

THE GIRLS' BRIGADE - SINGAPORE

UNIQUE ENTITY NUMBER: S61SS0001A

**REPORT AND
FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

LO HOCK LING & CO

Chartered Accountants Singapore

盧鶴齡會計公司



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THE GIRLS' BRIGADE - SINGAPORE

(Registered under the Societies Act, Chapter 311)

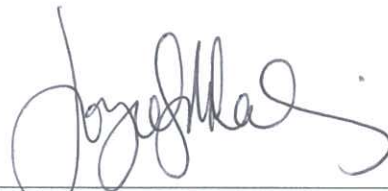
STATEMENT BY THE BRIGADE EXECUTIVE COMMITTEE

In our opinion, the financial statements set out on pages 5 to 37 are properly drawn up in accordance with the provisions of the Charities Act, Chapter 37, Societies Act, Chapter 311 and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of The Girls' Brigade - Singapore (the "Brigade") as at 31 December 2019 and of the financial performance, changes in funds and cash flows of the Brigade for the financial year covered by the financial statements.

On behalf of the Brigade Executive Committee



MS EVANGELINE CHEW WHYE CHENG
BRIGADE COMMISSIONER



MS JOYCE GOH BEE LING
FINANCE CHAIRPERSON

Singapore, 10 March 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Girls' Brigade - Singapore (the "Brigade") set out on pages 5 to 37, which comprise the statement of financial position (balance sheet) as at 31 December 2019, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Charities Act, Chapter 37, Societies Act, Chapter 311 and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Brigade as at 31 December 2019 and of the financial performance, changes in funds and cash flows of the Brigade for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Brigade in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the Statement by the Brigade Executive Committee but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Brigade Executive Committee 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 Charities Act, Chapter 37, Societies Act, Chapter 311 and FRSs, 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 financial statements and to maintain accountability of assets.

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

The Brigade Executive Committee's (the "Committee") responsibilities include overseeing the Brigade's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

Report on Other Legal and Regulatory Requirements

In our opinion,

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

Report on Other Legal and Regulatory Requirements (continued)

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

- (i) the Brigade has not used the donation moneys in accordance with its objectives as required under Regulation 11 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.



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

Singapore, 10 March 2020

THE GIRLS' BRIGADE - SINGAPORE
(Registered under the Societies Act, Chapter 311)

Statement of Comprehensive Income
for the financial year ended 31 December 2019

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
		\$	\$
<u>Income</u>			
Brigade fortnight collections	3	552,452	608,898
Donations/contributions	4	532,441	410,053
Grant income	5	773,583	602,943
Interest income		121,867	89,821
Sundry income	7	39,490	39,780
		2,019,833	1,751,495
<u>Less: Expenditure</u>			
Training and development programmes	8	208,715	159,453
Brigade activities	9	118,951	108,426
Corporate communication		9,941	13,407
Deficit from GB shop	6	30,043	27,601
Extension programmes	10	191,756	135,051
Company programme expenses		303,072	360,920
GB company care support costs	11	95,916	62,125
GB headquarters expenses	12	856,640	788,102
		1,815,034	1,655,085
Surplus for the year transferred to General Fund		204,799	96,410
<u>Other Comprehensive Income</u>			
Items that may be reclassified subsequently to profit or loss:			
Movements in restricted funds:			
BB Sembawang Campsite fund			
- surplus for the year	21	39,746	62,652
Special funds			
- net funds utilised	25	(15,748)	(52,133)
Total comprehensive income for the year		228,797	106,929

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

THE GIRLS' BRIGADE - SINGAPORE
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Statement of Financial Position as at 31 December 2019

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
		\$	\$
ASSETS			
<u>Non-Current Assets</u>			
Property, plant and equipment	13	243,367	184,401
Investment property	14	63,218	64,483
Right-of-use assets	15	238,960	-
		<u>545,545</u>	<u>248,884</u>
<u>Current Assets</u>			
Inventories	16	168,141	158,505
Trade and other receivables	17	195,035	167,431
Campsite assets	18	292,820	339,926
Fixed deposits	19	8,285,694	7,671,170
Cash and bank balances		1,127,207	1,233,695
		<u>10,068,897</u>	<u>9,570,727</u>
Total Assets		<u>10,614,442</u>	<u>9,819,611</u>
FUNDS AND LIABILITIES			
<u>Funds</u>			
Unrestricted funds:			
- General fund		5,405,689	5,282,486
- GB companies programme fund	20	1,312,113	1,245,244
		<u>6,717,802</u>	<u>6,527,730</u>
Restricted funds:			
- BB Sembawang Campsite fund	21	277,497	237,751
- Capital fund	22	171,963	171,963
- Development fund	23	572,249	572,249
- GB HQ building fund	24	1,323,468	1,323,468
- Special funds	25	87,392	103,140
		<u>9,150,371</u>	<u>8,936,301</u>
<u>Non-current liabilities</u>			
Campsite liabilities	18	7,800	7,800
<u>Current Liabilities</u>			
Accounts payable	26	55,343	53,502
Deferred grant income	29	1,101,503	773,673
Lease liabilities	30	250,483	-
Campsite liabilities	18	48,942	48,335
		<u>1,456,271</u>	<u>875,510</u>
Total Liabilities		<u>1,464,071</u>	<u>883,310</u>
Total Funds and Liabilities		<u>10,614,442</u>	<u>9,819,611</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 financial year ended 31 December 2019

