

THE BOYS' BRIGADE IN SINGAPORE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 AUGUST 2018

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BAKER TILLY
TFW

Baker Tilly TFW LLP
Chartered Accountants of Singapore

An independent member of Baker Tilly International

THE BOYS' BRIGADE IN SINGAPORE

STATEMENT BY THE BRIGADE EXECUTIVE

On behalf of the Brigade Executive, we do hereby state that in our opinion, the financial statements of The Boys' Brigade in Singapore as set out on pages 5 to 24 are properly drawn up in accordance with the Singapore Societies Act, Chapter 311, Charities Act, Chapter 37 and other relevant regulations and the Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the financial position of the Society as at 31 August 2018 and the financial performance, changes in accumulated fund and other funds and cash flows of the Society for the financial year ended on that date.

On behalf of the Brigade Executive,

A handwritten signature in blue ink, appearing to read 'Poh Leong Berg', enclosed within a blue oval shape.

Poh Leong Berg
President

23 November 2018

A handwritten signature in blue ink, appearing to read 'Richard Tan Chuan Lye', written in a cursive style.

Richard Tan Chuan Lye
Treasurer



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INDEPENDENT AUDITOR'S REPORT TO THE BRIGADE COUNCIL OF THE BOYS' BRIGADE IN SINGAPORE

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Boys' Brigade in Singapore (the "Society") as set out on pages 5 to 24, which comprise the balance sheet as at 31 August 2018, and the statement of comprehensive income, statement of changes in accumulated fund and other funds and statement of cash flows for the financial 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 Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Society as at 31 August 2018 and the financial performance, changes in accumulated funds and other funds and cash flows of the Society 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 Society in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *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

The Brigade Executive of the Society is responsible for the other information. The other information comprises statement by the Brigade Executive set out on pages 1 and the information included in the Annual Report for the financial year 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.

**INDEPENDENT AUDITOR'S REPORT TO THE BRIGADE COUNCIL OF
THE BOYS' BRIGADE IN SINGAPORE (cont'd)**

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of the Brigade Executive and Those Charged with Governance for the Financial Statements

The Brigade Executive is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Charities Act and Regulations and FRSs, and for such internal control as the Brigade Executive determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Brigade Executive is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Brigade Executive.

**INDEPENDENT AUDITOR'S REPORT TO THE BRIGADE COUNCIL OF
THE BOYS' BRIGADE IN SINGAPORE (cont'd)**

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of the Brigade Executive'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 Society'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 Society 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 those charged with governance 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,

- (i) the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (ii) the fund raising appeal held during the financial year ended 31 August 2018 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.

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

- (i) the Society 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 Society has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

23 November 2018

THE BOYS' BRIGADE IN SINGAPORE

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 August 2018

	Note	2018 \$	2017 \$
Income			
Boys' Brigade Week - donations		1,547,033	1,626,558
Government grants		775,253	592,311
Donations		613,323	360,636
BB campus income		168,083	214,444
Event and program related fees		62,773	76,586
Sales from BB shop	4	230,061	231,617
Interest income		3,641	3,630
Other income		409,017	175,622
Rental income		160,758	174,039
		3,969,942	3,455,443
Less expenditure			
BB news		19,373	13,027
Cost of BB merchandise sold and BB shop expenses	4	245,700	229,018
Junior programme		32,679	27,033
Senior programme		191,809	122,028
Primers programme		64,012	41,697
Share-A-Gift programme		134,942	141,018
Community Service programme		10,604	30,605
Public wish fulfilment purchases		69,155	76,571
BB Alumni Grant		20,317	25,200
Officers training		105,474	97,999
Adventure activities		9,857	2,465
Common programme		54,320	60,358
Companies activities		750,685	574,610
Audit fees		26,750	26,750
BB campus expenses		46,366	52,976
BB Week expenses		18,401	19,465
Credit card charges		18,841	20,000
Depreciation of property, plant and equipment	7	14,098	51,627
Finance costs - Reinstatement costs		—	3,501
Gifts and wreath		3,075	2,117
Insurance		27,265	27,568
Medical fees		1,606	1,366
Office sundries and others		4,196	4,967
Repair and maintenance		35,859	22,537
Printing, postages and stationery		16,372	18,955
Professional fees		62,451	32,403
Promotion and marketing expenses		63,727	49,027
Salaries, bonus, CPF and SDF	5	1,105,584	1,113,632
Staff development		9,984	31,585
Telephone and website		5,222	4,383
Utilities/TOL		301,893	286,872
Land rental		104,606	103,587
Other expenses		15,013	153,474
		3,590,236	3,468,421
Total comprehensive income/(loss) for the year	6	379,706	(12,978)

