

THE GIRLS' BRIGADE - SINGAPORE

UNIQUE ENTITY NUMBER: S61SS0001A

**REPORT AND
FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

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 1966)

STATEMENT BY THE BRIGADE'S BOARD

In our opinion, the financial statements set out on pages 5 to 34 are properly drawn up in accordance with the provisions of the Charities Act 1994, Societies Act 1966 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 2021 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's Board



MS SHARON GERALDINE LIAT MEI KUEN
PRESIDENT



MS PATRÍCIA LAM MAN PIN
TREASURER

Singapore, 8 March 2022

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 34, which comprise the statement of financial position (balance sheet) as at 31 December 2021, 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 1994, Societies Act 1966 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 2021 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's Board (the "Board") 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 Board 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 1994, Societies Act 1966 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 Board's responsibilities include overseeing the Brigade's financial reporting process.

Continued

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 Board 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.

Continued

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, 8 March 2022

THE GIRLS' BRIGADE - SINGAPORE
(Registered under the Societies Act 1966)

Statement of Comprehensive Income
for the financial year ended 31 December 2021

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
		\$	\$
<u>Income</u>			
Brigade fortnight collections	3	411,653	260,622
Donations/contributions	4	477,733	240,296
Grant income	5	808,315	1,491,363
Interest income		31,865	105,982
Sundry income	7	2,049	778,854
		1,731,615	2,877,117
<u>Less: Expenditure</u>			
Training and development programmes	8	175,794	171,214
Brigade activities	9	108,457	97,768
Corporate communication		10,405	13,624
Deficit from GB shop	6	47,298	44,201
Extension programmes	10	165,001	59,715
Company programme expenses		171,379	76,981
Special fund expenses		26,498	16,892
GB company care support costs	11	125,700	128,031
GB headquarters expenses	12	860,867	966,811
		1,691,399	1,575,237
Surplus for the year transferred to General Fund		40,216	1,301,880
<u>Other Comprehensive Income</u>			
Items that may be reclassified subsequently to profit or loss:			
Movements in restricted funds:			
BB Sembawang Campsite fund			
- share of loss for the year	21	(116,902)	(58,503)
Total comprehensive income for the year		(76,686)	1,243,377

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

THE GIRLS' BRIGADE - SINGAPORE

(Registered under the Societies Act 1966)

Statement of Financial Position (Balance Sheet) as at 31 December 2021

	Notes	2021	2020
		\$	\$
ASSETS			
Non-Current Assets			
Property, plant and equipment	13	132,859	141,408
Right-of-use assets	15	859,433	1,178,959
		<u>992,292</u>	<u>1,320,367</u>
Current Assets			
Inventories	16	138,318	171,759
Receivables	17	196,287	238,122
Fixed deposits	19	8,911,758	8,977,019
Cash and bank balances		1,456,650	1,626,499
		<u>10,703,013</u>	<u>11,013,399</u>
Total Assets		<u>11,695,305</u>	<u>12,333,766</u>
FUNDS AND LIABILITIES			
Funds			
Unrestricted funds:			
- General fund		6,380,265	6,566,092
- GB companies programme fund	20	1,383,826	1,370,482
		<u>7,764,091</u>	<u>7,936,574</u>
Restricted funds:			
- BB Sembawang Campsite fund	21	102,092	218,994
- 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	383,199	170,500
		<u>10,317,062</u>	<u>10,393,748</u>
Non-Current Liabilities			
Lease liabilities	30	475,213	794,124
Provision for reinstatement costs	18	7,800	7,800
		<u>483,013</u>	<u>801,924</u>
Current Liabilities			
Payables	26	110,793	79,067
Deferred grant income	29	371,897	662,002
Lease liabilities	30	412,540	397,025
		<u>895,230</u>	<u>1,138,094</u>
Total Liabilities		<u>1,378,243</u>	<u>1,940,018</u>
Total Funds and Liabilities		<u>11,695,305</u>	<u>12,333,766</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 2021

Notes	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 2020	5,405,689	1,312,113	277,497	171,963	572,249	1,323,468	87,392	9,150,371	
Total comprehensive income for the year	1,301,880	-	(58,503)	-	-	-	-	1,243,377	
Transfer from General fund to:									
- GB companies programme fund	(58,369)	58,369	-	-	-	-	-	-	
- Special funds	(83,108)	-	-	-	-	-	83,108	-	
Transfer from General fund	(141,477)	58,369	-	-	-	-	83,108	-	
Balance as at 31 December 2020	6,566,092	1,370,482	218,994	171,963	572,249	1,323,468	170,500	10,393,748	
Total comprehensive income for the year	40,216	-	(116,902)	-	-	-	-	(76,686)	
Transfer from General fund to:									
- GB companies programme fund	(13,344)	13,344	-	-	-	-	-	-	
- Special funds	(212,699)	-	-	-	-	-	212,699	-	
Transfer from General fund	(226,043)	13,344	-	-	-	-	212,699	-	
Balance as at 31 December 2021	6,380,265	1,383,826	102,092	171,963	572,249	1,323,468	383,199	10,317,062	