	Unrestricted funds			Restricted funds				Total funds
	General fund	GB companies programme fund	BB Sembawang Campsite fund	Capital fund	Development fund	GB HQ building fund	Special funds	
	\$	\$	\$	\$	\$	\$	\$	
Balance as at 1 January 2018	5,180,680	1,200,640	225,099	171,963	572,249	1,323,468	8,829,372	
Total comprehensive income for the year	96,410	-	62,652	-	-	-	(52,133)	
Transfer from General fund (note 20)	(44,604)	44,604	-	-	-	-	-	
Transfer to General fund (note 21)	50,000	-	(50,000)	-	-	-	-	
Balance as at 31 December 2018	5,282,486	1,245,244	237,751	171,963	572,249	1,323,468	8,936,301	
Effect of adoption of FRS116 (note 2.2)	(14,727)	-	-	-	-	-	(14,727)	
Balance as at 1 January 2019 (restated)	5,267,759	1,245,244	237,751	171,963	572,249	1,323,468	8,921,574	
Total comprehensive income for the year	204,799	-	39,746	-	-	-	(15,748)	
Transfer from General fund (note 20)	(66,869)	66,869	-	-	-	-	-	
Balance as at 31 December 2019	5,405,689	1,312,113	277,497	171,963	572,249	1,323,468	9,150,371	

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 financial year ended 31 December 2019

	<u>Note</u>	<u>2019</u>	<u>2018</u>
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Surplus from operations		204,799	96,410
Adjustments for:			
Depreciation expenses	28	113,113	71,906
Amortisation of right-of-use assets	15	318,613	-
Interest expense on lease liabilities		16,902	-
Interest income		(121,867)	(89,821)
Operating surplus before changes in working capital		531,560	78,495
(Increase)/decrease in inventories		(9,636)	20,651
(Increase)/decrease in receivables		(20,385)	142,754
Increase/(decrease) in payables		1,841	(15,199)
Cash generated from operations		503,380	226,701
Interest received		114,648	81,198
Net cash from/(used in) other funds:			
- BB Sembawang Campsite fund		97,882	51,680
- Special funds		(15,748)	(52,133)
Net cash from operating activities		700,162	307,446
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in fixed deposits with original maturities over 3 months		(614,524)	(90,800)
Purchase of property, plant and equipment		(181,237)	(90,788)
Net cash used in investing activities		(795,761)	(181,588)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease)/increase in MOE Officers' Training Grant		(32,873)	34,830
Increase/(decrease) in MSF Care and Share Grant		360,703	(175,725)
Payment of principal portion of lease liabilities	30	(321,817)	-
Interest paid on lease liabilities		(16,902)	-
Net cash used in financing activities		(10,889)	(140,895)
Net decrease in cash and cash equivalents		(106,488)	(15,037)
Cash and cash equivalents at beginning of the year		1,233,695	1,248,732
Cash and cash equivalents at end of the year	32	1,127,207	1,233,695

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

THE GIRLS' BRIGADE - SINGAPORE
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Notes to the Financial Statements
for the financial year ended 31 December 2019

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

1. GENERAL INFORMATION

The Girls' Brigade - Singapore (the "Brigade") is registered in the Republic of Singapore under the Societies Act, Chapter 311. It is also a charity registered under the Charities Act, Chapter 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Brigade presents its financial statements in Singapore Dollars ("S\$"), 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.

2.2 Adoption of FRS 116 Leases

In the current financial year, the Brigade adopted all the new and amended FRSs which are relevant to the Brigade and are effective for annual financial periods beginning on or after 1 January 2019.

The Brigade adopted FRS 116 *Leases* on 1 January 2019. FRS 116 supersedes FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases-Incentives* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Brigade adopted FRS 116 on 1 January 2019 (date of initial application) using the modified retrospective. Under this method, the standard is applied retrospectively with the cumulative effect of the initial application recognised as an adjustment to the opening balance of the general fund at the date of initial application. The Brigade elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 January 2019. Instead, the Brigade applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

The effect of adopting FRS 116 as at 1 January 2019 was as follows:

	Increase/(decrease) S\$
Right-of-use assets (note 15)	557,573
Lease liabilities (note 30)	572,300
General fund	(14,727)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Adoption of FRS116 Leases (continued)

The Brigade has a lease contract for its operating premises. Before the adoption of FRS 116, the Brigade classified this lease (as lessee) at the inception date as an operating lease. The accounting policy prior to 1 January 2019 is disclosed in note 2.17.2.

Upon adoption of FRS 116, the Brigade applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 January 2019 is disclosed in note 2.17.1. The standard provides specific transition requirements and practical expedients, which have been applied by the Brigade.

Leases previously accounted for as operating leases

The Brigade recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets associated with the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Brigade also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- excluded the initial direct costs from the measurement of the right-of-use assets at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 January 2019:

- right-of-use assets of \$557,573 were recognised;
- additional lease liabilities of \$572,300 were recognised;
- the net effect of these adjustments of \$14,727 had been adjusted to general fund. Comparative information is not restated.

The lease liabilities recognised as at 1 January 2019 is reconciled to the operating lease commitments as at 31 December 2018 as follows:

	\$
Operating lease commitments as at 31 December 2018 (note 34)	592,758
Discounted at Brigade's incremental borrowing rate as at 1 January 2019	<u>4.25%</u>
Lease liabilities as at 1 January 2019 (note 30)	<u>572,300</u>

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 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.

(i) Depreciation on Property, Plant and Equipment

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 note 2.7 and 2.8. 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 13 and 14 to the financial statements.