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

THE BOYS' BRIGADE IN SINGAPORE

BALANCE SHEET

At 31 August 2018

	Note	2018 \$	2017 \$
Non-current assets			
Property, plant and equipment	7	17,571	21,878
Current assets			
Inventories		288,322	192,155
Trade receivables		37,177	43,469
Sundry receivables and prepayments	8	164,022	105,035
Fixed deposits	9	909,471	907,151
Cash and bank balances		4,601,369	4,487,010
		6,000,361	5,734,820
Total assets		6,017,932	5,756,698
Non-current liabilities			
Provision for reinstatement costs	11	7,800	22,850
Current liabilities			
Trade payables		—	2,440
Sundry payables and accruals	10	195,088	311,120
Provision for reinstatement costs	11	22,850	7,800
		217,938	321,360
Total liabilities		225,738	344,210
Net assets		5,792,194	5,412,488
Accumulated Fund		4,673,793	4,375,041
Other funds			
Building Fund	12	—	9,564
BB/GB Campsite Fund	12	288,909	274,799
BB Share-A-Gift Fund	12	636,959	536,039
Community Services Fund	12	84,384	88,279
Overseas Extension Fund	12	—	—
Jimmy Koh Memorial Fund	12	72,396	72,696
BB Alumni Grant	12	35,753	56,070
		1,118,401	1,037,447
		5,792,194	5,412,488

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

THE BOYS' BRIGADE IN SINGAPORE

STATEMENT OF CHANGES IN ACCUMULATED FUND AND OTHER FUNDS For the financial year ended 31 August 2018

	Accumulated Fund \$	Building Fund \$	BB/GB Campsite Fund \$	BB21 Share- A-Gift Fund \$	Community Services Fund \$	Overseas Extension Fund \$	Jimmy Koh Memorial Fund \$	BB Alumni Grant \$	Total \$
Balance at 1.9.2016	4,102,379	9,564	206,475	716,190	125,326	122,136	72,996	70,400	5,425,466
Net surplus/(deficit) and total comprehensive income/(loss) for the year	182,662	—	158,324	(180,151)	(37,047)	(122,136)	(300)	(14,330)	(12,978)
Inter-division elimination	90,000	—	(90,000)	—	—	—	—	—	—
	272,662	—	68,324	(180,151)	(37,047)	(122,136)	(300)	(14,330)	(12,978)
Balance at 31.8.2017	4,375,041	9,564	274,799	536,039	88,279	—	72,696	56,070	5,412,488
Net surplus/(deficit) and total comprehensive income/(loss) for the year	165,247	(9,564)	147,615	100,920	(3,895)	—	(300)	(20,317)	379,706
Inter-division elimination	83,505	—	(83,505)	—	—	—	—	—	—
	248,752	(9,564)	64,110	100,920	(3,895)	—	(300)	(20,317)	379,706
Distribution by BB Campsite	50,000	—	(50,000)	—	—	—	—	—	—
Balance at 31.8.2018	4,673,793	—	288,909	636,959	84,384	—	72,396	35,753	5,792,194