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 2021

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Surplus from operations		40,216	1,301,880
Adjustments for:			
Depreciation expenses	28	524,145	556,397
Loss on disposal of property, plant and equipment		5,156	2,499
Gain on disposal of investment property		-	(767,118)
Interest expense on lease liabilities	30	49,697	31,475
Interest income		(31,865)	(105,982)
Share of loss of BB Sembawang Campsite	21	(116,902)	(58,503)
Operating surplus before changes in working capital		470,447	960,648
Decrease/(increase) in inventories		33,441	(3,618)
Decrease/(increase) in receivables		39,908	(32,585)
(Decrease)/increase in payables		(2,786)	9,294
Cash generated from operations		541,010	933,739
Interest received		33,792	140,481
Net cash from operating activities		574,802	1,074,220
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease/(increase) in fixed deposits with original maturities over 3 months		65,261	(541,325)
Purchases of property, plant and equipment		(110,485)	(43,384)
Net proceeds from disposal of investment property		-	829,809
Net cash (used in)/from investing activities		(45,224)	245,100
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Net MOE Officers' Training Grant received		14,606	35,027
Net MOE Special Project grants received		12,550	3,675
Net MSF Care and Share Grant utilised		(282,749)	(512,715)
Payment of principal portion of lease liabilities	30	(394,137)	(412,359)
Interest paid on lease liabilities	30	(49,697)	(31,475)
Net cash used in financing activities		(699,427)	(917,847)
Net (decrease)/increase in cash and cash equivalents		(169,849)	401,473
Cash and cash equivalents at beginning of the year		1,626,499	1,225,026
Cash and cash equivalents at end of the year	32	1,456,650	1,626,499

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 2021

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 a society registered in the Republic of Singapore under the Societies Act 1966. It is also a charity registered under the Charities Act 1994, with approved Institution of a Public Character ("IPC") status under the Ministry of Education. The renewed IPC status is for a period of 3 years with effect from 1 September 2019. 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.

During the financial year, the Brigade adopted all the new and amended FRSs which are relevant to the Brigade and are effective for the current financial year. The adoption of these standards did not have material effect on the financial performance or position of the Brigade.

2.2 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 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 2.7 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.

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Notes to the Financial Statements
for the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Significant Accounting Estimates and Judgments (continued)

(A) *Key sources of estimation uncertainty* (continued)

(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 ("IBR") to measure lease liabilities. The IBR 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. Determining the IBR 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 IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

(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.

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Notes to the Financial Statements for the financial year ended 31 December 2021

2. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

2.3 FRSs issued but not yet effective

The Brigade has not applied any new/amended FRS that has been issued but is not yet effective. The management plans to adopt these FRSs in the first financial year commencing on or after their respective effective dates. The management does not expect the adoption of the new FRSs that have been issued but are not yet effective to have material impact on the financial statements in the period of initial application.

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.

(a) *Donations*

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

(b) *Government grants*

Government grants are recognised when there is reasonable assurance that the grant will be received and conditions attached to the grant will be complied with.

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 comprehensive income 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.

(c) *Interest income*

Interest on fixed deposits and savings accounts are recognised as income on a time proportion basis.

(d) *Sale of goods*

Revenue from sale of goods is recognised upon delivery of the goods and acceptance by the customer.

(e) *Rental income*

Rental income from operating lease is recognised on a straight line basis over the lease term.

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.

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Notes to the Financial Statements
for the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Income Taxes

As a registered charity under the Charities Act 1994, the Brigade's income is exempt from income tax under Section 13(1)(zm) of the Income Tax Act 1947.

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 when 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 period the asset is derecognised.

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.

Upon the disposal of the investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognised as gain or loss on disposal in profit and loss.

2.9 Interest in BB Sembawang Campsite

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 equal 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 earned and expenditure incurred by the Campsite.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Receivables that do not have a significant financing component are measured at their transaction price at initial recognition.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial Assets (continued)

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 its 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 Receivables

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 in 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 have 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.

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.

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Notes to the Financial Statements
for the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 payables and lease liabilities.

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

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.

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. Where applicable, the cost of right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset on the site at which it is located. 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Leases (continued)

(a) As lessee (continued)

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 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 leases of assets 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.

(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 lease of the Brigade's investment property is accounted for on a straight-line basis over the lease term. 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.

