

Financial Statements
The Boys' Brigade in Singapore

For the year ended 31 August 2023

Society information

Registered office

10 Kwong Avenue, Singapore 348884

Brigade Executive

Dr Andrew Yong Yun Leong
Patrick Koh Ley Boon
Timothy Tan Jiat Meng
Oliver Loke Jia Wen
Rev Daniel Tong Wee Hwa
Rev Dr Bernard Chao
Wilson Tan Teck Hian
Samuel Bey Zhi Wei
Chong Loi Foong
Alex Lum Kah Heng
Daryl Tan Jinn Wen
Liu Li Jia
Philisa Neo Ching Lu
Kenneth Cheng Zemin
Desmond Koh Yee Choy
Lim Choo Siang
Lewis Poh Yu Gui
May Seah Yi
Daryl Chen Weiming
Gerard Su Jin Song
Low Jian Xin
Andy Chua Kok Hwang
Daniel Lim Wei Chong
Rev Daniel Tay Ban Hong
Gabriel Leng Chengda
David Oh Tai Wai
Avery Ho Yi Ling

Banker

DBS Bank Ltd

Independent auditor

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants
1 Raffles Place
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Statement by the Brigade Executive

In the opinion of the Brigade Executive,

- (a) the financial statements set out on pages 5 to 32 are drawn up in accordance with the provisions of the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRS") so as to present fairly, in all material respects, the state of affairs of The Boys' Brigade in Singapore (the "Society") as at 31 August 2023 and of the results, changes in funds and cash flows of the Society for the financial year ended;
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts when they fall due;
- (c) the Society has used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations;
- (d) the Society has complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations;
- (e) the fund-raising appeal held during the financial year ended 31 August 2023 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; and
- (f) 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, and the Charities Act and Regulations.

On behalf of the Brigade Executive,



Patrick Koh Ley Boon
Brigade President



Chong Loi Foong
Brigade 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 financial statements of The Boys' Brigade in Singapore (the "Society"), which comprise the statement of financial position of the Society as at 31 August 2023, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Society for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRS") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 August 2023 and of the results, changes in 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 ("SSA"). 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

Management is responsible for the other information. The other information comprises the Statement by the Brigade Executive set out on page 1 and the other 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 Management and Brigade Executive for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSs, and for such internal control as management 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, management 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 SSA 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 SSA, 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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)

- 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 period from 1 September 2022 to 31 August 2023 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 of the Charities (Institutions of a Public Character) Regulations.


Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 21 November 2023

Statement of financial position as at 31 August 2023

	Note	31 August 2023 \$	31 August 2022 \$
Non-current assets			
Plant and equipment	3	1,772,326	1,095,100
Right-of-use asset	4	1,399,999	1,832,279
Other investments	5	1,557,869	1,516,711
		4,730,194	4,444,090
Current assets			
Inventories		190,848	258,109
Trade receivables		54,143	22,864
Sundry receivables and prepayments	6	268,533	315,944
Cash and cash equivalents	7	6,269,299	6,238,558
		6,782,823	6,835,475
Total assets		11,513,017	11,279,565
Funds and liabilities			
Accumulated fund (Unrestricted)		6,600,970	6,317,508
Other funds			
BB/GB Campsite Fund (Unrestricted)	10	168,617	90,802
BB Share-A-Gift Fund (Restricted)	10	1,495,531	1,422,942
Community Services Fund (Restricted)	10	143,929	148,300
Jimmy Koh Memorial Fund (Restricted)	10	66,196	66,196
BB Alumni Grant (Restricted)	10	53,227	55,627
BBHQ Development Fund (Restricted)	10	1,276,197	1,090,020
		3,203,697	2,873,887
Fair value reserve (Unrestricted)		(57,829)	(55,744)
		3,145,868	2,818,143
Total funds		9,746,838	9,135,651
Liabilities			
Non-current liabilities			
Provision for reinstatement cost	8	68,150	7,800
Lease liabilities	4	1,042,837	1,492,596
		1,110,987	1,500,396
Current liabilities			
Sundry payables and accruals	9	179,298	133,120
Provision for reinstatement costs	8	-	60,350
Lease liabilities	4	475,894	450,048
		655,192	643,518
Total liabilities		1,766,179	2,143,914
Total Funds and Liabilities		11,513,017	11,279,565