(ii) Expected Credit Losses on Trade Receivables

Expected credit losses (ECL) are probability-weighted estimates of credit losses over the life of a financial instrument. In estimating ECL to determine the probability of default of its debtors, the Brigade has used historical information, such as past credit loss experience. Where applicable, historical data are adjusted to reflect the effects of current conditions as well as the management's assessment of future economic conditions based on observable market information, which involved significant estimates and judgement.

(iii) 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.

(iv) Leases – Estimating the Incremental Borrowing Rate

The Brigade cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Brigade would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Brigade 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Brigade estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 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.

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 fair value less cost of disposal. Estimating the value in use requires critical judgement on the part of 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.

2.4 Revenue Recognition

Revenue is measured based on the consideration to which the Brigade expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Brigade satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

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

- (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.

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Notes to the Financial Statements
for the financial year ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Employee Benefits

(a) 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.

(b) Short-term Compensated Absences

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for employee entitlements to annual leave as a result of services rendered by employees up to the balance sheet date.

2.6 Income Taxes

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

2.7 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 estimated useful lives are as follows:

Campsite equipment and canoes	2 years
Computers	3 years
Office equipment	2 to 5 years
Furniture and fittings	2 to 10 years
Renovations	2 to 5 years

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Investment Property

The investment property which is held on a long term basis for investment potential and rental income is 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.

2.9 Interest in BB Sembawang Campsite

The Girls' Brigade – BB Sembawang Campsite (the "Campsite") is administered jointly on an equal sharing basis by the Brigade and The Boys' Brigade in Singapore. They have equal rights to the assets and obligations for the liabilities relating to the Campsite.

As the Campsite is a jointly controlled asset, the Brigade recognises in its financial statements its share of assets and liabilities of the Campsite jointly held by or incurred with the other joint operator and its share of income and expenditure earned or incurred by the Campsite.

2.10 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.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.11 Financial Assets

Financial assets are recognised when the Brigade becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have ceased or expired.

A. *Classification*

Financial assets are classified into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The basis of classification depends on the Brigade's business model and the contractual cash flow characteristics of the financial assets.

B. *At initial recognition*

At initial recognition, the Brigade measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not have a significant financing component are measured at their transaction price at initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial Assets (continued)

C. At subsequent measurement

There are three prescribed subsequent measurement categories - at amortised cost, FVOCI and FVPL, depending on the Brigade's business model for managing the financial assets and the cash flow characteristics of the assets.

The Brigade's financial assets, comprising mainly receivables, and cash and cash equivalents, are measured at amortised cost subsequent to initial recognition, as these represent contractual cash flows which are solely payments of principal and interest. A gain or loss on a financial asset that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

D. Impairment of financial assets

The Brigade assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost, and recognises a loss allowance accordingly.

At each reporting date, the debt instruments are assessed to determine whether there is significant increase in credit risk on the debt instruments since initial recognition. If there is a significant increase in credit risk since initial recognition, lifetime expected credit losses will be calculated and recognised in the loss allowance. If credit risk on the debt instrument has not increased significantly since initial recognition, the loss allowance is measured based on 12-month expected credit losses. Adjustments to the loss allowance are recognised in profit or loss as an impairment gain or loss.

For trade receivables, the Brigade applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.12 Trade and Other Receivables

Trade and other receivables that do not have a significant financing component are measured at their transaction price at initial recognition, and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses, as explained in Note 2.11(D).

2.13 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 to 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.

2.14 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. 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 fair value less cost of disposal 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Impairment of Non-Financial Assets (continued)

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 (except for impairment loss on goodwill) 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.

2.15 Funds

Unrestricted funds comprise the general fund and GB companies programme fund as disclosed in note 20. Restricted funds comprise special funds to be used for designated purposes, as disclosed in notes 21 to 25 of the financial statements. Unless specifically indicated, fund balances are not represented by any specific assets but are represented by the total net assets of the Brigade.

2.16 Financial Liabilities

Financial liabilities include trade and other payables, payables to related parties, and interest-bearing loans and borrowings.

Financial liabilities are recognised on the balance sheet when the Brigade becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities at fair value through profit or loss, including derivatives, which are measured at fair value. Financial liabilities with a short duration are not discounted.

A financial liability is derecognised when the contractual obligation is discharged or cancelled or expires. For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

2.17 Leases

2.17.1 These accounting policies are applied on and after the initial application date of FRS 116, 1 January 2019:

The Brigade assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Brigade applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Brigade recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Leases (continued)

2.17.1 These accounting policies are applied on and after the initial application date of FRS 116, 1 January 2019: (continued)

(a) As lessee (continued)

Right-of-use assets

The Brigade recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Brigade at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in note 2.14.

Lease liabilities

At the commencement date of the lease, the Brigade recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Brigade uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Brigade applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to those leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Leases (continued)

2.17.1 These accounting policies are applied on and after the initial application date of FRS 116, 1 January 2019: (continued)

(b) As lessor

Leases in which the Brigade does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases of the Brigade's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.17.2 These accounting policies are applied before the initial application date of FRS 116, 1 January 2019:

Operating leases

(a) As lessee

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

(b) As lessor

The accounting policy applicable to the Brigade as a lessor in the comparative period was the same as under FRS 116. [note 2.17.1(b)]

2.18 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.

