer to Extension Programmes	24,011	22,625
Office expenses	7,374	7,027
	44,467	41,412
	604,628	590,120

5. DONATIONS/CONTRIBUTIONS

	<u>2013</u>	<u>2012</u>
	\$	\$
General donations		
- tax exempt	47,740	76,141
- non-tax exempt	46,975	173,342
Contributions from users of GB Centre	489,974	389,567
	584,689	639,050

6. GRANTS INCOME

	<u>2013</u>	<u>2012</u>
	\$	\$
Grants from Ministry of Education		
- Uniformed Group Training Grant	51,625	30,000
- Capitation Grant	46,788	47,952
- Singapore Land Authority Grant	338,719	338,719
- Uniform Group Travel Grant	8,000	1,581
National Integration Council		
- National Population and Talent Development	-	45,640
	445,132	463,892

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7. INCOME FROM GB SHOP

	<u>2013</u>	<u>2012</u>
	\$	\$
Sales	155,830	198,264
Less: Cost of sales		
Inventories at beginning of the year	185,421	223,608
Purchases	80,981	88,395
Inventories at end of the year (note 16)	(170,215)	(185,421)
	96,187	126,582
Surplus from sales	59,643	71,682
Less:		
Support staff costs (note 25)	17,200	30,152
General expenses	244	12,716
Bad debts written off	-	774
	17,444	43,642
Net surplus	42,199	28,040

8. SUNDRY INCOME

	<u>2013</u>	<u>2012</u>
	\$	\$
MOE maintenance grant (note 27(a))	16,024	8,707
Income from seminars and workshops	-	8,609
Membership dues	9,364	9,264
Surplus from BB-GB Campsite	50,000	100,000
Miscellaneous income	28,098	10,441
	103,486	137,021

9. TRAINING AND DEVELOPMENT PROGRAMMES

	<u>Support/ fees received</u>	<u>Expenses incurred</u>	<u>Net expenditure</u>
	\$	\$	\$
<u>2013</u>			
<u>Junior, Secondary & Post-Secondary</u>			
Training and Adventure Camps	16,854	20,415	3,561
Training conferences, course and activities	31,686	54,875	23,189
Support staff costs for training/ development (note 25)	-	33,050	33,050
MOE special project grant - Handbook (note 27(c))	4,107	4,107	-
	52,647	112,447	59,800

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9. TRAINING AND DEVELOPMENT PROGRAMMES (continued)

<u>2013</u> (continued)	<u>Support/ fees received</u>	<u>Expenses incurred</u>	<u>Net expenditure</u>
	\$	\$	\$
<u>Officers' Development</u>			
Training seminars, workshops and courses	2,460	3,460	1,000
Other activities	17,797	41,194	23,397
	<u>20,257</u>	<u>44,654</u>	<u>24,397</u>
Total	<u>72,904</u>	<u>157,101</u>	<u>84,197</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 25)	-	30,810	30,810
Special Project on V2HA (note 27(b))	37,850	37,850	-
	<u>86,569</u>	<u>159,780</u>	<u>73,211</u>
<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 25)	-	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>

10. BRIGADE ACTIVITIES

	<u>Support/ fees received</u>	<u>Expenses incurred</u>	<u>Net expenditure</u>
	\$	\$	\$
<u>2013</u>			
Exco retreats	-	215	215
Ceremony and meeting expenses	-	14,976	14,976
Other activities	39,173	47,454	8,281
Support staff costs for Brigade activities (note 25)	-	37,772	37,772
	<u>39,173</u>	<u>100,417</u>	<u>61,244</u>
Total	<u>39,173</u>	<u>100,417</u>	<u>61,244</u>
<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 25)	-	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>

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11. <u>EXTENSION PROGRAMMES</u>	<u>2013</u>	<u>2012</u>
	\$	\$
Donations received	8,439	14,475
- tax exempt	33,443	64,915
- non-tax exempt	41,882	79,390
Less:		
Extension expenses	17,571	44,612
GB friendship day	97,628	76,623
Support staff costs (note 25)	61,118	105,929
	176,317	227,164
	134,435	147,774
12. <u>GB COMPANY CARE SUPPORT COSTS</u>	<u>2013</u>	<u>2012</u>
	\$	\$
Support fee received	-	-
Less:		
Salaries and related costs (note 25)	15,503	17,983
Company care support expenses	1,280	1,838
	16,783	19,821
	16,783	19,821
13. <u>GB HEADQUARTERS EXPENSES</u>	<u>2013</u>	<u>2012</u>
	\$	\$
Bad debts written off - non-GB shop	1,400	20
Bank charges	754	1,833
Computer maintenance	2,308	2,490
Conference and seminars expenses	320	949
Depreciation expenses (note 26)	49,278	50,629
Exchange loss	-	198
Foreign worker levy	847	-
Insurance	20,445	16,773
Medical expense and staff welfare	1,694	5,271
Newsletter and publications	-	4,200
Office expenses	10,080	18,119
Operating lease expense	338,719	338,719
Operating supplies	-	161
Professional fees	6,370	6,289
Repairs and maintenance	49,488	37,522
Salaries, related costs and CPF contributions (note 25)	141,172	126,927
Stationery, postage and telephone	3,036	3,013
Subcontract services	17,632	22,740
Subscriptions	3,007	2,412
Transport	23	57
Utilities and conservancy charges	32,013	32,124
	678,586	670,446
	678,586	670,446