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of financial activities

for the financial year ended 31 August 2023

	Note	31 August 2023 \$	31 August 2022 \$
Income			
Boys' Brigade Week - donations		1,343,684	1,233,252
Government grants		1,157,113	2,571,877
Donations		909,269	1,274,803
BB campus income		-	52
Event and program related fees		38,185	17,010
Sales from BB shop	11	154,498	171,696
Interest income		43,595	57,317
Other income		97,316	85,953
Rental income		136,176	97,817
		3,879,836	5,509,777
Expenditure			
BB news		7,000	3,600
Cost of BB merchandise sold and BB shop expenses	11	196,501	229,111
Junior programme		28,057	4,858
Senior programme		176,429	45,278
Primers programme		44,031	16,728
Share-A-Gift programme		128,729	66,557
Public wish fulfilment purchases		34,917	181,970
BB Alumni Grant		5,600	7,600
Officers training		50,298	24,848
Adventure activities		355	7,180
Common programme		19,628	16,749
Companies' activities		767,720	446,031
Audit fees		24,075	25,696
BB campus expenses		48,942	54,136
BB week expenses		11,805	11,354
Computer software		373	5,540
Credit card charges		4,354	4,040
Depreciation of plant and equipment	3	40,677	13,435
Depreciation of right-of-use assets	4	460,596	494,028
Interest on lease liabilities		73,032	90,776
Gifts and wreath		1,119	3,660
Insurance		37,080	25,075
Medical fees		1,160	748
Office sundries and others		18,710	8,861
Repair and maintenance		23,203	10,401
Printing, postages and stationery		16,666	13,944
Professional fees		33,150	39,057
Promotion and marketing expenses		82,721	66,492
Salaries, bonus, CPF and SDF		884,833	812,095
Staff development		11,285	5,452
Telephone and website		8,940	5,281
Utilities		15,157	12,736
Other expenses		9,421	2,762
		3,266,564	2,756,079
Surplus for the financial year		613,272	2,753,698

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of financial activities (Cont'd)

for the financial year ended 31 August 2023

	Note	31 August 2023 \$	31 August 2022 \$
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Change in fair value of debt investments at FVOCI	5	(2,085)	(52,380)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Change in fair value of equity investments at FVOCI	5	-	1,752
Other comprehensive loss for the year		(2,085)	(50,628)
Total surplus and comprehensive income for the year		611,187	2,703,070

Statement of changes in funds for the financial year ended 31 August 2023

2023	Unrestricted Funds			Restricted Funds					Total \$
	Accumulated Fund \$	BB/GB Campsite Fund \$	Fair Value Reserve \$	BB Share- A-Gift Fund \$	Community Services Fund \$	Jimmy Koh Memorial Fund \$	BB Alumni Fund \$	BBHQ Development Fund \$	
Balance as at 1 September 2022	6,317,508	90,802	(55,744)	1,422,942	148,300	66,196	55,627	1,090,020	9,135,651
Surplus/(Deficit) for the year	280,891	100,606	-	72,589	(4,371)	-	(2,400)	165,957	613,272
Inter-division elimination	22,791	(22,791)	-	-	-	-	-	-	-
Other comprehensive income	-	-	(2,085)	-	-	-	-	-	(2,085)
Financial assets at fair value through other comprehensive income	-	-	(2,085)	-	-	-	-	-	-
Fair value loss	-	-	(2,085)	-	-	-	-	-	(2,085)
Total comprehensive income/ (deficit) for the financial year	303,682	77,815	(2,085)	72,589	(4,371)	-	(2,400)	165,957	611,187
Transfer of funds	(20,220)	-	-	-	-	-	-	20,220	-
Balance as at 31 August 2023	6,600,970	168,617	(57,829)	1,495,531	143,929	66,196	53,227	1,276,197	9,746,838

Statement of changes in funds (Cont'd) for the financial year ended 31 August 2023

2022	Unrestricted Funds			Restricted Funds					Total \$
	Accumulated Fund \$	BB/GB Campsite Fund \$	Fair Value Reserve \$	Share- A-Gift Fund \$	Community Services Fund \$	Jimmy Koh Memorial Fund \$	BB Alumni Fund \$	BBHQ Development Fund \$	
Balance as at 1 September 2021	4,922,210	120,680	(5,116)	929,207	105,177	66,496	60,028	233,899	6,432,581
Surplus/(Deficit) for the year	1,532,896	60,122	-	493,195	43,123	(300)	(4,401)	629,063	2,753,698
Inter-division elimination	90,000	(90,000)	-	-	-	-	-	-	-
Other comprehensive income									
Financial assets at fair value through other comprehensive income									
Fair value loss	-	-	(50,628)	-	-	-	-	-	(50,628)
Total comprehensive income/ (deficit) for the financial year	1,622,896	(29,878)	(50,628)	493,195	43,123	(300)	(4,401)	629,063	2,703,070
Transfer of funds	(227,598)	-	-	540	-	-	-	227,058	-
Balance as at 31 August 2022	6,317,508	90,802	(55,744)	1,422,942	148,300	66,196	55,627	1,090,020	9,135,651

