

THE BOYS' BRIGADE IN SINGAPORE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 AUGUST 2019

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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 2019 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,



Poh Leong Berg
President

22 November 2019



Richard Tan Chuan Lye
Treasurer

**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 2019, 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 2019 and the financial performance, changes in accumulated funds and other funds and cash flows of the Society for the financial 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 page 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 2019 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

22 November 2019

THE BOYS' BRIGADE IN SINGAPORE

STATEMENT OF COMPREHENSIVE INCOME For the financial year ended 31 August 2019

	Note	2019 \$	2018 \$
Income			
Boys' Brigade Week - donations		1,526,236	1,547,033
Government grants		470,824	775,253
Donations		626,608	613,323
BB campus income		122,193	168,083
Event and program related fees		26,523	62,773
Sales from BB shop	4	213,386	230,061
Interest income		2,539	3,641
Other income		315,477	409,017
Rental income		154,874	160,758
		3,458,660	3,969,942
Less expenditure			
BB news		16,043	19,373
Cost of BB merchandise sold and BB shop expenses	4	235,814	245,700
Junior programme		37,481	32,679
Senior programme		410,303	191,809
Primers programme		48,146	64,012
Share-A-Gift programme		95,795	134,942
Community Service programme		11,935	10,604
Public wish fulfilment purchases		65,092	69,155
BB Alumni Grant		13,700	20,317
Officers training		116,478	105,474
Adventure activities		8,456	9,857
Common programme		45,143	54,320
Companies activities		889,071	750,685
Audit fees		27,098	26,750
BB campus expenses		60,002	46,366
BB Week expenses		17,916	18,401
Credit card charges		20,323	18,841
Depreciation of property, plant and equipment	7	22,211	14,098
Gifts and wreath		1,738	3,075
Insurance		23,454	27,265
Medical fees		2,110	1,606
Office sundries and others		5,244	4,196
Repair and maintenance		28,697	35,859
Printing, postages and stationery		17,499	16,372
Professional fees		106,408	62,451
Promotion and marketing expenses		48,800	63,727
Salaries, bonus, CPF and SDF	5	1,131,308	1,105,584
Staff development		16,947	9,984
Telephone and website		4,581	5,222
Utilities/TOL		304,129	301,893
Land rental		105,115	104,606
Other expenses		16,239	15,013
		3,953,276	3,590,236
Total comprehensive (loss)/ income for the year	6	(494,616)	379,706

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

THE BOYS' BRIGADE IN SINGAPORE

BALANCE SHEET

At 31 August 2019

	Note	2019 \$	2018 \$
Non-current assets			
Property, plant and equipment	7	48,715	17,571
Current assets			
Inventories		401,825	288,322
Trade receivables		32,373	37,177
Sundry receivables and prepayments	8	134,282	164,022
Fixed deposits	9	1,060,762	909,471
Cash and bank balances		3,896,444	4,601,369
		5,525,686	6,000,361
Total assets		5,574,401	6,017,932
Non-current liability			
Provision for reinstatement costs	11	30,650	7,800
Current liabilities			
Sundry payables and accruals	10	246,173	195,088
Provision for reinstatement costs	11	—	22,850
		246,173	217,938
Total liabilities		276,823	225,738
Net assets		5,297,578	5,792,194
Accumulated Fund (Unrestricted)		4,034,372	4,673,793
Other funds			
Building Fund (Restricted)	12	—	—
BB/GB Campsite Fund (Unrestricted)	12	283,787	288,909
BB Share-A-Gift Fund (Restricted)	12	723,198	636,959
Community Services Fund (Restricted)	12	107,249	84,384
Jimmy Koh Memorial Fund (Restricted)	12	72,096	72,396
BB Alumni Grant (Restricted)	12	76,876	35,753
		1,263,206	1,118,401
		5,297,578	5,792,194