2.19 Related Parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Brigade if that person:
- (i) Has control or joint control over the Brigade;
 - (ii) Has significant influence over the Brigade; or
 - (iii) Is a member of the key management personnel of the Brigade or of a parent of the Brigade.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Related Parties (continued)

- (b) An entity is related to the Brigade if any of the following conditions applies:
- (i) The entity and the Brigade are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Brigade or an entity related to the Brigade. If the Brigade is itself such a plan, the sponsoring employers are also related to the Brigade.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the parent of the Brigade.

3. BRIGADE FORTNIGHT COLLECTIONS

	<u>2019</u>	<u>2018</u>
	\$	\$
Brigade fortnight collections		
- tax exempt	275,947	299,205
- non-tax exempt	284,997	316,810
	560,944	616,015
Less: Allocation of funding		
Office expenses	8,492	7,117
	<u>8,492</u>	<u>7,117</u>
	<u>552,452</u>	<u>608,898</u>

4. DONATIONS/CONTRIBUTIONS

	<u>2019</u>	<u>2018</u>
	\$	\$
General donations		
- tax exempt	93,498	80,591
- non-tax exempt	70,048	39,237
Donation in kind	-	800
Contributions from users of GB Centre	368,895	289,425
	<u>532,441</u>	<u>410,053</u>

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5. GRANT INCOME

	<u>2019</u>	<u>2018</u>
	\$	\$
Grants from Ministry of Education		
- Capitation Grant	76,688	63,329
- Singapore Land Authority Grant [notes 30 and 34]	338,719	338,719
- Uniformed Group Training Grant [note 29(c)]	92,873	25,170
Grant from Ministry of Social and Family Development		
- Care and Share Grant [note 29(d)]	265,303	175,725
	<u>773,583</u>	<u>602,943</u>

6. DEFICIT FROM GB SHOP

	<u>2019</u>	<u>2018</u>
	\$	\$
Sales	169,936	160,226
Less: Cost of sales		
Inventories at beginning of the year	158,505	179,156
Purchases	129,280	103,449
Stocks written off	6,786	4,448
Inventories at end of the year (note 16)	(168,141)	(158,505)
	<u>126,430</u>	<u>128,548</u>
Surplus from sales	43,506	31,678
Less:		
Support staff costs (note 27)	73,549	59,279
Net deficit	<u>(30,043)</u>	<u>(27,601)</u>

7. SUNDRY INCOME

	<u>2019</u>	<u>2018</u>
	\$	\$
Gain in foreign exchange	93	25
Government grant		
- special employment credit	8,225	3,587
- temporary employment credit	-	967
- wage credit scheme	4,232	7,922
Miscellaneous income	2,940	3,279
Rental income	24,000	24,000
	<u>39,490</u>	<u>39,780</u>

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8. TRAINING AND DEVELOPMENT PROGRAMMES

	<u>Support/ fees received</u>	<u>Expenses incurred</u>	<u>Net expenditure</u>
	\$	\$	\$
<u>2019</u>			
<u>Junior, Secondary & Post-Secondary</u>			
Training conferences, course and activities	34,635	70,028	35,393
Support staff costs (note 27)	-	65,319	65,319
	<u>34,635</u>	<u>135,347</u>	<u>100,712</u>
<u>Officers' Development</u>			
Training seminars, workshops and courses	24,970	77,035	52,065
Support staff costs (note 27)	-	55,938	55,938
	<u>24,970</u>	<u>132,973</u>	<u>108,003</u>
Total	<u>59,605</u>	<u>268,320</u>	<u>208,715</u>
<u>2018</u>			
<u>Junior, Secondary & Post-Secondary</u>			
Training conferences, course and activities	30,795	62,084	31,289
Support staff costs (note 27)	-	44,921	44,921
	<u>30,795</u>	<u>107,005</u>	<u>76,210</u>
<u>Officers' Development</u>			
Training seminars, workshops and courses	16,890	53,959	37,069
Support staff costs (note 27)	-	46,174	46,174
	<u>16,890</u>	<u>100,133</u>	<u>83,243</u>
Total	<u>47,685</u>	<u>207,138</u>	<u>159,453</u>

9. BRIGADE ACTIVITIES

	2019	2018
	\$	\$
Exco retreats	1,002	2,214
Ceremony and meeting expenses	11,482	42,322
Low Guat Tin Challenge	18,489	-
Other activities	5,933	1,289
Support staff costs (note 27)	82,045	62,601
Total	<u>118,951</u>	<u>108,426</u>

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10. EXTENSION PROGRAMMES

	<u>2019</u>	<u>2018</u>
	\$	\$
Donations received	-	1,000
- tax exempt	-	1,000
Less:		
Extension expenses	139	90
** GB Friendship Day	156,345	103,966
Support staff costs (note 27)	35,272	31,995
	<u>191,756</u>	<u>136,051</u>
	<u>191,756</u>	<u>135,051</u>

**Total expenses incurred for GB Friendship Day for the year, amounting to \$156,345 (2018: \$139,631), were funded by following:

	<u>2019</u>	<u>2018</u>
	\$	\$
Care and Share Grant [note 29(d)]	156,345	103,966
GB90 Grow and Go Fund [note 25(d)]	-	35,665
	<u>156,345</u>	<u>139,631</u>

11. GB COMPANY CARE SUPPORT COSTS

	<u>2019</u>	<u>2018</u>
	\$	\$
Salaries and related costs (note 27)	59,174	32,922
*Company care support expenses	3,031	2,578
Depreciation expenses (note 28)	33,711	26,625
	<u>95,916</u>	<u>62,125</u>

* In addition to the above Company Care Support expenses of \$3,031 (2018: \$2,578) paid out of the Brigade's General Fund, a further amount of \$9,900 (2018: Nil) from the GB90 Grow and Go Fund [Note 25(d)] was utilised in the current year to provide financial assistance to deserving GB girls as part of Company care and support for selected GB companies.