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of cash flows

for the financial year ended 31 August 2023

	31 August 2023 \$	31 August 2022 \$
Cash flows from operating activities		
Surplus for the financial year	613,272	2,753,698
Adjustments for:		
Depreciation of plant and equipment	40,677	13,435
Depreciation of right-of-use assets	460,596	494,028
Interest income	(43,595)	(57,317)
Interest on lease liabilities	73,032	90,776
Operating surplus before working capital changes	1,143,982	3,294,620
Inventories	67,261	(47,366)
Receivables	16,131	23,394
Payables	46,178	(9,843)
Net cash generated from operating activities	1,273,552	3,260,805
Cash flows from investing activities		
Interest received	43,595	57,317
Purchase of plant and equipment	(717,903)	(1,107,440)
Sale of other investments	500,000	621,708
Purchase of other investments	(543,243)	(676,399)
Net cash used in investing activities	(717,551)	(1,104,814)
Cash flows from financing activities		
Interest paid	(73,032)	(90,776)
Repayment of lease liability	(452,228)	(477,707)
Net cash used in financing activities	(525,260)	(568,483)
Net increase in cash and cash equivalents	30,741	1,587,508
Cash and cash equivalents at beginning of year	6,238,558	4,651,050
Cash and cash equivalents at end of financial year	6,269,299	6,238,558

Reconciliation of liabilities arising from financing activities, excluding equity items

The following is the disclosures of the reconciliation of items for which cash flows have been, or would be, classified as financing activities, excluding equity items:

	1 September 2022 \$	Non-cash items		Cash flow		31 August 2023 \$
		Lease Addition*	Interest accretion	Receipt/ (payment)	Interest paid	
Lease liabilities	1,942,644	28,315	73,032	(452,228)	(73,032)	1,518,731

	1 September 2021 \$	Non-cash items		Cash flow		31 August 2022 \$
		Lease Addition*	Interest accretion	Receipt/ (payment)	Interest paid	
Lease liabilities	2,397,501	22,850	90,776	(477,707)	(90,776)	1,942,644

* This includes addition/reduction of provision for reinstatement costs

Notes to the financial statements

for the financial year ended 31 August 2023

1 General information

The Boys' Brigade in Singapore (the "Society") is a charity registered under the Charities Act 1994, and the Societies Act, 1966. The Society is also an approved Institution of a Public Character ("IPC") under the Income Tax Act, 1947.

The principal activities of the Society is to organise uniformed youth work for educational institutions. The Society's principal place of activities is at 10 Kwong Avenue, Singapore 348884.

The financial statements of the Society for the year ended 31 August 2023 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by the Brigade Executive.

2(a) Basis of preparation

The financial statements are prepared in accordance with provisions of the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars, which is the Society's functional currency. All financial information are presented in Singapore dollars, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, 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 management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period in which the estimate is revised and in any future reporting periods affected.

The areas involving significant judgement and critical accounting estimates and assumptions used are described below.

Significant judgements used in applying accounting policies

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For lease of its premise, the factor that is considered to be most relevant is that there will be costs and business disruption required to replace the leased asset if the Society was to relocate to another leased premise.

Management has included the lease payments for the extension period in the calculation of the lease liabilities and the right-of-use assets as management is reasonably certain that they will exercise the option to extend the lease on the due date (Note 4).

2(a) Basis of preparation (Cont'd)

Significant judgements used in applying accounting policies (Cont'd)

Determining the lease term (Cont'd)

As at 31 August 2023, included in right-of-use assets and lease liabilities are carrying amounts of \$1,399,999 (2022 - \$1,832,279) and \$1,518,731 (2022 - \$1,942,644) respectively relating to the extension period disclosed in Note 4.

The assessment of reasonable certainty to exercise extension options is only revised if a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee.

2(b) Adoption of new and revised standards

On 1 September 2022, the Society has adopted all the new and revised FRSs, interpretations ("INT FRSs") and amendments to FRSs, effective for the current financial year that are relevant to them. The adoption of these new and revised FRS pronouncements does not result in significant changes to the Society's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods.

2(c) FRS issued but not yet effective

At the date of authorisation of these financial statements, the following FRS pronouncements were issued but not yet effective:

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 117	<i>Insurance Contracts</i>	1 January 2023
Amendments to FRS 117	<i>Insurance Contracts</i>	1 January 2023
Amendments to FRS 104	<i>Extension of the Temporary Exemption from Applying FRS 109</i>	1 January 2023
Amendments to FRS 1 and FRS practice Statement 2	<i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to FRS 8	<i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to FRS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to FRS 12	<i>International Tax Reform – Pillar Two Model Rules</i>	1 January 2023
Amendments to FRS 117	<i>Initial Application of FRS 117 and FRS 109 - Comparative Information</i>	1 January 2023
Amendments to FRS 1	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to FRS 116	<i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to FRS 1	<i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to FRS 7 and FRS107	<i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to FRS 110 And FRS 28	<i>Sale of Contributions of Assets between an Investor and its Associate of Joint Venture</i>	Yet to be determined

Management anticipates that the adoption of the standards above will not have a material impact on the financial statements of the Society in the period of their initial adoption.