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 2019

	Accumulated Fund \$	Building Fund \$	BB/GB Campsite Fund \$	BB21 Share- A-Gift Fund \$	Community Services Fund \$	Jimmy Koh Memorial Fund \$	BB Alumni Grant \$	Total \$
Balance at 1.9.2017	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
Net surplus/(deficit) and total comprehensive income/(loss) for the year	(773,368)	—	128,825	86,239	22,865	(300)	41,123	(494,616)
Inter-division elimination	83,947	—	(83,947)	—	—	—	—	—
	(689,421)	—	44,878	86,239	22,865	(300)	41,123	(494,616)
Distribution by BB Campsite	50,000	—	(50,000)	—	—	—	—	—
Balance at 31.8.2019	4,034,372	—	283,787	723,198	107,249	72,096	76,876	5,297,578

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 2019

	2019 \$	2018 \$
Cash flows from operating activities		
Net (deficit)/surplus for the year	(494,616)	379,706
Adjustment for non cash items:		
Depreciation of property, plant and equipment	22,211	14,098
Interest income	(2,539)	(3,641)
Operating (deficit)/surplus before working capital changes	(474,944)	390,163
Inventories	(113,503)	(96,167)
Receivables	34,544	(52,695)
Payables	51,085	(118,472)
Net cash (used in)/from operating activities	(502,818)	122,829
Cash flows from investing activities		
Interest received	2,539	3,641
Purchase of property, plant and equipment	(53,355)	(9,791)
Net cash used in investing activities	(50,816)	(6,150)
Net (decrease)/increase in cash and cash equivalents	(553,634)	116,679
Cash and cash equivalents at beginning of financial year	5,510,840	5,394,161
Cash and cash equivalents at end of financial year	4,957,206	5,510,840
Cash and cash equivalents comprise:		
Fixed deposits	1,060,762	909,471
Cash and bank balances	3,896,444	4,601,369
	4,957,206	5,510,840

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 2019

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 and revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Society except for updates made to the accounting policy of financial assets [Note 2(h)] and change in classification of the Society's financial assets effective from 1 September 2018 (Note 15) as required by FRS 109 *Financial Instruments*.

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 2019 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 Society plans to adopt the new standard on the required effective date using the modified retrospective approach and recognises any differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of FRS 116 at the date of initial application in the opening retained earnings as at 1 September 2019. Right-of-use assets that are property leases will be measured on transition as if the standard had been applied since the lease commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application. All other leases are recognised at an amount equal to the lease liability (adjusted for any prepaid or accrued lease payments) on adoption.

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 \$511,656 (Note 14).

At the reporting date, the Society is still in the process of performing a detailed assessment of the impact and quantifying the transition adjustments on its financial statements.

b) Income recognition

Income are recognised on the following basis:

Donations	- when received.
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 transferred control which is upon delivery of the merchandise 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.

2. Significant accounting policies (cont'd)

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.

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.

2. Significant accounting policies (cont'd)

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.

h) Financial assets

The accounting policy for financial assets before 1 September 2018 is as follows:

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.

2. Significant accounting policies (cont'd)

h) Financial assets (cont'd)

The accounting policy for financial assets from 1 September 2019 onwards is as follows:

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade date - the date on which the Society commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Society classifies its financial assets based on the Society's model for managing the financial asset and the contractual cash flow characteristics of the financial assets. The Society's only financial assets are classified at amortised cost which comprise trade and sundry receivables (excluding prepayments) and cash and cash equivalents.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Impairment

The Society recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Society recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the balance sheet when, and only when the Society has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Significant accounting policies (cont'd)

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 for sale, 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 sundry payables. 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.

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.

2. Significant accounting policies (cont'd)

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 \$1,547,418 (2018: \$1,408,954) were received during the financial year.

4. Net loss from BB Shop

	2019 \$	2018 \$
Sales of BB merchandise	213,386	230,061
Costs of merchandise	(182,008)	(193,687)
Staff and related costs (Note 5)	(31,561)	(33,085)
Repair and maintenance	(12,000)	(12,000)
Others	(10,245)	(6,928)
	(235,814)	(245,700)
Net loss	(22,428)	(15,639)

5. Salaries, bonus, CPF and SDF

	2019 \$	2018 \$
Salaries and related costs:		
- Key management personnel	255,900	248,773
- Staff	755,167	742,077
CPF:		
- Key management personnel	33,446	33,236
- Staff	119,223	115,755
	1,163,736	1,139,841