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

THE BOYS' BRIGADE IN SINGAPORE

STATEMENT OF CASH FLOWS

For the financial year ended 31 August 2018

	2018 \$	2017 \$
Cash flows from operating activities		
Net surplus/(deficit) for the year	379,706	(12,978)
Adjustment for non cash items:		
Depreciation of property, plant and equipment	14,098	51,627
Interest income	(3,641)	(3,630)
Operating surplus before working capital changes	390,163	35,019
Inventories	(96,167)	(47,850)
Receivables	(52,695)	1,309
Payables	(118,472)	(185,977)
Net cash from/(used in) operating activities	122,829	(197,499)
Cash flows from investing activities		
Interest received	3,641	3,630
Purchase of property, plant and equipment	(9,791)	(23,895)
Net cash used in investing activities	(6,150)	(20,265)
Net increase/(decrease) in cash and cash equivalents	116,679	(217,764)
Cash and cash equivalents at beginning of financial year	5,394,161	5,611,925
Cash and cash equivalents at end of financial year	5,510,840	5,394,161
Cash and cash equivalents comprise:		
Fixed deposits	909,471	907,151
Cash and bank balances	4,601,369	4,487,010
	5,510,840	5,394,161

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

THE BOYS' BRIGADE IN SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2018

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

1. General information

The principal activities of The Boys' Brigade in Singapore ("the Society") is to organise uniformed youth work for educational institutions. The Society's principal place of activities is at BB Campus, 105 Ganges Avenue, Singapore 169695.

2. Significant accounting policies

a) Basis of preparation

The financial statements, expressed in Singapore dollar ("S\$"), which is the functional currency of the Society, have been prepared in accordance with the Societies Act, Chapter 311, the Charities Act, Chapter 37 and other relevant regulations, and Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Brigade Executive's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no significant judgments made in applying accounting policies and no estimation uncertainty that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards

In the current financial year, the Society has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Society.

2. Significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards (cont'd)

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 August 2018 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Society except as disclosed below:

FRS 116 Leases

FRS 116 replaces the existing FRS 17: Leases. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their balance sheets to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as FRS 116 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on liability. The accounting for lessors will not change significantly.

The standard is effective for annual periods beginning on or after 1 January 2019. The standard will affect primarily the accounting for the Society's operating leases. At the balance sheet date, the Society has non-cancellable operating lease commitments of \$89,161 (Note 14). The Society anticipates that the adoption of FRS 116 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. But, it is not practicable to provide a reasonable estimate of the impact of FRS 116 until the Society performs a detailed assessment. The Society will perform a detailed assessment of the impact and plans to adopt the standard on the required effective date.

FRS 109 Financial Instruments

The Society plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of FRS 109 at the date of initial application in the opening retained earnings and reserves as at 1 September 2018.

(a) Classification and measurement

The Society does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109. Loans and receivables that are currently accounted for at amortised cost are expected to continue to be measured at amortised cost.

(b) Impairment

FRS 109 requires the Society to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Society will apply the simplified approach and record lifetime expected losses on all trade receivables. Upon adoption of FRS 109, the Society does not expect any impairment for its trade receivables and other receivables for the financial year ending 31 August 2019.

The Society will adopt FRS 109 when it becomes effective in financial year ending 31 August 2019. The Society is currently finalising the computation of the impact and the quantum of the final transition adjustments, which may be different upon finalisation.

2. Significant accounting policies (cont'd)

b) Income recognition

Income are recognised on the following basis:

Donations	-	when received in cash/cheque.
Interest income	-	on a time proportion basis.
Event and programme related fees	-	in the period when the events and programme are conducted.
Sales of BB merchandise	-	when the Society has delivered the merchandise to the customer and significant risks and rewards of ownership of the goods have been passed to the customer.
BB campus income	-	when services are rendered.
Dividend income	-	when the right to receive payment is established.
Rental income from campsite and canoes	-	over the period of use.

c) Employee benefits

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for employees' unutilised annual leave as at the balance sheet date.