2(d) Summary of significant accounting policies

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.

Government grants

Government grants are not recognised until there is reasonable assurance that the Society will comply with the conditions attached to them and the grants will be received. Government grants whose primary condition is that the Society should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to statement of financial activities on a systematic and rational basis over the useful lives of the related assets. Deferred income are recognised in statement of financial activities over the periods necessary to match the depreciation, write-off and/or impairment loss of the assets purchased with the related grants. Upon disposal of plant and equipment, the balance of the related deferred income is recognised in statement of financial activities to match the carrying amount of the plant and equipment written off.

Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Society with no future related costs are recognised in statement of financial activities in the period in which they become receivable.

Employee benefits

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Society. The Chief Executive and Deputy Chief Executive are considered key management personnel.

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.

Leases

The Society as lessee

The Society assesses whether a contract is or contains a lease at inception of the contract. The Society recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Society recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2(d) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

The Society as lessee (Cont'd)

(a) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Society uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the Society exercising that option.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Society recognises those lease payments in profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Society has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Society re-measures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

2(d) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

The Society as lessee (Cont'd)

(b) Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and any impairment losses.

Whenever the Society incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Office premises : over lease term of 2 to 5 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Society expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the statement of financial position.

The Society applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Impairment of non-financial assets

As at each reporting date, the Society reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. If any such indication exists, the asset's recoverable amount is estimated.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2(d) Summary of significant accounting policies (cont'd)**Plant and equipment**

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Computers	- 1 year
Air-conditioners	- 2 years
Office equipment	- 2 years
Campsite equipment and canoes	- 2 years
Furniture and fittings	- 2 years
Renovation	- 3 years

Fully depreciated assets still in use are retained in the financial statements.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of financial activities.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Society becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Financial assetsClassification

The Society classifies its financial assets in the following measurement categories:

- amortised cost
- fair value through other comprehensive income ("FVOCI")
- fair value through profit or loss ("FVPL")

The classification depends on the Society's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Society reclassifies investments in debt instruments when and only when its business model for managing those assets changes.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2(d) Summary of significant accounting policies (Cont'd)**Financial assets (Cont'd)**Measurement

At initial recognition, the Society measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset.

There are three subsequent measurement categories, depending on the Society's business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:**
Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a financial asset that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest method.

Financial assets measured at amortised cost include trade receivables, sundry receivables and cash and cash equivalents.

- **FVOCI:**
Financial assets that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is de-recognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

Financial assets measured at FVOCI include other investments.

- **FVPL:**
Financial assets that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

The Society does not have financial assets at FVPL.

De-recognition

The Society de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Society neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Society recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Society retains substantially all the risks and rewards of ownership of a transferred financial asset, the Society continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on de-recognition of a financial asset classified as at FVOCI, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified to profit or loss. In contrast, on de-recognition of an investment in equity instrument which the Society has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the fair value reserve is not reclassified to profit or loss, but is transferred to retained earnings.

2(d) Summary of significant accounting policies (Cont'd)**Financial assets (Cont'd)**Impairment of financial assets

The Society recognises a loss allowance for expected credit losses (“ECL”) on financial assets that are measured at amortised cost or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Society always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Society’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Society recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Society measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within twelve months after the reporting date.

Related parties

A related party is defined as follows:

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

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

2(d) Summary of significant accounting policies (Cont'd)**Interests in joint operations**

BB Sembawang Campsite (the "Campsite") is administered jointly on an equal sharing basis by the Society and the Girls' Brigade Singapore.

The principal activities of the 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 a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the Society undertakes its activities under joint operations, the Society as a joint operator recognises in relation to its interest in a joint operation:

- its share of any assets held jointly;
- 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 share of any expenses incurred jointly.

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

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

Inventories

Inventories, which comprise BB merchandise and uniforms for sale, are measured at the lower of cost and net realisable value. The cost of inventories is based on a weighted average method.

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

Financial liabilities

Financial liabilities include lease liabilities and sundry payables and accruals. 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 de-recognised 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(d) Summary of significant accounting policies (Cont'd)

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 plant and equipment arising from the acquisition or use of assets (Note 8). This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Current and non-current classification

The Society presents assets and liabilities in the statements of financial position based on current or non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Society classifies all other liabilities as non-current.