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12. GB HEADQUARTERS EXPENSES

	<u>2019</u>	<u>2018</u>
	\$	\$
Accounting fee	22,281	24,018
Amortisation of right-of-use assets	318,613	-
Bank charges	3,391	4,520
Computer maintenance	3,802	5,845
Depreciation expenses (note 28)	79,402	45,281
Foreign workers' levy	3,039	2,789
Insurance	14,983	19,457
Interest on lease liabilities	16,902	-
Medical expense and staff welfare	5,508	7,993
Miscellaneous expenses	3,246	4,736
Newsletter and other publications	2,522	1,290
Office expenses	15,717	1,490
Operating lease expense	-	338,719
Professional fees	8,119	9,038
Repairs and maintenance	41,011	37,742
Salaries, related costs and CPF contributions (note 27)	239,764	217,055
Stationery, postage and telephone	19,278	19,123
Subcontract services	15,165	15,423
Utilities and conservancy charges	43,897	33,583
	<u>856,640</u>	<u>788,102</u>

13. PROPERTY, PLANT AND EQUIPMENT

	<u>The Brigade</u>	<u>The Campsite</u>	<u>Total</u>
	\$	\$	\$
<u>31 December 2019</u>			
Cost	768,263	219,312	987,575
Accumulated depreciation	<u>(566,316)</u>	<u>(177,892)</u>	<u>(744,208)</u>
Carrying amount	<u>201,947</u>	<u>41,420</u>	<u>243,367</u>
<u>31 December 2018</u>			
Cost	634,909	171,429	806,338
Accumulated depreciation	<u>(454,468)</u>	<u>(167,469)</u>	<u>(621,937)</u>
Carrying amount	<u>180,441</u>	<u>3,960</u>	<u>184,401</u>

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13. PROPERTY, PLANT AND EQUIPMENT (continued)

	<u>Computers</u>	<u>Office equipment</u>	<u>Furniture and fittings</u>	<u>Renovations</u>	<u>Total</u>
The Brigade	\$	\$	\$	\$	\$
<u>Cost</u>					
At 1 January 2018	126,970	66,897	79,741	272,193	545,801
Additions	9,716	649	250	78,493	89,108
At 31 December 2018 and 1 January 2019	136,686	67,546	79,991	350,686	634,909
Additions	55,218	3,779	615	73,742	133,354
At 31 December 2019	<u>191,904</u>	<u>71,325</u>	<u>80,606</u>	<u>424,428</u>	<u>768,263</u>
<u>Accumulated Depreciation</u>					
At 1 January 2018	34,768	46,510	58,863	243,790	383,931
Charge for the year	36,031	8,968	2,831	22,707	70,537
At 31 December 2018 and 1 January 2019	70,799	55,478	61,694	266,497	454,468
Charge for the year	41,766	7,671	3,363	59,048	111,848
At 31 December 2019	<u>112,565</u>	<u>63,149</u>	<u>65,057</u>	<u>325,545</u>	<u>566,316</u>
<u>Carrying amount</u>					
At 31 December 2019	<u>79,339</u>	<u>8,176</u>	<u>15,549</u>	<u>98,883</u>	<u>201,947</u>
At 31 December 2018	<u>65,887</u>	<u>12,068</u>	<u>18,297</u>	<u>84,189</u>	<u>180,441</u>

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13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Campsite equipment and canoes	Office equipment	Furniture and fittings	Renovations	Total
The Campsite	\$	\$	\$	\$	\$
<u>Cost</u>					
At 1 January 2018	61,757	1,007	19,126	95,571	177,461
Additions	1,680	-	-	-	1,680
Written off	(5,006)	-	(1,252)	(1,454)	(7,712)
At 31 December 2018 and 1 January 2019	58,431	1,007	17,874	94,117	171,429
Additions	-	-	-	47,883	47,883
At 31 December 2019	58,431	1,007	17,874	142,000	219,312
<u>Accumulated Depreciation</u>					
At 1 January 2018	60,623	1,007	18,057	90,371	170,058
Charge for the year	1,237	-	1,069	2,817	5,123
Written off	(5,006)	-	(1,252)	(1,454)	(7,712)
At 31 December 2018 and 1 January 2019	56,854	1,007	17,874	91,734	167,469
Charge for the year	940	-	-	9,483	10,423
At 31 December 2019	57,794	1,007	17,874	101,217	177,892
<u>Carrying amount</u>					
At 31 December 2019	637	-	-	40,783	41,420
At 31 December 2018	1,577	-	-	2,383	3,960

14. INVESTMENT PROPERTY

	2019	2018
	\$	\$
Leasehold office premises - at cost	110,000	110,000
Less: Accumulated depreciation		
Balance as at 1 January	45,517	44,148
Charge for the year	1,265	1,369
Balance as at 31 December	46,782	45,517
	63,218	64,483

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14. INVESTMENT PROPERTY (continued)

The fair value of the above investment property as at 31 December 2019, determined by the Brigade Executive Committee on the basis of comparable sales by reference to market evidence of transaction prices for similar properties, is approximately \$850,000 (2018: \$930,000). The fair value of \$850,000 was estimated based on the agreed consideration for the sale of the property after balance sheet date, as disclosed in note 39 to the financial statements.