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14. PROPERTY, PLANT AND EQUIPMENT

<u>Cost</u>	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Computers (Office)	Office equipment (GB Centre)	Office equipment (Office)	Office furniture (GB Centre)	Office furniture (Office)	Renovation (GB Centre)	Renovation (GB Centre)	Office furniture (Office)	Total
At 1 January 2012	49,643	45,391	2,499	45,678	6,315	777,704	777,704	6,315	927,230
Additions	11,515	16,810	1,300	7,469	-	27,757	27,757	-	64,851
At 31 December 2012 and 1 January 2013	61,158	62,201	3,799	53,147	6,315	805,461	805,461	6,315	992,081
Additions	-	-	1,099	-	-	11,500	11,500	-	12,599
At 31 December 2013	61,158	62,201	4,898	53,147	6,315	816,961	816,961	6,315	1,004,680
<u>Accumulated depreciation</u>									
At 1 January 2012	37,615	36,983	2,499	33,189	4,499	723,638	723,638	4,499	838,423
Charge for the year	10,524	6,841	87	5,252	631	26,030	26,030	631	49,365
At 31 December 2012 and 1 January 2013	48,139	43,824	2,586	38,441	5,130	749,668	749,668	5,130	887,788
Charge for the year	5,590	5,511	333	4,515	632	31,432	31,432	632	48,013
At 31 December 2013	53,729	49,335	2,919	42,956	5,762	781,100	781,100	5,762	935,801
<u>Carrying amount</u>									
At 31 December 2013	7,429	12,866	1,979	10,191	553	35,861	35,861	553	68,879
At 31 December 2012	13,019	18,377	1,213	14,706	1,185	55,793	55,793	1,185	104,293

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15. INVESTMENT PROPERTY

	<u>2013</u>	<u>2012</u>
	\$	\$
Leasehold office premises – at cost	110,000	110,000
Less: Accumulated depreciation		
Balance as at 1 January 2013	37,930	36,666
Charge for the year	1,265	1,264
Balance as at 31 December 2013	39,195	37,930
	70,805	72,070

The fair values of the above investment property as at 31 December 2013, determined by Brigade Executive Committee on the basis of comparable sales by reference to market evidence of transaction prices for similar properties, is approximately \$800,000. 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 \$5,685 (2012: \$5,683). 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>2013</u>	<u>2012</u>
	\$	\$
Inventories at GB Shop, carried at cost	252,997	265,914
Less: Amounts written down to net realisable value		
Balance at beginning of the year	80,493	79,436
Write-down in current year	2,289	1,057
Balance at end of the year	82,782	80,493
Total carrying amount of inventories at lower of cost and net realisable value	170,215	185,421

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 \$96,187 (2012: \$126,582).

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17. TRADE AND OTHER RECEIVABLES

	<u>2013</u>	<u>2012</u>
	\$	\$
Trade receivables:		
- due from GB Companies	16,783	57,163
- due from others	2,711	29,514
Sundry receivables	<u>46,845</u>	<u>47,994</u>
	66,339	134,671
Less: Allowance for doubtful debts		
Balance at beginning of the year	557	-
Current year's allowance	-	557
Balance at end of the year	<u>557</u>	<u>557</u>
	65,782	134,114
Deposits	82,310	2,770
Prepayments	<u>21,927</u>	<u>40,802</u>
	<u>170,019</u>	<u>177,686</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>2013</u>	<u>2012</u>
	\$	\$
Fixed deposits with banks with maturities		
within 12 months	5,154,487	4,298,253
over 12 months	<u>6,839</u>	<u>6,649</u>
	5,161,326	4,304,902
Less:		
Fixed deposits pledged with bank	82,565	82,111
Fixed deposits with original maturities over 3 months	<u>2,105,622</u>	<u>1,253,385</u>
	<u>2,188,187</u>	<u>1,335,496</u>
Unencumbered fixed deposits with original maturities not more than 3 months	2,973,139	2,969,406
Cash and bank balances	1,664,523	1,844,571
Cash and cash equivalents held as custodian for GB companies	(<u>609,615</u>)	(<u>593,361</u>)
Cash and cash equivalents in statement of cash flows	<u>4,028,047</u>	<u>4,220,616</u>

Bank balances include an amount of \$2,348 (2012: \$2,309) denominated in United States dollar.

The fixed deposits of the Brigade mature within 12 months (2012: 12 months) from the balance sheet date and bear interest at rates ranging from 0.05% to 0.95% (2012: 0.05% to 0.95%) per annum.

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19. GB COMPANIES PROGRAMME FUND

During the year, Council had approved the setting up of the "GB companies programme fund", as part of the general accumulated fund, designated to fund the activities of GB companies.

20. CAPITAL FUND

	<u>2013</u>	<u>2012</u>
	\$	\$
Capital fund	<u>171,963</u>	<u>171,963</u>

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

21. DEVELOPMENT FUND

	<u>2013</u>	<u>2012</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.