Functional currencies

Functional and presentation currency

Items included in the financial statements of the Society are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Society are presented in Singapore dollars, which is also the functional currency of the Society.

Financial instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These instruments are recognised when contracted for.

Disclosures on financial risk management objectives and policies are provided in Note 17.

2(d) Summary of significant accounting policies (Cont'd)**Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Society.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its 'highest-and-best use' or by selling it to another market participant that would use the asset in its 'highest-and-best use'.

The Society uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value-in-use in FRS 36 *Impairment of Assets*.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.

Funds

Accumulated Fund refers to the accumulated fund of The Boys' Brigade Headquarters. Other Funds are disclosed in Note 10 to the financial statements.

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

3 Plant and equipment

	The Society \$	The Campsite (50%) \$	Total \$
31 August 2023			
Cost	1,900,024	214,300	2,114,324
Accumulated depreciation	(130,401)	(211,597)	(341,998)
	1,769,623	2,703	1,772,326
31 August 2022			
Cost	1,183,417	213,004	1,396,421
Accumulated depreciation	(92,190)	(209,131)	(301,321)
	1,091,227	3,873	1,095,100

Notes to the financial statements for the financial year ended 31 August 2023

3 Plant and equipment (Cont'd)

The Society	Office equipment \$	Computers \$	Air- conditioners \$	Renovation \$	Total \$
<u>Cost</u>					
At 1 September 2021	34,651	74,355	39,382	93,021	241,409
Additions	60,638	12,024	-	1,030,277	1,102,939
Write-off	(32,901)	(30,069)	(4,940)	(93,021)	(160,931)
At 31 August 2022	62,388	56,310	34,442	1,030,277	1,183,417
Additions	-	-	-	716,607	716,607
At 31 August 2023	62,388	56,310	34,442	1,746,884	1,900,024

Accumulated depreciation

At 1 September 2021	33,778	74,355	39,382	93,021	240,536
Depreciation for the year	8,453	4,132	-	-	12,585
Write-off	(32,901)	(30,069)	(4,940)	(93,021)	(160,931)
At 31 August 2022	9,330	48,418	34,442	-	92,190
Depreciation for the year	30,319	7,892	-	-	38,211
At 31 August 2023	39,649	56,310	34,442	-	130,401

Net book value

At 31 August 2023	22,739	-	-	1,746,884	1,769,623
At 31 August 2022	53,058	7,892	-	1,030,277	1,091,227

The Campsite (50%)	Campsite equipment and canoes \$	Office equipment \$	Furniture and fittings \$	Renovation \$	Total \$
<u>Cost</u>					
At 1 September 2021	59,321	1,007	17,874	134,200	212,402
Additions	4,501	-	-	-	4,501
Write-off	(2,892)	(1,007)	-	-	(3,899)
At 31 August 2022	60,930	-	17,874	134,200	213,004
Additions	1,296	-	-	-	1,296
At 31 August 2023	62,226	-	17,874	134,200	214,300

Accumulated depreciation

At 1 September 2021	59,099	1,007	17,874	134,200	212,180
Depreciation for the year	850	-	-	-	850
Write-off	(2,892)	(1,007)	-	-	(3,899)
At 31 August 2022	57,057	-	17,874	134,200	209,131
Depreciation for the year	2,466	-	-	-	2,466
At 31 August 2023	59,523	-	17,874	134,200	211,597

Net book value

At 31 August 2023	2,703	-	-	-	2,703
At 31 August 2022	3,873	-	-	-	3,873

4 Right-of-use assets and lease liabilities**Right-of-use assets**

Office premises	The Society \$	The Campsite (50%) \$	Total \$
<u>Cost</u>			
At 1 September 2021	2,754,038	514,601	3,268,639
Write-off	(585,492)	-	(585,492)
At 31 August 2022	2,168,546	514,601	2,683,147
Additions	25,630	2,686	28,316
At 31 August 2023	2,194,176	517,287	2,711,463

Accumulated depreciation

At 1 September 2021	743,383	198,949	942,332
Depreciation for the year	399,332	94,696	494,028
Write-off	(585,492)	-	(585,492)
At 31 August 2022	557,223	293,645	850,868
Depreciation for the year	365,084	95,512	460,596
Write-off	-	-	-
At 31 August 2023	922,307	389,157	1,311,464

Net book value

At 31 August 2023	1,271,869	128,130	1,399,999
At 31 August 2022	1,611,323	220,956	1,832,279

Lease liabilities

Office premises	The Society \$	The Campsite (50%) \$	Total \$
2023			
Undiscounted lease payments due:			
- Year 1	423,475	106,670	530,145
- Year 2 to Year 5	1,062,545	35,693	1,098,238
	1,486,020	142,363	1,628,383
Less: Unearned interest cost	(105,521)	(4,131)	(109,652)
Lease liabilities	1,380,499	138,232	1,518,731