Direct operating expenses arising from the above income generating investment property during the year amounted to \$5,971 (2018: \$5,971).

15. RIGHT-OF-USE ASSETS

(a) The carrying amount of right-of-use assets is as follows:

	<u>Operating premises</u>
	\$
At 1 January 2019 (note 2.2)	557,573
Less: Amortisation for the year	<u>318,613</u>
At 31 December 2019	<u><u>238,960</u></u>

(b) Lease liabilities

The carrying amount of lease liabilities, the movements during the year and the maturity analysis of lease liabilities are disclosed in note 30 to the financial statements.

16. INVENTORIES

	<u>2019</u>	<u>2018</u>
	\$	\$
Inventories at GB Shop, carried at cost	178,442	186,935
Less: Amounts written down to net realisable value		
Balance at beginning of the year	28,430	53,728
* Reversal of write-down in current year	(18,129)	(25,298)
Balance at end of the year	<u>10,301</u>	<u>28,430</u>
Total carrying amount of inventories at lower of cost and net realisable value	<u><u>168,141</u></u>	<u><u>158,505</u></u>

The cost of inventories recognised as an expense and included as cost of sales (note 6) amounted to \$126,430 (2018: \$128,548).

* The Brigade has reversed inventory write-down amounting to \$18,129 (2018: \$25,298) during the year as the relevant inventory items have been written off.

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17. TRADE AND OTHER RECEIVABLES

	<u>2019</u>	<u>2018</u>
	\$	\$
Trade receivables:		
- due from GB Companies	13,066	3,323
- due from others	-	70
GBHQ Programme Department Receivable	572	-
Grant receivables	47,539	35,129
Interest receivable	43,403	36,184
Other receivables	78	2,169
	<u>104,658</u>	<u>76,875</u>
Deposits	83,411	80,780
Prepayments	6,966	9,776
	<u>195,035</u>	<u>167,431</u>

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

18. CAMPSITE ASSETS AND LIABILITIES

Campsite assets and liabilities presented below represent the Brigade's 50% share of the current assets and current liabilities of the BB Sembawang Campsite (formerly known as BB/GB Campsite).

	<u>2019</u>	<u>2018</u>
	\$	\$
<u>Current assets</u>		
Receivables	45,001	40,890
Cash and bank balances	247,819	299,036
	<u>292,820</u>	<u>339,926</u>
<u>Non-current liabilities</u>		
Provision for re-instatement cost	7,800	7,800
<u>Current liabilities</u>		
Payables	6,457	15,032
Booking deposit received	42,485	33,303
	<u>48,942</u>	<u>48,335</u>

19. FIXED DEPOSITS

The fixed deposits of the Brigade have original maturities of 6 to 12 months (2018: 6 to 12 months) and earn interest at rates ranging from 0.20% to 1.90% (2018: 0.20% to 1.70%) per annum.

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20. GB COMPANIES PROGRAMME FUND

	<u>2019</u>	<u>2018</u>
	\$	\$
Balance at beginning of the year	1,245,244	1,200,640
Transfer of funds from General Fund		
Donations received	25,881	26,226
Allocation of GB Fortnight collections	329,515	366,549
Company programme expenses	(343,795)	(381,630)
GB companies in recess	55,268	33,459
	<u>66,869</u>	<u>44,604</u>
Balances at end of the year	<u>1,312,113</u>	<u>1,245,244</u>

This is an unrestricted fund designated to fund the activities of GB companies.

21. BB SEMBAWANG CAMPSITE FUND

	<u>2019</u>	<u>2018</u>
	\$	\$
<u>Income</u>		
Rental income	159,267	167,481
Grant income	105,115	104,733
Other income	21,965	36,830
	<u>286,347</u>	<u>309,044</u>
<u>Less: Expenditure</u>		
Depreciation on property, plant and equipment (note 13)	10,423	5,123
Land rent	105,115	104,733
Management fee	90,000	90,000
Other expenditure	41,063	46,536
	<u>246,601</u>	<u>246,392</u>
Surplus for the year	39,746	62,652
Balance at beginning of the year	237,751	225,099
Transfer to general fund	-	(50,000)
Balance at end of the year	<u>277,497</u>	<u>237,751</u>

This fund represents the Brigade's interests in the BB Sembawang Campsite.

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Notes to the Financial Statements
for the financial year ended 31 December 2019**22. CAPITAL FUND**

	<u>2019</u>	<u>2018</u>
	\$	\$
Capital fund	<u>171,963</u>	<u>171,963</u>

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

23. DEVELOPMENT FUND

	<u>2019</u>	<u>2018</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.

24. GB HQ BUILDING FUND

	<u>2019</u>	<u>2018</u>
	\$	\$
GB HQ Building fund	<u>1,323,468</u>	<u>1,323,468</u>

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

25. SPECIAL FUNDS

	<u>Balance as at 1 January</u>	<u>Funds received</u>	<u>Funds utilised</u>	<u>Balance as at 31 December</u>
	\$	\$	\$	\$
<u>2019</u>				
Bible fund (a)	8,252	-	-	8,252
GB Club (b)	2,709	-	-	2,709
Elsie Lyne Scholarship Fund (c)	30,152	11,800	(17,648)	24,304
GB90 Grow and Go fund (d)	62,027	-	(9,900)	52,127
	<u>103,140</u>	<u>11,800</u>	<u>(27,548)</u>	<u>87,392</u>
<u>2018</u>				
Bible fund (a)	8,252	-	-	8,252
GB Club (b)	2,710	-	-	2,710
Elsie Lyne Scholarship Fund (c)	44,311	-	(14,160)	30,151
GB90 Grow and Go fund (d)	100,000	-	(37,973)	62,027
	<u>155,273</u>	<u>-</u>	<u>(52,133)</u>	<u>103,140</u>

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

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25. SPECIAL FUNDS (continued)

- (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) GB Grow and Go Fund : To provide financial assistance to deserving GB girls in the area of education both locally and overseas.