22. GB HQ BUILDING FUND

	<u>2013</u>	<u>2012</u>
	\$	\$
Balance at beginning of the year	1,274,496	1,262,736
GB fortnight donations (note 4)	<u>13,082</u>	<u>11,760</u>
Balance at end of the year	<u>1,287,578</u>	<u>1,274,496</u>

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

23. SPECIAL FUNDS

	Balance as at <u>1 January</u>	Funds received	Funds utilised	Balance as at <u>31 December</u>
	\$	\$	\$	\$
<u>2013</u>				
Bible fund (a)	9,252	-	-	9,252
GB Club (b)	4,058	-	-	4,058
Elsie Lyne Scholarship Fund (c)	57,271	153	-	57,424
LGT Challenge and One Chance project - Cambodia (d)	121,644	3,655	(1,033)	124,266
Florence Ko fund (e)	<u>302,071</u>	<u>-</u>	<u>-</u>	<u>302,071</u>
	<u>494,296</u>	<u>3,808</u>	<u>(1,033)</u>	<u>497,071</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>

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23. 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.

24. ACCOUNTS PAYABLE

	<u>2013</u>	<u>2012</u>
	\$	\$
Accrued operating expenses	22,510	68,399
Monies held in custody for GB companies	609,615	593,361
Due to BB/GB Campsite	252,759	251,300
Deposits received	35,699	16,825
Sundry payables	<u>85,167</u>	<u>130,748</u>
	<u>1,005,750</u>	<u>1,060,633</u>

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

25. EMPLOYEE BENEFITS EXPENSE

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

	<u>2013</u>	<u>2012</u>
	\$	\$
Salaries and related costs	295,239	321,706
Employer's contributions to Central Provident Fund	<u>10,576</u>	<u>44,690</u>
Total employee benefits expense	<u>305,815</u>	<u>366,396</u>

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25. EMPLOYEE BENEFITS EXPENSE (continued)

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

	<u>2013</u>	<u>2012</u>
	\$	\$
GB shop (note 7)	17,200	30,152
Training and development programmes (note 9)	33,050	45,498
Brigade activities (note 10)	37,772	39,907
Extension programmes (note 11)	61,118	105,929
GB company care support costs (note 12)	15,503	17,983
GB HQ expenses (note 13)	<u>141,172</u>	<u>126,927</u>
	<u>305,815</u>	<u>366,396</u>

26. DEPRECIATION EXPENSES

	<u>2013</u>	<u>2012</u>
	\$	\$
Depreciation on:		
Property, plant and equipment (note 14)	48,013	49,365
Investment property (note 15)	<u>1,265</u>	<u>1,264</u>
	<u>49,278</u>	<u>50,629</u>

27. DEFERRED GRANT INCOME

	<u>2013</u>	<u>2012</u>
	\$	\$
MOE grants for		
(a) Enhancement of GB HQ		
Balance at 1 January	40,312	49,019
Amortised to income during the year (note 8)	(16,024)	(8,707)
Amount refunded to MOE	(12,436)	-
Balance at 31 December	11,852	40,312
(b) Special project on V2HA		
Balance at 1 January	-	37,850
Funds utilised (note 9)	-	(37,850)
Balance at 31 December	-	-
(c) MOE special project grants		
Balance at 1 January	-	-
Funds received	124,352	-
Funds utilised (note 9)	(4,107)	-
Balance at 31 December	<u>120,245</u>	<u>-</u>
	<u>132,097</u>	<u>40,312</u>

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27. 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.

(c) MOE Special Project Grants

These special grants for uniformed groups are provided by MOE in relation to approved projects to be carried out for the benefit of Brigade's members. The Brigade's approved projects which comprise of Handbooks, Primary and Core Curriculum Training Package and Training Videos should be completed by February 2015. Any unutilised funds upon the completion of these projects are to be returned to the Ministry of Education Character and Citizenship Education Branch.

28. TAX EXEMPT DONATIONS

	<u>2013</u>	<u>2012</u>
	\$	\$
Corporate donors	16,940	13,776
Individual donors	<u>351,497</u>	<u>390,286</u>
	<u>368,437</u>	<u>404,062</u>

29. 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.

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29. RELATED PARTIES (continued)

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 (2012: less than \$100,000) each.

30. 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>2013</u>	<u>2012</u>
	\$	\$
Trade receivables past due:		
31 to 60 days	3,505	13,383
61 to 90 days	-	11,258
91 to 120 days	3,312	7,655
More than 120 days	12,259	35,497
	<u>19,076</u>	<u>67,793</u>

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30. FINANCIAL RISK MANAGEMENT (continued)

(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.

(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.

31. 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.

Financial Instruments by Category

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	<u>2013</u>	<u>2012</u>
	\$	\$
Loans and receivables	6,973,941	6,286,357
Financial liabilities at amortised cost	1,005,750	1,060,633

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32. 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 20), Development fund (note 21), GB HQ building fund (note 22) and Special funds (note 23).

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.

33. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2013 were authorised for issue by the Brigade Executive Committee on 19 March 2014.