Presented as:

- Current	373,037	102,857	475,894
- Non-current	1,007,462	35,375	1,042,837
	1,380,499	138,232	1,518,731

2022

Undiscounted lease payments due:			
- Year 1	417,300	105,115	522,415
- Year 2 to Year 5	1,460,550	140,154	1,600,704
	1,877,850	245,269	2,123,119
Less: Unearned interest cost	(168,506)	(11,969)	(180,475)
Lease liabilities	1,709,344	233,300	1,942,644

Presented as:

- Current	352,806	97,242	450,048
- Non-current	1,356,538	136,058	1,492,596
	1,709,344	233,300	1,942,644

The Society and the Campsite lease their office premises from non-related parties. Their leases have a tenure of 3 years.

4 Right-of-use assets and lease liabilities (Cont'd)

The Society's lease at Kwong Avenue commenced on 1 March 2021 for a period of 3 years up to 28 February 2024. The Society has the option to extend the lease for another 3 years up to 28 February 2027 when the existing lease expires and a further option to extend the lease thereafter up to 31 March 2029. During the previous financial year, the Society capitalised the lease payments for its existing tenure at Kwong Avenue together with the lease payments for the extended lease for another 3 years up to 28 February 2027 as it was not certain that it would renew the lease after 28 February 2027.

The Campsite has an option to renew its existing lease for a further 1 year up to 31 December 2024 and in 2020, it had capitalised the lease payments for its existing lease together with the lease payments for the extended period of 1 year up to 31 December 2024.

The Society and the Campsite separately received a full Temporary Occupation License ("TOL") grant from the Ministry of Education on the lease payments.

Total cash flows for leases of the Society amounted to \$525,260 (2022 - \$568,483).

As at 31 August 2023 and 31 August 2022, the Society does not have any commitments for short-term leases.

5 Other investments

	2023	2022
	\$	\$
Quoted bonds, at FVOCI	1,531,447	973,620
Cash placed in money market fund	26,422	543,091
	<u>1,557,869</u>	<u>1,516,711</u>

These represent quoted investments in bonds in Singapore. The average coupon rate received on the bonds was 3.32% (2022 - 3.32%) per annum. The bonds have maturity dates ranging from 2026 to 2027.

Movement in financial assets at FVOCI:

	2023	2022
	\$	\$
Balance at 1 September	1,516,711	1,512,648
Additions	543,243	676,399
Disposals	(500,000)	(621,708)
Fair value changes:		
- loss from quoted debt instruments	(2,085)	(52,380)
- gain/(loss) from quoted fund	-	1,752
Balance at 31 August	<u>1,557,869</u>	<u>1,516,711</u>

6 Sundry receivables and prepayments

	2023	2022
	\$	\$
Advances	3,500	3,500
Sundry deposits	254,605	232,074
Prepayments	1,587	71,611
Grant receivable	8,841	8,759
	<u>268,533</u>	<u>315,944</u>

Grant receivable of \$8,841 (2022 - \$8,759) represents TOL grant amount due from the Ministry of Education that reimburses lease payments to Singapore Land Authority for the leased office premises.

7 Cash and cash equivalents

	2023 \$	2022 \$
Fixed deposits	-	52,003
Cash and bank balances	6,269,299	6,186,555
	6,269,299	6,238,558

Fixed deposits earned interest at rates ranging from Nil (2022 – 0.2% to 0.25%) per annum.

Included in cash and cash equivalents are amounts belonging to restricted funds as follows:

	2023 \$	2022 \$
Cash and bank balances	3,035,080	2,783,085

8 Provision for reinstatement costs

	2023 \$	2022 \$
Non-current:		
Provision for reinstatement costs for the Campsite	7,800	7,800
Provision for reinstatement costs for the Society	60,350	-
	68,150	7,800
Current:		
Provision for reinstatement costs for the Society	-	60,350

The provision for reinstatement costs represents the present value of the Brigade Executive's best estimate of the future outflow of economic benefits that will be required to restore the leasehold premises that the Society and the Campsite occupy to its original state before it was leased by the Society and the Campsite. The estimate has been made on the basis of quotes obtained from external contractors. The unwinding effects are not material.