5. Salaries, bonus, CPF and SDF (cont'd)

Represented by staff costs charged to:

	Note	2019 \$	2018 \$
Accumulated Fund		1,051,140	990,772
BB Share-A-Gift Fund	12(iii)	69,968	101,521
Community Services Fund	12(iv)	10,200	13,291
		<hr/>	<hr/>
BB Shop	4	1,131,308	1,105,584
Programme activities		31,561	33,085
		867	1,172
		<hr/>	<hr/>
		1,163,736	1,139,841
		<hr/>	<hr/>

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

	Number of executives	
	2019	2018
<i>Salaries and benefits bands for key management personnel of the Brigade Office</i>		
Between \$100,001 - \$150,000	2	2
	<hr/>	<hr/>

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:

	2019 \$	2018 \$
Temporary operating license	274,909	267,470
	<hr/>	<hr/>

7. Property, plant and equipment

Property, plant and equipment					
	Society \$	BB/GB Campsite \$	Total 2019 \$	2018 \$	
Cost	256,409	219,312	475,721	425,314	
Accumulated depreciation	(251,179)	(175,827)	(427,006)	(407,743)	
	5,230	43,485	48,715	17,571	
	Office equipment \$	Computer \$	Air- conditioner \$	Renovation \$	Total \$
Society					
2019					
Cost					
Balance at 1.9.2018	32,231	70,782	39,382	112,370	254,765
Additions	1,070	3,522	—	—	4,592
Written off	(400)	(2,548)	—	—	(2,948)
Balance at 31.8.2019	32,901	71,756	39,382	112,370	256,409
Accumulated depreciation					
Balance at 1.9.2018	31,231	70,782	39,382	99,199	240,594
Depreciation charge	967	475	—	12,091	13,533
Written off	(400)	(2,548)	—	—	(2,948)
Balance at 31.8.2019	31,798	68,709	39,382	111,290	251,179
Net carrying value					
As at 31.8.2019	1,103	3,047	—	1,080	5,230
2018					
Cost					
Balance at 1.9.2017	31,188	64,996	39,382	110,209	245,775
Additions	1,043	5,786	—	2,161	8,990
Balance at 31.8.2018	32,231	70,782	39,382	112,370	254,765
Accumulated depreciation					
Balance at 1.9.2017	31,188	64,996	38,842	96,767	231,793
Depreciation charge	43	5,786	540	2,432	8,801
Balance at 31.8.2018	31,231	70,782	39,382	99,199	240,594
Net carrying value					
As at 31.8.2018	1,000	—	—	13,171	14,171

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

	Office equipment \$	Campsite equipment and canoes \$	Furniture and fittings \$	Renovation \$	Total \$
BB/GB					
Campsite					
2019					
Cost					
Balance at 1.9.2018	1,007	57,551	17,874	94,117	170,549
Additions	—	880	—	47,883	48,763
Balance at 31.8.2019	1,007	58,431	17,874	142,000	219,312
Accumulated depreciation					
Balance at 1.9.2018	1,007	56,751	17,874	91,517	167,149
Depreciation charge (Note 12)	—	973	—	7,705	8,678
Balance at 31.8.2019	1,007	57,724	17,874	99,222	175,827
Net carrying value					
As at 31.8.2019	—	707	—	42,778	43,485
2018					
Cost					
Balance at 1.9.2017	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 31.8.2018	1,007	57,551	17,874	94,117	170,549
Accumulated depreciation					
Balance at 1.9.2017	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 31.8.2018	1,007	56,751	17,874	91,517	167,149
Net carrying value					
As at 31.8.2018	—	800	—	2,600	3,400

8. Sundry receivables and prepayments

	2019 \$	2018 \$
Advances	3,000	3,000
Sundry deposits	93,204	128,823
Prepayments	30,078	7,703
Sundry receivables	8,000	24,496
	134,282	164,022

9. Fixed deposits

Fixed deposits earned interest at rates ranging from 0.05% to 2% (2018: 0.05% to 0.40%) per annum at the balance sheet date and mature within 21 months (2018: 15 months) from the balance sheet date.

