

The Girls & Boys Brigade

(A Company Limited by Guarantee)

ABN 40 409 258 077

Annual Report for the Financial Year Ended

31 December 2021

THE GIRLS & BOYS BRIGADE

ABN 40 409 258 077

GENERAL PURPOSE FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED

31 DECEMBER 2021

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THE GIRLS & BOYS BRIGADE DIRECTORS' REPORT

The Directors of The Girls & Boys Brigade (the Brigade) submit herewith the annual financial report of the company for the financial year ended 31 December 2021. In order to comply with the provisions of the Australian Charities and Not-for-profits Commission Act 2012, the Directors report as follows:

DIRECTORS

The names and particulars of the members of the Board of the company during or since the end of the financial year are:

John Brehmer Fairfax, AO

President of the Brigade. Appointed to the Board in 1979 and elected President in June 1993. Director of Marinya Capital Pty Limited. Chairman of Jibb Foundation.

Cam Neville Gower Smith

Chairman of the Brigade, appointed to the Board in 1995. Stockbroker with RBS Morgans Limited.

Graham Douglas Bates

Appointed to the Board in 1987. Retired solicitor and former partner and consultant to the legal firm King & Wood Mallesons.

Ruth Armytage, AM

Appointed to the Board in 1990. Director of the Vincent Fairfax Family Foundation.

John Henry Herron

Appointed to the Board in January 2004. Appointed Company Secretary in 2009. Solicitor. Retired April 2021.

Paul Masi

Appointed to the Board in February 2010. Non-Executive Director of Shaw and Partners Ltd, President and Chairman of the Cerebral Palsy Alliance, Chairman of Greenwich Capital Partners Pty Ltd and Non-Executive Director of Argus Property Partners Pty Ltd.

Fiona Louise Ratcliffe

Appointed to the Board May 2011. Director at JBWere Wealth Management and on the Development Committee for Bell Shakespeare.

Michael James Forsdick

Appointed to the Board September 2013. Treasurer of the Brigade from January 2014. Chartered Accountant. Chairman of Fauna & Flora International Australia

Antony Paul Strutt

Appointed to the Board May 2015.

Kylie Jane Macdonald

Appointed to the Board June 2016. Principal/Investment & Philanthropy Adviser Morgans Financial Ltd – Mona Vale. Director - Light Earth Foundation.

Andrew Vincent Fairfax

Appointed to the Board in May 2020. Company Director. Director of Vincent Fairfax Family Foundation and Jibb Foundation.

THE GIRLS & BOYS BRIGADE DIRECTORS' REPORT (Continued)

MEETING OF DIRECTORS

The following sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each Director.

	Board Meetings Held	Attended
John Brehmer Fairfax, AO	8	2
Cam Neville Gower Smith	8	8
Graham Douglas Bates	8	7
Ruth Armytage, AM	8	8
John Henry Herron	8	0
Paul Masi	8	7
Fiona Louise Ratcliffe	8	6
Michael James Forsdick	8	7
Antony Paul Strutt	8	7
Kylie Jane Macdonald	8	4
Andrew Vincent Fairfax	8	8

PRINCIPAL ACTIVITIES

The company's principal activities in the course of the financial year were the provision of recreational, educational and development activities for children and youth between the ages of 5 to 18 years old. We continue to work in close co-operation with the City of Sydney Council in providing our premises for use by the Surry Hills Children's Program. We are registered under the Charitable Fundraising Act 1991.

REVIEW OF OPERATIONS

The surplus from ordinary activities after income tax for the year ended 31 December 2021 amounted to \$92,778 (2020: \$154,495 surplus)

The year was significantly impacted by the Covid 19 pandemic and attendances over all programs, excluding Family Support were 5,846. Family Support occurrences for the whole year were 501. Operational days were approx. 245 days. 1,500+ deliveries were made across pantry, dinners, vacation care packs, homework and education materials.