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

	2023	Months	2022
The Society	43		55
The Campsite	16		28

9 Sundry payables and accruals

	2023 \$	2022 \$
Accrued operating expenses	147,955	106,032
Advance and deposits	28,765	27,088
BB shop clearing account	2,578	-
	179,298	133,120

Notes to the financial statements for the financial year ended 31 August 2023

10 Other funds

2023	BB/GB Campsite Fund (i) \$	BB Share- A-Gift Fund (ii) \$	Community Services Fund (iii) \$	Jimmy Koh Memorial Fund (iv) \$	BB Alumni Fund (v) \$	BBHQ Develop- ment Fund (vi) \$	Total \$
Income:							
Cash donations	-	337,471	10,000	-	3,200	175,776	526,447
Grants	105,688	-	-	-	-	-	105,688
Rental income	136,176	-	-	-	-	-	136,176
Interest income	196	-	-	-	-	-	196
Other income	912	-	-	-	-	-	912
Total income	242,972	337,471	10,000	-	3,200	175,776	769,419
Expenditure:							
Staff costs (Note 12)	-	84,613	9,028	-	-	-	93,641
Depreciation (Note 3,4)	97,979	-	-	-	-	-	97,979
Interest expense	7,933	-	-	-	-	-	7,933
Office supplies	-	1,728	155	-	-	-	1,883
Programme related expenses	-	136,259	-	-	5,600	-	141,859
Public wish fulfilment purchases	-	34,917	-	-	-	-	34,917
Others	36,454	7,365	5,188	-	-	9,819	58,826
Total expenditure	142,366	264,882	14,371	-	5,600	9,819	437,038
Net surplus/ (deficit) for the year	100,606	72,589	(4,371)	-	(2,400)	165,957	332,381
Inter-division elimination	(22,791)	-	-	-	-	-	(22,791)
	77,815	72,589	(4,371)	-	(2,400)	165,957	309,590
Transfer of funds	-	-	-	-	-	20,220	20,220
	77,815	72,589	(4,371)	-	(2,400)	186,177	329,810
Balance at 1 September 2022	90,802	1,422,942	148,300	66,196	55,627	1,090,020	2,873,887
Balance at 31 August 2023	168,617	1,495,531	143,929	66,196	53,227	1,276,197	3,203,697

Notes to the financial statements for the financial year ended 31 August 2023

10 Other funds (Cont'd)

2022	BB/GB Campsite Fund (i) \$	BB Share- A-Gift Fund (ii) \$	Community Services Fund (iii) \$	Jimmy Koh Memorial Fund (iv) \$	BB Alumni Fund (v) \$	BBHQ Develop- ment Fund (vi) \$	Total \$
Income:							
Cash donations	-	614,050	-	-	3,200	479,143	1,096,393
Grants	105,115	197,428	53,982	-	-	150,000	506,525
Rental income	85,953	-	-	-	-	-	85,953
Interest income	16	-	-	-	-	-	16
Other income	403	-	-	-	-	-	403
Total income	191,487	811,478	53,982	-	3,200	629,143	1,689,290
Expenditure:							
Staff costs (Note 12)	-	66,817	6,440	-	-	-	73,257
Depreciation (Note 3,4)	95,546	-	-	-	-	-	95,546
Interest expense	11,832	-	-	-	-	-	11,832
Office supplies	171	2,792	-	-	-	-	2,963
Programme related expenses	-	66,557	4,419	300	7,601	80	78,957
Public wish fulfilment purchases	-	181,969	-	-	-	-	181,969
Others	23,816	148	-	-	-	-	23,964
Total expenditure	131,365	318,283	10,859	300	7,601	80	468,488
Net surplus/ (deficit) for the year	60,122	493,195	43,123	(300)	(4,401)	629,063	1,220,802
Inter-division elimination	(90,000)	-	-	-	-	-	(90,000)
	(29,878)	493,195	43,123	(300)	(4,401)	629,063	1,130,802
Transfer of funds	-	540	-	-	-	227,058	227,598
	(29,878)	493,735	43,123	(300)	(4,401)	856,121	1,358,400
Balance at 1 September 2021	120,680	929,207	105,177	66,496	60,028	233,899	1,515,487
Balance at 31 August 2022	90,802	1,422,942	148,300	66,196	55,627	1,090,020	2,873,887

- (i) This fund represents the Society's interest in the Campsite.
- (ii) This fund is used for the BB Share-A-Gift project to help the poor and needy.
- (iii) This fund is for community outreach and service purposes.
- (iv) This fund was set up in memorial of late Mr. Jimmy Koh who was a former Boys' Brigade member to fund officers' training, starting of new Companies and book prizes for the boys.
- (v) This fund is set up to help the poor and needy boys of the Society.
- (vi) This fund is set up for the purpose of renovation and repair cost, purchase of furniture, equipment and fittings, training/adventure set-up and equipment, safety and security installation, moving costs and initial community or launch programme.