Defined contribution plans

The Society contributes to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Singapore Government. The Society's contributions to CPF are charged to profit or loss in the period in which the contributions relate.

d) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

e) Taxation

The Society is registered as a charity under the Charities Act and is exempted from income tax under the provisions of the Income Tax Act Cap. 134.

2. Significant accounting policies (cont'd)

f) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment loss. Depreciation is calculated on a straight-line basis to allocate the depreciable amount of property, plant and equipment over their expected useful lives. The estimated useful lives are as follow:

	Number of years
Office equipment	2
Computer	1
Campsite equipment and canoes	2
Air-conditioners	2
Renovation	3
Furniture and fittings	2

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

On disposal of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss.

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

g) Joint operation - BB/GB Campsite

The BB/GB Campsite which is a joint operation is administered jointly on an equal sharing basis by the Society and the Girls' Brigade Singapore.

The principal activities of BB/GB Campsite consist of the maintenance and letting of camp amenities and related facilities. Its principal place of operations is located at 1200 Sembawang Road, Singapore 758526.

A joint operation is an arrangement in which the Society has joint control and which provides the Society with rights to the assets, and obligations to the liabilities, relating to the arrangement.

The Society recognises, in relation to its interest in the joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Society accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the FRSs applicable to the particular assets, liabilities, revenue and expenses.

When the Society transacts with the joint operation (such as a sale or contribution of assets), the Society is considered to be conducting the transaction with the joint operation, and gains and losses resulting from the transactions are recognised in the Society's financial statements only to the extent of the other joint operator's interests in the joint operation.

2. Significant accounting policies (cont'd)

h) Financial assets

The Society classifies its financial assets in the following categories: loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables which comprise receivables (excluding prepayments and advance received from sundry receivables), trade and sundry, fixed deposits, cash and bank balances are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method. The Society assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. When such evidence exists, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

i) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in profit or loss or treated as a revaluation decrease for assets carried at revalued amount to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income or as a revaluation increase. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

j) Inventories

Inventories, which comprise BB merchandise and uniforms, are stated at the lower of cost and net realisable value. Cost is determined on a weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of selling expenses.

k) Financial liabilities

Financial liabilities include trade and other payables (excluding deferred government grants). Financial liabilities are recognised on the balance sheet when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

2. Significant accounting policies (cont'd)

l) Provisions

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Society expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The Society recognises the estimated costs of dismantlement, removal or restoration items of property, plant and equipment arising from the acquisition or use of assets (Note 11). This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

m) Operating leases

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

n) Funds

Accumulated Fund refers to the accumulated fund of The Boys' Brigade Headquarters. Other Funds are disclosed in Note 12.

Unless specifically indicated, fund balances are not represented by any specific accounts, but are represented by all assets of the Society.

3. Tax-deductible donations

Tax-deductible donations totalling \$1,408,954 (2017: \$1,225,324) were received during the financial year.

4. Net profit from BB Shop

	2018 \$	2017 \$
Sales of BB merchandise	230,061	231,617
Less: Costs of merchandise	(193,687)	(175,579)
Staff and related costs (Note 5)	(33,085)	(33,249)
Repair and maintenance	(12,000)	(13,373)
Others	(6,928)	(6,817)
	(245,700)	(229,018)
Net (loss)/profit	(15,639)	2,599

5. Salaries, bonus, CPF and SDF

	2018 \$	2017 \$
<i>Society</i>		
Salaries and related costs:		
- Key management personnel	248,773	234,897
- Staff	742,077	759,751
CPF:		
- Key management personnel	33,236	32,645
- Staff	115,755	119,588
	1,139,841	1,146,881

Represented by staff costs charged to:

	Note	2018 \$	2017 \$
Accumulated Fund		990,772	951,592
BB/GB Campsite Fund	12(ii)	—	—
BB Share-A-Gift Fund	12(iii)	101,521	150,600
Community Services Fund	12(iv)	13,291	11,440
		1,105,584	1,113,632
BB Shop	4	33,085	33,249
Programme activities		1,172	—
		1,139,841	1,146,881

The remuneration of key management personnel of the Society shown in salary bands are as follows:

	Number of executives	
	2018	2017
	\$	\$
<i>Salaries and benefits bands for key management personnel of the Brigade Office</i>		
Between \$100,001 - \$150,000	2	2

No members of the Brigade Executive have received remuneration for their services as Brigade Executive members and no Brigade Executive members are employees of the Society.