2.18 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Related Parties (continued)

A related party is defined as follows: (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 Brigade or to the parent of the Brigade.

3. BRIGADE FORTNIGHT COLLECTIONS

	<u>2021</u>	<u>2020</u>
	\$	\$
Brigade fortnight collections		
- tax exempt donations	229,026	206,324
- non-tax exempt donations	186,121	60,703
	415,147	267,027
Less:		
Office expenses	3,494	6,405
	411,653	260,622

4. DONATIONS/CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>
	\$	\$
General donations (a)		
- tax exempt	117,135	180,150
- non-tax exempt	293,088	24,626
Contributions from users of GB Centre	67,510	35,520
	477,733	240,296

- (a) The above general donations include an amount of \$239,197 (2020: \$100,000) contributed toward special funds intended for specific purposes designated by the donors, as explained in note 25.

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5. GRANT INCOME

	<u>2021</u>	<u>2020</u>
	\$	\$
Grants from Bicentennial Community Fund	-	400,000
Grants from Ministry of Education		
- Capitation Grant	48,252	36,908
- Singapore Land Authority Grant	324,606	225,813
- Uniformed Group Training Grant [note 29(c)]	45,394	24,973
Grant from Ministry of Social and Family Development		
- Care and Share Grant [note 29(d)]	282,749	512,715
Jobs Support Scheme grant	38,611	154,717
Other government grants	54,590	23,331
Rental relief grant	14,113	112,906
	<u>808,315</u>	<u>1,491,363</u>

6. DEFICIT FROM GB SHOP

	<u>2021</u>	<u>2020</u>
	\$	\$
Sales	158,092	112,115
Less: Cost of sales		
Inventories at beginning of the year	171,759	168,141
Purchases	82,317	80,603
Stocks written off	3,349	2,534
Inventories at end of the year (note 16)	(138,318)	(171,759)
	<u>119,107</u>	<u>79,519</u>
Surplus from sales	38,985	32,596
Less:		
Sundry expenses	114	-
Support staff costs (note 27)	86,169	76,797
Net deficit	<u>(47,298)</u>	<u>(44,201)</u>

7. SUNDRY INCOME

	<u>2021</u>	<u>2020</u>
	\$	\$
Gain in disposal of investment property	-	767,118
Miscellaneous income	2,049	736
Rental income	-	11,000
	<u>2,049</u>	<u>778,854</u>

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Notes to the Financial Statements
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8. TRAINING AND DEVELOPMENT PROGRAMMES

	<u>Support/ fees received</u>	<u>Expenses incurred</u>	<u>Net expenditure</u>
	\$	\$	\$
<u>2021</u>			
<u>Junior, Secondary & Post-Secondary</u>			
Training conferences, course and activities	36,206	94,892	58,686
Support staff costs (note 27)	-	82,400	82,400
	<u>36,206</u>	<u>177,292</u>	<u>141,086</u>
<u>Officers' Development</u>			
Training seminars, workshops and courses	2,290	11,631	9,341
Support staff costs (note 27)	-	25,367	25,367
	<u>2,290</u>	<u>36,998</u>	<u>34,708</u>
Total	<u>38,496</u>	<u>214,290</u>	<u>175,794</u>
<u>2020</u>			
<u>Junior, Secondary & Post-Secondary</u>			
Training conferences, course and activities	7,260	21,730	14,470
Support staff costs (note 27)	-	85,793	85,793
	<u>7,260</u>	<u>107,523</u>	<u>100,263</u>
<u>Officers' Development</u>			
Training seminars, workshops and courses	310	1,374	1,064
Support staff costs (note 27)	-	69,887	69,887
	<u>310</u>	<u>71,261</u>	<u>70,951</u>
Total	<u>7,570</u>	<u>178,784</u>	<u>171,214</u>

9. BRIGADE ACTIVITIES

	<u>2021</u>	<u>2020</u>
	\$	\$
Exco retreats	111	1,815
Ceremony and meeting expenses	18	4,813
Other activities	600	1,638
Support staff costs (note 27)	107,728	89,502
Total	<u>108,457</u>	<u>97,768</u>

10. EXTENSION PROGRAMMES

	<u>2021</u>	<u>2020</u>
	\$	\$
Extension expenses	-	192
Depreciation expenses (note 28)	2,811	-
GB Friend in Deed	74,532	-
Support staff costs (note 27)	87,658	59,523
Total	<u>165,001</u>	<u>59,715</u>

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11. GB COMPANY CARE SUPPORT COSTS

	<u>2021</u>	<u>2020</u>
	\$	\$
Salaries and related costs (note 27)	107,916	78,708
Company care support expenses	10,603	4,886
Depreciation expenses (note 28)	7,181	44,437
	<u>125,700</u>	<u>128,031</u>