10. Sundry payables and accruals

	2019 \$	2018 \$
Accrued operating expenses	194,424	156,486
Advance and deposits	51,749	38,602
	246,173	195,088

11. Provision for reinstatement costs

	2019 \$	2018 \$
<i>Non-current</i>		
Provision for reinstatement costs	30,650	7,800
<i>Current</i>		
Provision for reinstatement costs	—	22,850

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:

	2019	Months 2018
The Boys' Brigade in Singapore	16	4
BB Sembawang Campsite	16	28

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 (v) \$	BB Alumni Grant (vi) \$
2019						
Cash donations	—	—	335,997	45,000	—	33,200
Grants	—	105,115	—	—	—	—
Rental income	—	154,874	—	—	—	—
Other income	—	23,968	—	—	—	21,623
Total income	—	283,957	335,997	45,000	—	54,823
Less: expenditure						
Staff costs (Note 5)	—	—	69,968	10,200	—	—
Depreciation (Note 7)	—	8,678	—	—	—	—
Land rent	—	112,816	—	—	—	—
Office supplies	—	180	837	—	—	—
Programme related expenses	—	—	95,795	11,935	—	—
Public wish fulfilment purchases	—	—	65,092	—	—	—
Others	—	33,458	18,066	—	300	13,700
	—	155,132	249,758	22,135	300	13,700
Net surplus/(deficit) for the year	—	128,825	86,239	22,865	(300)	41,123
Inter-division elimination	—	(83,947)	—	—	—	—
	—	44,878	86,239	22,865	(300)	41,123
Distribution by BB Campsite	—	(50,000)	—	—	—	—
Balance at 1 September 2018	—	288,909	636,959	84,384	72,396	35,753
Balance at 31 August 2019	—	283,787	723,198	107,249	72,096	76,876

12. Other funds (cont'd)

	Building Fund (i) \$	BB/GB Campsite Fund (ii) \$	BB Share- A-Gift Fund (iii) \$	Community Services Fund (iv) \$	Jimmy Koh Memorial Fund (v) \$	BB Alumni Grant (vi) \$
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

(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 was set up in memorial of late Mr. Jimmy Koh who was a former Boys' Brigade member.

(vi) 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:

	2019 \$	2018 \$
Printing and stationery expense	711	935
Purchases	637	20,832
Activities and programmes related expenses	40,803	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:

	2019 \$	2018 \$
<i>The Boys' Brigade in Singapore</i>		
Within 1 financial year	278,628	89,161
Within 2 to 5 financial years	92,876	—
	371,504	89,161
 <i>BB Sembawang Campsite (Society's 50% share)</i>		
Within 1 financial year	105,114	105,114
Within 2 to 5 financial years	35,038	140,152
	140,152	245,266

15. Financial instruments

a) Categories of financial instruments

Financial instruments as at the balance sheet are as follows:

	2019 \$	2018 \$
<i>Financial assets</i>		
Loans and receivables	—	5,661,628
Financial assets at amortised cost	5,089,302	—
 <i>Financial liabilities</i>		
Financial liabilities at amortised cost	200,449	159,738

15. Financial instruments (cont'd)

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 is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Society's maximum exposure to credit risk is represented by the carrying amount of financial assets/loans and receivables as set out in Note 15(a). The Society has no significant concentration of credit risk. Cash and cash equivalents are placed in banks and financial institutions with good credit ratings.

The Society trades only with recognised and creditworthy third parties. Debtors' balances are monitored on an ongoing basis with the result that the Society's exposure to bad debts is not significant.

The following sets out the Society's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Society has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

The Society has no financial assets that are impaired.

Credit risk exposure in relation to financial assets at amortised costs as at 31 August 2019 is insignificant, and accordingly no credit loss allowance is recognised as at 31 August 2019.

15. Financial instruments (cont'd)

b) Financial risk management

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 due to their short-term maturity.

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 2018.

19. Authorisation of financial statements

The financial statements of the Society for the financial year ended 31 August 2019 were authorised for issue in accordance with a resolution of the Brigade Executive dated 22 November 2019.