6. Total comprehensive income for the year

This is arrived at after charging:

	2018 \$	2017 \$
Temporary operating license	267,470	267,470

7. Property, plant and equipment

	Society \$	BB/GB Campsite \$	Total 2018 \$	2017 \$
Cost	254,765	170,549	425,314	423,235
Accumulated depreciation	(240,594)	(167,149)	(407,743)	(401,357)
	14,171	3,400	17,571	21,878

	Office equipment \$	Computer \$	Air- conditioner \$	Renovation \$	Total \$
Society 2018 Cost					
Balance at 1.9.17	31,188	64,996	39,382	110,209	245,775
Additions	1,043	5,786	—	2,161	8,990
Balance at 31.8.18	32,231	70,782	39,382	112,370	254,765
Accumulated depreciation					
Balance at 1.9.17	31,188	64,996	38,842	96,767	231,793
Depreciation charge	43	5,786	540	2,432	8,801
Balance at 31.8.18	31,231	70,782	39,382	99,199	240,594
Net carrying value As at 31.8.18	1,000	—	—	13,171	14,171

2017 Cost					
Balance at 1.9.16	31,188	70,858	38,302	90,860	231,208
Additions	—	2,666	1,080	19,349	23,095
Written off	—	(8,528)	—	—	(8,528)
Balance at 31.8.17	31,188	64,996	39,382	110,209	245,775
Accumulated depreciation					
Balance at 1.9.16	28,833	70,858	33,202	68,080	200,973
Depreciation charge	2,355	2,666	5,640	28,687	39,348
Written off	—	(8,528)	—	—	(8,528)
Balance at 31.8.17	31,188	64,996	38,842	96,767	231,793
Net carrying value As at 31.8.17	—	—	540	13,442	13,982

7. Property, plant and equipment (cont'd)

	Office equipment \$	Campsite equipment and canoes \$	Furniture and fittings \$	Renovation \$	Total \$
BB/GB Campsite 2018					
Cost					
Balance at 1.9.17	1,007	61,756	19,126	95,571	177,460
Additions	—	801	—	—	801
Written off	—	(5,006)	(1,252)	(1,454)	(7,712)
Balance at 31.8.18	1,007	57,551	17,874	94,117	170,549
Accumulated depreciation					
Balance at 1.9.17	1,007	60,503	17,683	90,371	169,564
Depreciation charge (Note 12)	—	1,254	1,443	2,600	5,297
Written off	—	(5,006)	(1,252)	(1,454)	(7,712)
Balance at 31.8.18	1,007	56,751	17,874	91,517	167,149
Net carrying value As at 31.8.18	—	800	—	2,600	3,400
2017					
Cost					
Balance at 1.9.16	1,007	60,956	19,126	87,771	168,860
Additions	—	800	—	7,800	8,600
Balance at 31.8.17	1,007	61,756	19,126	95,571	177,460
Accumulated depreciation					
Balance at 1.9.16	913	53,466	15,135	87,771	157,285
Depreciation charge (Note 12)	94	7,037	2,548	2,600	12,279
Balance at 31.8.17	1007	60,503	17,683	90,371	169,564
Net carrying value As at 31.8.17	—	1,253	1,443	5,200	7,896

8. Sundry receivables and prepayments

	2018 \$	2017 \$
Advances	3,000	3,000
Sundry deposits	128,823	95,503
Prepayments	7,703	6,532
Sundry receivables	24,496	—
	164,022	105,035

9. Fixed deposits

Fixed deposits earned interest at rates ranging from 0.05% to 0.40% (2017: 0.05% to 0.9%) per annum at the balance sheet date and mature within 15 months (2017: 9 months) from the balance sheet date.