12. GB HEADQUARTERS EXPENSES

	<u>2021</u>	<u>2020</u>
	\$	\$
Bank charges	8,232	2,024
Bad debts written off	-	9,331
Gratuities to GB companies	-	36,000
Computer maintenance	5,193	4,317
Depreciation expenses (note 28)	401,841	391,866
* Donations expenses	-	133,513
Loss on disposal of property, plant and equipment	5,156	2,499
Foreign workers' levy	-	1,618
Insurance	28,986	19,570
Interest on lease liabilities (note 30)	35,308	14,720
Medical expense and staff welfare	5,013	7,809
Miscellaneous expenses	8,121	7,206
Newsletter and other publications	470	1,249
Office expenses	582	1,481
Professional fees	21,524	32,258
Repairs and maintenance	28,362	28,780
Salaries, related costs and CPF contributions (note 27)	279,530	241,170
Stationery, postage and telephone	12,422	11,677
Subcontract services	1,339	1,763
Training expense	2,403	133
Utilities and conservancy charges	16,385	17,827
	<u>860,867</u>	<u>966,811</u>

* In 2020, the Brigade donated 50% of the Brigade Fortnight collections to New Hope Community Services, a charity which provides shelter for displaced families.

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13. PROPERTY, PLANT AND EQUIPMENT

	<u>The Brigade (A) \$</u>	<u>The Campsite (B) \$</u>	<u>Total (A+B) \$</u>
<u>31 December 2021</u>			
Cost	743,539	212,402	955,941
Accumulated depreciation	<u>(610,866)</u>	<u>(212,216)</u>	<u>(823,082)</u>
Carrying amount	<u>132,673</u>	<u>186</u>	<u>132,859</u>
<u>31 December 2020</u>			
Cost	649,209	212,402	861,611
Accumulated depreciation	<u>(525,273)</u>	<u>(194,930)</u>	<u>(720,203)</u>
Carrying amount	<u>123,936</u>	<u>17,472</u>	<u>141,408</u>

	<u>Computers \$</u>	<u>Office equipment \$</u>	<u>Furniture and fittings \$</u>	<u>Renovations \$</u>	<u>Total \$</u>
(A) The Brigade					
<u>Cost</u>					
At 1 January 2020	191,904	71,325	80,606	424,428	768,263
Additions	19,219	460	2,600	20,215	42,494
Written off	<u>(32,978)</u>	<u>(42,690)</u>	<u>(47,657)</u>	<u>(38,223)</u>	<u>(161,548)</u>
At 31 December 2020 and 1 January 2021	178,145	29,095	35,549	406,420	649,209
Additions	43,767	6,835	-	59,883	110,485
Written off	<u>(5,395)</u>	<u>(328)</u>	<u>(10,432)</u>	<u>-</u>	<u>(16,155)</u>
At 31 December 2021	<u>216,517</u>	<u>35,602</u>	<u>25,117</u>	<u>466,303</u>	<u>743,539</u>
<u>Accumulated Depreciation</u>					
At 1 January 2020	112,565	63,149	65,057	325,545	566,316
Charge for the year	54,129	4,606	2,759	56,512	118,006
Written off	<u>(32,978)</u>	<u>(42,300)</u>	<u>(45,548)</u>	<u>(38,223)</u>	<u>(159,049)</u>
At 31 December 2020 and 1 January 2021	133,716	25,455	22,268	343,834	525,273
Charge for the year	31,970	1,439	1,760	61,423	96,592
Written off	<u>(5,395)</u>	<u>(328)</u>	<u>(5,276)</u>	<u>-</u>	<u>(10,999)</u>
At 31 December 2021	<u>160,291</u>	<u>26,566</u>	<u>18,752</u>	<u>405,257</u>	<u>610,866</u>
<u>Carrying amount</u>					
At 31 December 2021	<u>56,226</u>	<u>9,036</u>	<u>6,365</u>	<u>61,046</u>	<u>132,673</u>
At 31 December 2020	<u>44,429</u>	<u>3,640</u>	<u>13,281</u>	<u>62,586</u>	<u>123,936</u>