11 Net loss from BB Shop

	2023 \$	2022 \$
Sales of BB merchandise	154,498	171,696
Costs of merchandise	(116,223)	(129,556)
Facility and event rental expense	(36,722)	(62,550)
Staff and related costs (Note 12)	(41,889)	(31,042)
Others	(1,667)	(5,963)
	(196,501)	(229,111)
Net loss	(42,003)	(57,415)

12 Salaries, bonus, CPF and SDF

	2023 \$	2022 \$
Salaries and related costs:		
- Key management personnel	231,250	239,250
- Staff	581,210	500,772
CPF:		
- Key management personnel	26,793	28,004
- Staff	88,630	75,606
	927,883	843,632

	2023 \$	2022 \$
Represented by staff costs charged to:		
Accumulated Fund	792,353	738,833
BB Share-A-Gift Fund (Note 10)	84,613	66,817
Community Services Fund (Note 10)	9,028	6,440
Salaries, bonus, CPF and SDF (Statement of Financial Activities)	885,994	812,090
BB Shop (Note 11)	41,889	31,042
Programme activities	-	500
	927,883	843,632

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

	2023	2022
\$100,001 - \$150,000	2	2

The members of the Brigade Executive are volunteers and they do not receive remuneration for their services. No Brigade Executive members are employees of the Society.

13 Tax expense

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.

14 Tax exempt receipt

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deductions for the donations made to the Society. The current IPC status granted to the Society is for the period from 30 August 2022 to 29 August 2025. Tax-deductible donations totaling \$1,432,551 (2022 - \$1,698,695) were received during the financial year.

15 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 on terms agreed by the parties concerned:

	2023 \$	2022 \$
Management fee receivable from the Campsite	90,000	90,000
Rental expense paid to Campsite	(67,209)	-
	22,791	90,000

16 Financial instruments by category

Accounting classification of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

	2023 \$	2022 \$
Financial assets at fair value through other comprehensive income		
Other investments	1,557,869	1,516,711
Financial assets at amortised cost		
Trade receivables	54,143	22,864
Sundry receivables *	258,105	235,574
Cash and cash equivalents	6,269,299	6,238,558
	6,581,547	6,496,996
Total financial assets	8,139,416	8,013,707
Financial liabilities at amortised cost		
Sundry payables and accruals **	150,533	106,032
Provision for reinstatement costs	68,150	68,150
Lease liabilities	1,518,731	1,942,644
	1,737,414	2,116,826

* exclude prepayment and grant receivable

** exclude advance and deposit

17 Financial risk management policies and objectives

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.

17.1 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 interest rates. The Society's income and operating cash flows are substantially independent of changes in interest rates as it has no significant floating rate interest bearing financial instruments.

17 Financial risk management policies and objectives (Cont'd)

17.2 Credit risk

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle its financial and contractual obligations to the Society as and when they fall due. The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of financial year in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the statement of financial position.

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

Credit risk exposure in relation to financial assets at amortised costs as at 31 August 2023 and 31 August 2022 is insignificant, and accordingly no credit loss allowance is recognised as at 31 August 2023 and 31 August 2022.

17.3 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The principal activities of the Society are carried out in Singapore dollars. Hence, the Society does not have exposure to foreign currency risk.

17.4 Liquidity risk

Liquidity risk refers to the risk that the Society will encounter difficulties in meeting its short-term obligations due to shortage of funds.

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.

17 Financial risk management policies and objectives (Cont'd)**17.4 Liquidity risk (Cont'd)**

The table below summarises the maturity profile of the Society's non-derivative financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	Less than 1 year \$	Between 2 to 5 years \$	Total \$
31 August 2023			
Sundry payables and accruals *	118,047	-	118,047
Provision for reinstatement cost	60,350	7,800	68,150
Lease liabilities	530,145	1,098,238	1,628,383
	708,542	1,106,038	1,814,580
31 August 2022			
Sundry payables and accruals *	71,322	-	71,322
Provision for reinstatement cost	60,350	7,800	68,150
Lease liabilities	522,415	1,600,704	2,123,119
	654,087	1,608,504	2,262,591

* accrued operating expenses, excluding provision for unutilised leave

18 Fair value measurement**(a) Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 : unobservable inputs for the asset or liability

The following table shows an analysis of the Society's assets measured at fair value:

	Fair value hierarchy			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
31 August 2023				
Assets				
Other investments	1,557,869	-	-	1,557,869
31 August 2022				
Assets				
Other investments	1,516,711	-	-	1,516,711

The fair value of other investments traded in active markets is based on quoted bid market prices at the end of reporting period. The quoted market prices used for financial assets held by the Society is the current bid price. These instruments are included in Level 1.

18 Fair value measurement (Cont'd)

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of financial assets and liabilities with a maturity of less than one year approximate their fair values.

The Society does not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

19 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 for 2023 remains unchanged from 2022.