10. Sundry payables and accruals

	2018 \$	2017 \$
Accrued operating expenses	156,486	249,139
Sundry payables	38,602	55,259
MOE deferred grants	—	6,722
	195,088	311,120

11. Provision for reinstatement costs

	2018 \$	2017 \$
<i>Non-current</i>		
Provision for reinstatement costs	7,800	22,850
<i>Current</i>		
Provision for reinstatement costs	22,850	7,800

The provision for reinstatement costs represents the present value of Brigade Executive's best estimate of the future outflow of economic benefits that will be required to remove leasehold improvements from leased properties. The estimate has been made on the basis of quotes obtained from external contractors.

The unexpired term of the leases from the balance sheet date are as follows:

	2018	2017
The Boys' Brigade in Singapore	4 years	16 years
BB Sembawang Campsite	28 years	4 years

12. Other funds

	Building Fund (i) \$	BB/GB Campsite Fund (ii) \$	BB Share- A-Gift Fund (iii) \$	Community Services Fund (iv) \$	Jimmy Koh Memorial Fund (vi) \$	BB Alumni Grant (vii) \$
2018						
Cash donations	—	—	424,022	20,000	—	—
Grants	—	104,606	—	—	—	—
Rental income	—	160,758	—	—	—	—
Other income	—	37,801	—	—	—	—
Total income	—	303,165	424,022	20,000	—	—
Less: expenditure						
Staff costs (Note 5)	—	—	101,521	13,291	—	—
Charity Golf expenses	—	—	—	—	—	—
Depreciation (Note 7)	—	5,297	—	—	—	—
Land rent	—	104,606	—	—	—	—
Office supplies	—	114	786	—	—	—
Programme related expenses	—	—	134,942	10,604	—	—
Public wish fulfilment purchases	—	—	69,155	—	—	—
Others	9,564	45,533	16,698	—	300	20,317
	9,564	155,550	323,102	23,895	300	20,317
Net surplus/(deficit) for the year	(9,564)	147,615	100,920	(3,895)	(300)	(20,317)
Inter-division elimination	—	(83,505)	—	—	—	—
	(9,564)	64,110	100,920	(3,895)	(300)	(20,317)
Distribution by BB Campsite	—	(50,000)	—	—	—	—
Balance at 1 September 2017	9,564	274,799	536,039	88,279	72,696	56,070
Balance at 31 August 2018	—	288,909	636,959	84,384	72,396	35,753

12. Other funds (cont'd)

	Building Fund (i) \$	BB/GB Campsite Fund (ii) \$	BB Share- A-Gift Fund (iii) \$	Community Services Fund (iv) \$	Overseas Extension Fund (v) \$	Jimmy Koh Memorial Fund (vi) \$	BB Alumni Grant (vii) \$
2017							
Cash donations	—	—	209,573	5,000	—	—	10,870
Grants	—	103,587	—	—	—	—	—
Rental income	—	174,039	—	—	—	—	—
Other income	—	36,957	—	—	—	—	—
Total income	—	314,583	209,573	5,000	—	—	10,870
Less: expenditure							
Staff costs (Note 5)	—	—	150,600	11,440	—	—	—
Depreciation (Note 7)	—	12,279	—	—	—	—	—
Land rent	—	103,587	—	—	—	—	—
Office supplies	—	122	953	2	—	—	—
Programme related expenses	—	—	141,018	30,605	—	—	—
Public wish fulfilment purchases	—	—	76,571	—	—	—	—
Others	—	40,271	20,582	—	122,136	300	25,200
	—	156,259	389,724	42,047	122,136	300	25,200
Net surplus/(deficit) for the year	—	158,324	(180,151)	(37,047)	(122,136)	(300)	(14,330)
Inter-division elimination	—	(90,000)	—	—	—	—	—
	—	68,324	(180,151)	(37,047)	(122,136)	(300)	(14,330)
Balance at 1 September 2016	9,564	206,475	716,190	125,326	122,136	72,996	70,400
Balance at 31 August 2017	9,564	274,799	536,039	88,279	—	72,696	56,070