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13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Campsite equipment and canoes	Office equipment	Furniture and fittings	Renovations	Total
(B) The Campsite	\$	\$	\$	\$	\$
<u>Cost</u>					
At 1 January 2020	58,431	1,007	17,874	142,000	219,312
Additions	890	-	-	-	890
Reclassification to right- of-use assets	-	-	-	(7,800)	(7,800)
At 31 December 2020, 1 January 2021 and 31 December 2021	<u>59,321</u>	<u>1,007</u>	<u>17,874</u>	<u>134,200</u>	<u>212,402</u>
<u>Accumulated Depreciation</u>					
At 1 January 2020	57,794	1,007	17,874	101,217	177,892
Charge for the year	897	-	-	23,941	24,838
Reclassification to right- of-use assets	-	-	-	(7,800)	(7,800)
At 31 December 2020 and 1 January 2021	<u>58,691</u>	<u>1,007</u>	<u>17,874</u>	<u>117,358</u>	<u>194,930</u>
Charge for the year	444	-	-	16,842	17,286
At 31 December 2021	<u>59,135</u>	<u>1,007</u>	<u>17,874</u>	<u>134,200</u>	<u>212,216</u>
<u>Carrying amount</u>					
At 31 December 2021	<u>186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186</u>
At 31 December 2020	<u>630</u>	<u>-</u>	<u>-</u>	<u>16,842</u>	<u>17,472</u>

14. INVESTMENT PROPERTY

	2021	2020
	\$	\$
<u>Leasehold office premises - cost</u>		
As at 1 January	-	110,000
Disposal	-	(110,000)
As at 31 December	<u>-</u>	<u>-</u>
<u>Accumulated depreciation</u>		
As at 1 January	-	46,782
Charge for the year	-	527
Disposal	-	(47,309)
As at 31 December	<u>-</u>	<u>-</u>
Carrying amount as at 31 December	<u>-</u>	<u>-</u>

In 2020, the above investment property has been sold for a consideration of \$850,000.

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15. RIGHT-OF-USE ASSETS

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

	<u>Operating premises</u>		
	<u>The Brigade</u>	<u>The Campsite</u>	<u>Total</u>
	\$	\$	\$
As at 1 January 2020	238,960	-	238,960
Add: Additions	945,724	407,301	1,353,025
Less: Depreciation on right-of-use assets	<u>(317,770)</u>	<u>(95,256)</u>	<u>(413,026)</u>
As at 31 December 2020 and 1 January 2021	866,914	312,045	1,178,959
Add: Effect of lease modification	-	90,741	90,741
Less: Depreciation on right-of-use assets	<u>(315,241)</u>	<u>(95,026)</u>	<u>(410,267)</u>
As at 31 December 2021	<u>551,673</u>	<u>307,760</u>	<u>859,433</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>2021</u>	<u>2020</u>
	\$	\$
Inventories at GB Shop, carried at cost	138,318	172,302
Less: Amounts written down to net realisable value		
Balance at beginning of the year	543	10,301
* Reversal of write-down in current year	(543)	(9,758)
Balance at end of the year	<u>-</u>	<u>543</u>
Total carrying amount of inventories at lower of cost and net realisable value	<u>138,318</u>	<u>171,759</u>

The cost of inventories recognised as an expense and included as cost of sales (note 6) amounted to \$119,107 (2020: \$79,519).

* The Brigade has reversed inventory write-down amounting to \$543 (2020: \$9,758) during the year as these inventory items have been written off.

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17. RECEIVABLES

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>The Brigade</u>		
Receivables due from GB Companies	8,035	2,906
Deposits	79,790	80,000
Prepayments	22,326	23,290
Grant receivables	46,805	77,702
Interest receivable	6,977	8,904
Other receivables	6,048	5,370
	<u>169,981</u>	<u>198,172</u>
<u>The Campsite</u>		
Rental receivables	170	1,565
Deposits	24,795	24,796
Prepayments	1,341	960
Grant receivables	-	8,759
Other receivables	-	3,870
	<u>26,306</u>	<u>39,950</u>
	<u>196,287</u>	<u>238,122</u>

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

18. PROVISION FOR REINSTATEMENT COSTS

	<u>2021</u>	<u>2020</u>
	\$	\$
Provision for reinstatement costs	<u>7,800</u>	<u>7,800</u>

The provision for reinstatement costs represents the present value of the management's best estimates of future outflow of economic benefits that will be required to restore the leasehold premises occupied by the BB Sembawang Campsite to its original state before it was leased by the Campsite. The estimate has been made on the basis of quotes obtained from external contractors.

19. FIXED DEPOSITS

	<u>2021</u>	<u>2020</u>
	\$	\$
Fixed deposits held by		
- The Brigade	8,859,755	8,826,066
- The Campsite	52,003	150,953
	<u>8,911,758</u>	<u>8,977,019</u>

The fixed deposits have original maturities of 6 to 12 months (2020: 6 to 12 months) and earn interest at rates ranging from 0.20% to 0.58% (2020: 0.20% to 2.00%) per annum.