26. ACCOUNTS PAYABLE

	<u>2019</u>	<u>2018</u>
	\$	\$
Non-trade payables	36	-
Accrued operating expenses	37,778	30,514
Deposits received	17,529	20,457
Deferred income	-	2,531
	<u>55,343</u>	<u>53,502</u>

Accounts payable are unsecured, non-interest bearing and are normally settled within 30 days or on demand.

27. EMPLOYEE BENEFITS EXPENSES

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

	<u>2019</u>	<u>2018</u>
	\$	\$
Salaries and related costs	535,518	437,147
Employer's contributions to Central Provident Fund	75,543	57,800
	<u>611,061</u>	<u>494,947</u>

The above employee benefits expenses are represented by staff costs charged to:

	<u>2019</u>	<u>2018</u>
	\$	\$
<u>General fund</u>		
GB shop (note 6)	73,549	59,279
Training and development programmes		
- Junior, Secondary and Post-Secondary (note 8)	65,319	44,921
- Officers' Development (note 8)	55,938	46,174
Brigade activities (note 9)	82,045	62,601
Extension programmes (note 10)	35,272	31,995
GB company care support costs (note 11)	59,174	32,922
GB HQ expenses (note 12)	239,764	217,055
	<u>611,061</u>	<u>494,947</u>

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28. DEPRECIATION EXPENSES

	<u>2019</u>	<u>2018</u>
	\$	\$
Property, plant and equipment (note 13)	111,848	70,537
Investment property (note 14)	1,265	1,369
	<u>113,113</u>	<u>71,906</u>

The depreciation expenses are allocated as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
GB company care support costs (note 11)	33,711	26,625
GB headquarters expenses (note 12)	79,402	45,281
	<u>113,113</u>	<u>71,906</u>

29. DEFERRED GRANT INCOME

	<u>2019</u>	<u>2018</u>
	\$	\$
(a) MOE special project grants	101,500	101,500
(b) MOE Secondary Programme Project Grant	28,861	28,861
(c) MOE Officers' Training Grant		
Balance at 1 January	91,040	56,210
Funds received	60,000	60,000
Funds utilised (note 5)	(92,873)	(25,170)
Balance at 31 December	58,167	91,040
(d) MSF Care and Share Grant		
Balance at 1 January	552,272	727,997
Funds received	626,006	-
Funds utilised (note 5)	(265,303)	(175,725)
Balance at 31 December	<u>912,975</u>	<u>552,272</u>
	<u>1,101,503</u>	<u>773,673</u>

(a) 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 the Brigade's members. The Brigade's approved projects comprise the production of Handbooks, Primary and Core Curriculum Training Package and Training Videos. MOE has accepted that these projects are ongoing and the balance fund will continue to be utilised until it is expended.

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29. DEFERRED GRANT INCOME (continued)

(b) MOE Secondary Programme Project Grant

This grant is provided by MOE in relation to approved projects to be carried out for the benefit of the Brigade's members. The Brigade's approved projects comprise the revision of curriculum and design of package. MOE has accepted that these projects are ongoing and the balance fund will continue to be utilised until it is expended.

(c) MOE Officers' Training Grant

This grant is provided by MOE to help enhance the Brigade's teachers' and officers' capacities in enriching students' experience through co-curricular activities. The grant covers the costs of training officers, volunteer adult leaders and HQ registered volunteers. There is no expiry date for the usage of this grant.

(d) MSF Care and Share Grant

This grant is provided by the Ministry of Social and Family Development ("MSF"). The Care and Share movement is a national fund-raising and volunteerism movement for the social service sector, with the objectives of bringing the nation together to show care and concern for the less fortunate, and to invest in building capability in the social service sector to meet future needs. The grant must be utilised by March 2021. Thereafter, any unutilised funds are to be returned to MSF.

The remaining Care and Share grant available for use is as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
Balance of deferred grant income	912,975	552,272
Unamortised balance pertaining to assets purchased with grant	<u>(191,986)</u>	<u>(163,363)</u>
	<u>720,989</u>	<u>388,909</u>

30. LEASE LIABILITIES

	<u>2019</u>	<u>2018</u>
	\$	\$
Lease liabilities	<u>250,483</u>	<u>-</u>

Reconciliation of liabilities arising from financing activities

Movements in the Brigade's lease liabilities arising from financing flows during the year are as follows:

	\$
Lease liabilities recognised as at 1 January 2019 (note 2.2)	572,300
Accretion of interest	16,902
Payment of lease liabilities during the year	
- Principal portion	(321,817)
- Interest	<u>(16,902)</u>
Lease liabilities as at 31 December 2019	<u>250,483</u>

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31. TAX EXEMPT DONATIONS

	<u>2019</u>	<u>2018</u>
	\$	\$
Corporate donors	9,100	24,006
Individual donors	360,345	356,790
	<u>369,445</u>	<u>380,796</u>

32. CASH AND CASH EQUIVALENT

Cash and cash equivalents comprise cash and bank balances as shown in the statement of financial position. For the purpose of the statement of cash flows, fixed deposits with maturities more than 3 months are excluded from cash and cash equivalents.