- (i) This fund is for major renovations to the Society's Headquarters.
- (ii) The fund represents the Society's interest in the BB/GB Campsite.
- (iii) This fund is used to help the poor and needy.
- (iv) This fund is for community outreach and service purposes.
- (v) The fund is used to establish The Boys' Brigade in third world countries.
- (vi) The Fund was set up in memorial of late Mr. Jimmy Koh who was a former Boys' Brigade member.
- (vii) The Fund is set up to help the poor and needy boys of the Society.

13. Related party transactions

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Society and related parties during the financial year/period on terms agreed by the parties concerned:

	2018 \$	2017 \$
Instructor's fee expense	—	6,870
Printing and stationery expense	935	785
Purchases	20,832	—
BB companies' training and course expenses	—	5,447
Activities and programmes related expenses	40,834	—
Office upkeep expenses	370	—

Related parties represent corporations in which certain of the Brigade Executive members, officers of the Society or their close family members have financial interest or significant influence over these corporations in financial and operating decisions.

14. Operating lease commitments

Commitments in relation to non-cancellable operating leases contracted for rental of land for office and campsite premises, but not recognised as liabilities, are payable as follows:

	2018 \$	2017 \$
<i>The Boys' Brigade in Singapore</i>		
Within 1 financial year	89,161	267,470
Within 2 to 5 financial years	—	89,157
	89,161	356,627
<i>BB Sembawang Campsite (Society's 50% share)</i>		
Within 1 financial year	105,114	34,529
Within 2 to 5 financial years	140,152	—
	245,266	34,529

15. Financial instruments

a) Categories of financial instruments

Financial instruments as at the balance sheet are as follows:

	2018 \$	2017 \$
<i>Financial assets</i>		
Trade receivables	37,177	43,469
Sundry receivables	113,611	95,503
Fixed deposits	909,471	907,151
Cash and bank balances	4,601,369	4,487,010
	5,661,628	5,533,133
Loans and receivables		

15. Financial instruments (cont'd)

a) Categories of financial instruments (cont'd)

Financial instruments as at the balance sheet are as follows: (cont'd)

	2018 \$	2017 \$
<i>Financial liabilities</i>		
Trade payables	—	2,440
Sundry payables and accruals and provision for reinstatement costs	159,738	260,353
Financial liabilities at amortised cost	159,738	262,793

b) Financial risk management

The Society's charitable activities expose it to minimal financial risks and overall risk management is determined and carried out by the Brigade Executive on an informal basis.

Interest rate risk

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

The Society's income and operating cash flows are substantially independent of changes in market interest rates as it has no significant interest bearing liabilities. Its exposure to market risk for changes in interest rates relates primarily to its interest bearing fixed deposits where interest income is not significant.

Sensitivity analysis for changes in market interest rate is not presented as the effect of changes in interest rates on the Society's surplus is not significant.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Society. The Brigade Executive has credit policies in place and the exposure to credit risk is monitored on an ongoing basis by the Brigade Executive. The Society's exposure to credit risk arises primarily from cash and cash equivalents and receivables. Cash deposits are placed with reputable banks in Singapore. Receivables are substantially with entities with good collection track record with the Society.

The Society does not have any significant concentration of credit risk exposure. The maximum exposure to credit risk is represented by the carrying value of each class of financial assets recognised on the balance sheet.

The age analysis of trade receivables past due but not impaired is as follows:

	2018 \$	2017 \$
Past due 0 to 1 month	2,911	1,299
Past due 1 to 3 months	1,053	1,509
Past due over 3 months	10,416	18,053
	14,380	20,861

The Society has no financial assets that are impaired.

15. Financial instruments (cont'd)

b) Financial risk management (cont'd)

Foreign exchange risk

The Society has minimal exposure to foreign exchange rate fluctuations as its transactions are mainly carried out in Singapore dollar.