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20. GB COMPANIES PROGRAMME FUND

	<u>2021</u>	<u>2020</u>
	\$	\$
Balance at beginning of the year	1,370,482	1,312,113
Transfer from/(to) General Fund		
Donations received	12,435	16,520
Allocation of GB Fortnight collections	243,369	118,830
Other collections	1,823	44,449
Company programme expenses	(173,201)	(121,461)
GB companies in recess	(71,082)	31
	<u>13,344</u>	<u>58,369</u>
Balance at end of the year	<u>1,383,826</u>	<u>1,370,482</u>

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

21. BB SEMBAWANG CAMPSITE FUND

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Income</u>		
Rental income	21,826	67,140
Grant income	98,690	117,115
Other income	3,511	8,217
	<u>124,027</u>	<u>192,472</u>
<u>Less: Expenditure</u>		
Depreciation on property, plant and equipment (note 13)	17,286	24,838
Depreciation on right-of-use assets (note 15)	95,026	95,256
Interest expense on lease liabilities (note 30)	14,389	16,755
Management fee	90,000	90,000
Other expenditure	24,228	24,126
	<u>240,929</u>	<u>250,975</u>
Deficit for the year	(116,902)	(58,503)
Balance at beginning of the year	218,994	277,497
Balance at end of the year	<u>102,092</u>	<u>218,994</u>

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

22. CAPITAL FUND

	<u>2021</u>	<u>2020</u>
	\$	\$
Capital fund	<u>171,963</u>	<u>171,963</u>

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

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23. DEVELOPMENT FUND

	<u>2021</u>	<u>2020</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 an operating premises.

24. GB HQ BUILDING FUND

	<u>2021</u>	<u>2020</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 headquarters premises.

25. SPECIAL FUNDS

	<u>Balance as at 1 January</u>	<u>Funds received (Note 4a)</u>	<u>Funds utilised</u>	<u>Balance as at 31 December</u>
	\$	\$	\$	\$
<u>2021</u>				
GB Club (b)	2,709	-	-	2,709
Elsie Lyne Scholarship Fund (c)	15,664	-	(15,664)	-
GB90 Grow and Go Fund (d)	152,127	-	-	152,127
Josephine Chew Bursary Fund (e)	-	239,197	(10,834)	228,363
	<u>170,500</u>	<u>239,197</u>	<u>(26,498)</u>	<u>383,199</u>
<u>2020</u>				
Bible Fund (a)	8,252	-	(8,252)	-
GB Club (b)	2,709	-	-	2,709
Elsie Lyne Scholarship Fund (c)	24,304	-	(8,640)	15,664
GB90 Grow and Go Fund (d)	52,127	100,000	-	152,127
	<u>87,392</u>	<u>100,000</u>	<u>(16,892)</u>	<u>170,500</u>

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) GB90 Grow and Go Fund : To provide financial assistance to extend the services of the GB, programme development, projects and deserving Girls in the area of education.
- (e) Josephine Chew Bursary Fund : To provide financial assistance to deserving GB girls in the area of education.

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26. PAYABLES

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>The Brigade</u>		
Sundry payables	19,074	-
Accrued operating expenses	46,312	33,315
Contract liabilities	21,000	38,347
	<u>86,386</u>	<u>71,662</u>
<u>The Campsite</u>		
Accrued operating expenses	20,692	5,832
Contract liabilities	3,715	1,573
	<u>24,407</u>	<u>7,405</u>
	<u>110,793</u>	<u>79,067</u>

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

Contract liabilities, which represent advance payments for rental of campsite and premises by customers, are recognised as revenue as (or when) the customers use the campsite or premises.

Revenue recognised during the year that was included in contract liabilities at the beginning of the financial year amounted to \$39,920 (2020: \$60,014).

27. EMPLOYEE BENEFITS EXPENSES

Employee benefits expenses charged to the income and expenditure statement are as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Salaries and related costs	671,883	615,345
Employer's contributions to Central Provident Fund	104,885	86,035
	<u>776,768</u>	<u>701,380</u>

The above employee benefits expenses are allocated as staff support costs to the following programmes and activities:

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>General fund</u>		
GB shop (note 6)	86,169	76,797
Training and development programmes		
- Junior, Secondary and Post-Secondary (note 8)	82,400	85,793
- Officers' Development (note 8)	25,367	69,887
Brigade activities (note 9)	107,728	89,502
Extension programmes (note 10)	87,658	59,523
GB company care support costs (note 11)	107,916	78,708
GB HQ expenses (note 12)	279,530	241,170
	<u>776,768</u>	<u>701,380</u>

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28. DEPRECIATION EXPENSES

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>The Brigade</u>		
Property, plant and equipment (note 13)	96,592	118,006
Investment property (note 14)	-	527
Right-of-use assets (note 15)	315,241	317,770
	411,833	436,303
<u>The Campsite</u>		
Property, plant and equipment (note 13)	17,286	24,838
Right-of-use assets (note 15)	95,026	95,256
	112,312	120,094
	<u>524,145</u>	<u>556,397</u>