33. RELATED PARTIES

For the purposes of these financial statements, the definition of a related party is disclosed in note 2.19 to the financial statements.

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 (2018: less than \$100,000) each. One of these three highest paid executives is a close family member of a Brigade Executive Committee member.

34. OPERATING LEASE COMMITMENTS

Operating Lease Commitments – Where the Brigade is Lessee

The Brigade leases its operating premises from The Singapore Land Authority (SLA) under non-cancellable operating lease agreement.

As at 31 December 2018, the future minimum lease payables under non-cancellable operating lease contracted but not recognised as liabilities, are as follows:

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34. OPERATING LEASE COMMITMENTS (continued)

Operating Lease Commitments – Where the Brigade is Lessee (continued)

	<u>2018</u>
	\$
Payable within 1 year	338,719
Payable after 1 year but not later than 5 years	<u>254,039</u>
	<u>592,758</u>

The above operating lease commitment is based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

The Brigade also has a funding agreement with Ministry of Education Singapore which provides a monthly rental grant to fully subsidise the rent payable to SLA under the aforementioned operating lease agreement (note 5).

Operating Lease Commitments – Where the Brigade is Lessor

During the year, the Brigade leased its investment property to a non-related party under non-cancellable operating lease.

Lease commitments under non-cancellable operating lease where the Brigade is the lessor are as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
Receivable within 1 year	22,000	24,000
Receivable after 1 year but not later than 5 years	<u>-</u>	<u>22,000</u>
	<u>22,000</u>	<u>46,000</u>

The above operating leases do not provide for contingent rents.

35. 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 and interest rate risk. The Executive Committee reviews and agrees on policies for managing each of these risks and they are summarised below:

35.1 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.

(i) Risk Management

The Brigade's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, including cash and cash equivalents, the Brigade mitigates credit risks by transacting with high credit rating counter parties and financial institutions which are regulated.

35. FINANCIAL RISK MANAGEMENT (continued)

35.1 Credit risk (continued)

(i) Risk Management (continued)

Credit reviews are performed on new customers before acceptance. Ongoing credit reviews are conducted for existing customers. Credit reviews take into account evaluation of financial strength, the Brigade's past experiences with the customers and other relevant factors.

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

(ii) Recognition of expected credit losses (ECL)

The Brigade's financial assets that are subject to credit losses where the expected credit loss model has been applied are trade receivables. The Brigade assesses on forward looking basis the expected credit losses on its trade receivables, and recognises a loss allowance in accordance with FRS 109.

Based on the Brigade's historical collection trend, most trade receivables are settled within the credit term of 30 days. Any trade receivables that are settled after their due date are not significant, and there is a low risk of default. Trade receivables are assessed on a collective basis to determine whether there are changes in credit risk. Lifetime expected credit losses are recognised for specific receivables for which credit risk is deemed to have increased significantly.

As at the balance sheet date, there were no material trade receivables that are subject to ECL.

35.2 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.

The table below summarises the maturity profile of the financial liabilities of the Brigade at the balance sheet date based on contractual undiscounted payments.

	<u>2019</u>	<u>2018</u>
	\$	\$
<u>Payable within 1 year</u>		
- Payables	61,800	68,534
- Lease liabilities	254,039	-
	<u>315,839</u>	<u>68,534</u>

35.3 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.

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35. FINANCIAL RISK MANAGEMENT (continued)

35.3 Interest rate risk (continued)

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 19 to the financial statements.

36. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of cash and cash equivalents, receivables and payables classified as current assets and current liabilities, which are measured on the amortised cost basis, approximate their fair values due to their short-term nature.

37. FINANCIAL INSTRUMENTS BY CATEGORY

The aggregate carrying amounts of financial instruments by category, as specified in FRS 109 are as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
Financial assets at amortised cost	9,892,195	9,401,016
Financial liabilities at amortised cost	312,283	68,534

38. RESERVE MANAGEMENT POLICY

The Brigade's reserves position at balance sheet date are as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
Unrestricted funds		
- General fund	5,405,689	5,282,486
- GB companies programme fund (note 20)	<u>1,312,113</u>	<u>1,245,244</u>
	6,717,802	6,527,730
Restricted funds		
- BB Sembawang Campsite fund (note 21)	277,497	237,751
- Capital fund (note 22)	171,963	171,963
- Development fund (note 23)	572,249	572,249
- GB HQ building fund (note 24)	1,323,468	1,323,468
- Special funds (note 25)	<u>87,392</u>	<u>103,140</u>
	<u>9,150,371</u>	<u>8,936,301</u>
Actual operating expenditure	<u>1,748,311</u>	<u>1,627,484</u>
Ratio of reserves to actual operating expenditure	<u>5.2</u>	<u>5.5</u>

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38. RESERVE MANAGEMENT POLICY (continued)

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.

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 fulfil 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 since the previous financial year.

39. EVENT OCCURRING AFTER REPORTING PERIOD

On 17 February 2020, the Brigade entered into an option to purchase agreement to sell its investment property for a consideration of \$850,000. The option was accepted by the buyer on 9 March 2020. The sale transaction has not completed as at the date of this report.

40. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2019 were authorised for issue by the Brigade Executive Committee on 10 March 2020.