Liquidity and cash flow risk

The Brigade Executive exercises prudent liquidity and cash flow risk management policies and aims to maintain a sufficient level of liquidity and cash flow at all times.

16. Fair values of financial instruments

The carrying amounts of financial assets and liabilities recorded in the financial statements of the Society approximate their fair values at the balance sheet date.

17. Fund management

The Society's objectives when managing its funds are to safeguard and to maintain adequate working capital to continue as going concern and to develop its principal activities over the longer term through significant support in the form of donations, grants and events and program related fees.

The Society's fund management remains unchanged from 2017.

18. Comparative figures

- (i) In the current financial year, the Society has changed the presentation of its statement of comprehensive income from that of the disclosure of only the activities of the Accumulated Fund in 2017 to disclosing the activities of all its funds in 2018 so that the statement of comprehensive income is more meaningful. Consequently, certain reclassifications have been made to the previous year's financial statements to enhance comparability with the current year's financial statements presentation. The reclassifications have no financial impact on the net surplus/total comprehensive income for the previous financial year.
- (ii) Management fee charged by BB to BB/GB Campsite in 2017 was netted off from BB and BB/GB Campsite's net surplus in the Statement of Changes in Accumulated Fund and Other Funds. These surpluses in the 2017 Statement of Changes in Accumulated Fund and Other Funds was accordingly regrossed to reflect the inter-division elimination.
- (iii) Provision for reinstatement costs for lease expiring in less than 12 months after the balance sheet date is classified under current liability in current year. Accordingly, comparative figures have been reclassified to enhance comparability with the current year's financial statements presentation.

18. Comparative figures (cont'd)

The financial statements for the financial year ended 31 August 2017 were reclassified as follows:

	As reported \$	Reclassification \$	As reclassified \$
Statement of Comprehensive Income			
<i>Income</i>			
Government grants	488,724	103,587	592,311
Donations	135,193	225,443	360,636
Other income	228,665	(53,043)	175,622
Rental income	—	174,039	174,039
Total income	3,005,417	450,026	3,455,443
<i>Expenditure</i>			
Share-A-Gift programme	—	141,018	141,018
Community Service programme	—	30,605	30,605
Public wish fulfilment purchases	—	76,571	76,571
First for Boys purchases	—	25,200	25,200
Audit fees	22,470	4,280	26,750
Depreciation of property, plant and equipment	39,348	12,279	51,627
Insurance	25,913	1,655	27,568
Office sundries and others	3,890	1,077	4,967
Repair and maintenance	—	22,537	22,537
Printing, postages and stationery	18,921	34	18,955
Professional fees	31,635	768	32,403
Salaries, bonus, CPF and SDF	951,592	162,040	1,113,632
Telephone and website	3,842	541	4,383
Land rental	—	103,587	103,587
Other expenses	—	153,474	153,474
Total expenses	2,732,755	735,666	3,468,421
Balance Sheet			
<i>Non-current liabilities</i>			
Provision for reinstatement costs	30,650	(7,800)	22,850
<i>Current liabilities</i>			
Provision for reinstatement costs	—	7,800	7,800
Statement of Cash Flows			
<i>Cash flows from operating activities</i>			
Surplus/(deficit) for the financial year	272,662	(285,640)	(12,978)
Depreciation of property, plant and equipment	39,348	12,279	51,627
Operating cash before working capital changes	308,380	(273,361)	35,019
Payables	(205,326)	19,349	(185,977)
Net cash generated from operating activities	(217,649)	20,150	(197,499)
<i>Cash flows from investing activities</i>			
Purchase of property, plant and equipment	(3,745)	(20,150)	(23,895)
Net cash used in investing activities	(115)	(20,150)	(20,265)

19. Authorisation of financial statements

The financial statements of the Society for the financial year ended 31 August 2018 were authorised for issue in accordance with a resolution of the Brigade Executive dated 23 November 2018.