The Brigade's depreciation expenses are allocated as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Extension programmes (note 10)	2,811	-
GB company care support costs (note 11)	7,181	44,437
GB headquarters expenses (note 12)	401,841	391,866
	<u>411,833</u>	<u>436,303</u>

29. DEFERRED GRANT INCOME

	<u>2021</u>	<u>2020</u>
	\$	\$
(a) MOE special project grants		
Balance at 1 January	105,175	101,500
Funds received	60,265	10,935
Funds utilised	(47,715)	(7,260)
Balance at 31 December	117,725	105,175
(b) MOE Secondary Programme Project Grant	28,861	28,861
(c) MOE Officers' Training Grant		
Balance at 1 January	93,194	58,167
Funds received	60,000	60,000
Funds utilised (note 5)	(45,394)	(24,973)
Balance at 31 December	107,800	93,194
(d) MSF Care and Share Grant		
Balance at 1 January	400,260	912,975
Funds utilised (note 5)	(282,749)	(512,715)
Balance at 31 December	117,511	400,260
(e) Jobs Support Scheme grant	-	34,512
	<u>371,897</u>	<u>662,002</u>

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29. DEFERRED GRANT INCOME (continued)

(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.

(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 2022. Thereafter, any unutilised funds are to be returned to MSF.

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Balance of deferred grant income at 31 December	117,511	400,260
Unamortised balance pertaining to assets purchased with grant	<u>(89,453)</u>	<u>(100,672)</u>
	<u>28,058</u>	<u>299,588</u>

(e) Jobs Support Scheme ("JSS") Grant

This represents JSS grant (note 5) in respect of and received in year 2021, for which the Brigade has fulfilled the grant requirements as at 31 December 2020. The amount has been received and fully recognised as grant income during the financial year ended 31 December 2021.

30. LEASE LIABILITIES

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Current liabilities</u>		
Lease payments due within 1 year	412,540	397,025
<u>Non-current liabilities</u>		
Lease payments due after 1 year but not later than 5 years	<u>475,213</u>	<u>794,124</u>
	<u>887,753</u>	<u>1,191,149</u>

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30. LEASE LIABILITIES (continued)

	2021		2020	
	Minimum lease liabilities	Present value of lease liabilities	Minimum lease liabilities	Present value of lease liabilities
<u>The Brigade</u>	\$	\$	\$	\$
Lease payments due:				
- Within 1 year	338,719	318,934	338,719	303,411
- After 1 year but not later than 5 years	254,039	249,863	592,759	568,797
	<u>592,758</u>	<u>568,797</u>	<u>931,478</u>	<u>872,208</u>
Less: Amounts representing interest	<u>(23,961)</u>	<u>-</u>	<u>(59,270)</u>	<u>-</u>
	<u>568,797</u>	<u>568,797</u>	<u>872,208</u>	<u>872,208</u>
<u>The Campsite</u>				
Lease payments due:				
- Within 1 year	105,114	93,606	105,114	93,614
- After 1 year but not later than 5 years	236,508	225,350	236,508	225,327
	<u>341,622</u>	<u>318,956</u>	<u>341,622</u>	<u>318,941</u>
Less: Amounts representing interest	<u>(22,666)</u>	<u>-</u>	<u>(22,681)</u>	<u>-</u>
	<u>318,956</u>	<u>318,956</u>	<u>318,941</u>	<u>318,941</u>

The incremental borrowing rates of the above leases range from 4.25% to 5% (2020: 4.25% to 5%) per annum.

Reconciliation of liabilities arising from financing activities

Movements in the lease liabilities arising from financing cash flows during the year are as follows:

	The Brigade	The Campsite	Total
<u>2021</u>	\$	\$	\$
Lease liabilities as at 1 January 2021	872,208	318,941	1,191,149
Effect of lease modification	-	90,741	90,741
Accretion of interest	35,308	14,389	49,697
Payment of lease liabilities during the year			
- Principal portion	(303,411)	(90,726)	(394,137)
- Interest	<u>(35,308)</u>	<u>(14,389)</u>	<u>(49,697)</u>
Lease liabilities as at 31 December 2021	<u>568,797</u>	<u>318,956</u>	<u>887,753</u>
<u>2020</u>			
Lease liabilities as at 1 January 2020	250,483	-	250,483
Addition	945,724	407,301	1,353,025
Accretion of interest	14,720	16,755	31,475
Payment of lease liabilities during the year			
- Principal portion	(323,999)	(88,360)	(412,359)
- Interest	<u>(14,720)</u>	<u>(16,755)</u>	<u>(31,475)</u>
Lease liabilities as at 31 December 2020	<u>872,208</u>	<u>318,941</u>	<u>1,191,149</u>

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31. TAX EXEMPT DONATIONS

	<u>2021</u>	<u>2020</u>
	\$	\$
Corporate donors	4,420	8,200
Individual donors	341,741	378,274
	<u>346,161</u>	<u>386,474</u>

32. CASH AND CASH EQUIVALENTS

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Cash and cash equivalents</u>		
- The Brigade	1,389,650	1,593,779
- The Campsite	67,000	32,720
	<u>1,456,650</u>	<u>1,626,499</u>

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's Board 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's Board and senior management are required to declare their interests yearly.

Key management personnel

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

The annual remuneration of the three highest paid executives employed by the Brigade classified by remuneration bands are as follows:

	<u>Number of executives</u>	
	<u>2021</u>	<u>2020</u>
Annual remuneration		
- Between \$100,000 to \$200,000	1	1
- Below \$100,000	2	2

There were no transactions with related parties during the financial year 2021.

34. 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 Brigade's Board reviews and agrees on policies for managing each of these risks and they are summarised below:

34.1 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 its 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.

The major classes of financial assets of the Brigade are cash and cash equivalents and sundry receivables. The Brigade's Board manages this risk by monitoring credit ratings and limiting the aggregate financial exposure to any individual counterparty. The Brigade places its cash and fixed deposits with reputable financial institutions.

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")

As at the balance sheet date, there were no material past due or impaired receivables that are subject to ECL.

34.2 Liquidity risk

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

The Brigade's Board 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.

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34. FINANCIAL RISK MANAGEMENT (continued)

34.2 Liquidity risk (continued)

	<u>Within 1 year</u>	<u>After 1 year but not later than 5 years</u>	<u>Total</u>
	\$	\$	\$
<u>2021</u>			
Payables	86,078	-	86,078
Lease liabilities	443,833	490,547	934,380
	<u>529,911</u>	<u>490,547</u>	<u>1,020,458</u>
<u>2020</u>			
Payables	39,147	-	39,147
Lease liabilities	443,833	829,267	1,273,100
	<u>482,980</u>	<u>829,267</u>	<u>1,312,247</u>

34.3 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.

The Brigade does not have variable rate interest-bearing financial liabilities. Its only exposure to interest rate risk relates to interest-earning bank deposits. The Brigade's Board 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.

35. FAIR VALUE OF ASSETS AND LIABILITIES

Financial Instruments not carried at Fair Value

Cash and cash equivalents, receivables and payables classified as current assets and current liabilities are measured on the amortised cost basis. Financial instruments with a short duration are not discounted.

Lease liabilities, measured on amortised cost basis, are discounted using incremental borrowing rates which approximate market rates as at the balance sheet date.

36. FINANCIAL INSTRUMENTS BY CATEGORY

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Financial assets at amortised cost	10,494,223	10,730,929
Financial liabilities at amortised cost	973,831	1,230,296

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37. RESERVES MANAGEMENT POLICY

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Unrestricted funds		
- General fund	6,380,265	6,566,092
- GB companies programme fund (note 20)	<u>1,383,826</u>	<u>1,370,482</u>
	7,764,091	7,936,574
Restricted funds		
- BB Sembawang Campsite fund (note 21)	102,092	218,994
- 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>383,199</u>	<u>170,500</u>
	<u>10,317,062</u>	<u>10,393,748</u>
Ratio of unrestricted reserves to annual budgeted operating expenditure	<u>3.4</u>	<u>3.1</u>

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 Brigade's Board periodically reviews the amount of reserves that are required to ensure that they are adequate to fulfil the Brigade's continuing obligations. The Brigade intends to maintain the reserves at a level which is at least equivalent to one year's budgeted expenditure as approved by the Brigade's Board for operations purposes.

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.

38. IMPACT OF COVID-19

Since the outbreak of Corona Virus Disease 2019 ("Covid-19") in early 2020, the pandemic has significantly and adversely impacted various sectors of global economies. As the Covid-19 pandemic evolves, the global situation remains fluid. As at the date of issue of these financial statements, the Brigade's Board is unable to reasonably ascertain the full extent of the probable impact of the pandemic on the Brigade's operations and financial performance for the financial year ending 31 December 2022. Notwithstanding this, the Brigade's Board has assessed that the Brigade is able to maintain sufficient liquidity to continue operations as a going concern for at least the next 12 months from the end of the reporting period. The Brigade's Board will continue to monitor the developments and will take further actions as necessary in response to the economic disruption.

39. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2021 were authorised for issue by the Brigade's Board on 8 March 2022.