During the year, \$1,175,000 was received to specifically fund capital works on the company's premises. The majority of this work is expected to be carried out in 2022. As of 31 December 2021, \$1,131,207 has been deferred (included within Note 7 in the notes to the financial statements) and is expected to be recognised in the 2022 financial period.

CHANGES IN STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the company other than that referred to in the financial statements or notes thereto.

SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

**THE GIRLS & BOYS BRIGADE
DIRECTORS' REPORT (Continued)**

FUTURE DEVELOPMENTS

There are no likely developments in the operations of the company, which would affect the expected results in subsequent financial years, to which Directors wish to bring attention.

ENVIRONMENT REGULATIONS

The company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

DIVIDENDS

The company has no share capital, as it is a company limited by guarantee. This means it is precluded from paying a dividend to its members, and therefore, no dividends have been declared, recommended or paid since the close of the last financial year.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year the company paid a premium in respect of a contract insuring the Directors of the company (as named above), the Company Secretary and all Executive Officers of the company against a liability incurred as such a Director, Secretary or Executive Officer to the extent permitted by the Australian Charities and Not-for-profits Commission Act 2012. The contract of insurance prohibits disclosure of the nature of the liability and amount of the premium.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company against a liability incurred as such an officer or auditor.

DIRECTORS' BENEFITS

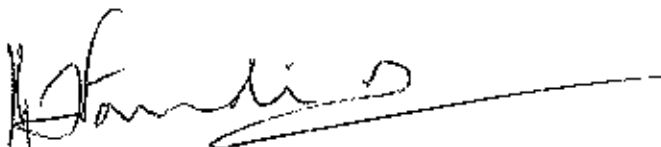
Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of any contract made by the company with any Director or with a firm of which the Director is a member or with an entity in which the Director has a substantial financial interest.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 5.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



M J Forsdick
Director

Sydney

Date: 14/10/22

The Board of Directors
The Girls and Boys Brigade
404 Riley Street,
Surry Hills NSW 2010

14 June 2022

Dear Board Members

The Girls and Boys Brigade

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of The Girls and Boys Brigade.

As lead audit partner for the audit of the financial statements of The Girls and Boys Brigade for the financial period ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Margaret Dreyer
Partner
Chartered Accountants

Independent Auditor's Report to the Members of The Girls & Boys Brigade

Opinion

We have audited the financial report of The Girls and Boys Brigade (the "Entity") which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 9 to 25. In addition, we have audited the Entity's compliance with specific requirements of the *Charitable Fundraising Act 1991* for the year ended 31 December 2021.

In our opinion,

- a) the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:
 - (i) giving a true and fair view of the Entity's financial position as at 31 December 2021 and of its financial performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*;
- b) the financial report agrees to the underlying financial records of the Entity, that have been maintained, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations for the year ended 31 December 2021; and
- c) monies received by the Entity as a result of fundraising appeals conducted during the year ended 31 December 2021, have been utilised for, and applied, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report and Compliance with Specific Requirements of the Charitable Fundraising Act 1991* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report and compliance with specific requirements of the *Charitable Fundraising Act 1991* in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

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

Responsibilities of the Directors for the Financial Report

The Directors of the Entity is responsible for compliance with the *Charitable Fundraising Act 1991* and the preparation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error, and to enable compliance with the *Charitable Fundraising Act 1991*.

In preparing the financial report, management is responsible for assessing the ability of the Entity 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 intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report and Compliance with Specific Requirements of the Charitable Fundraising Act 1991

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and the Entity complied, in all material respects, with specific requirements of the *Charitable Fundraising Act 1991*, 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 the Australian Auditing Standards 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 this financial report.

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

- Identify and assess the risks of non-compliance with the specific requirements of the *Charitable Fundraising Act 1991* and the risks of material misstatement of the financial report, 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 Entity'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 the directors' 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 Entity'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 report 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Inherent Limitations

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance with the *Charitable Fundraising Act 1991* may occur and not be detected. An audit is not designed to detect all weaknesses in the Entity's compliance with the *Charitable Fundraising Act 1991* as an audit is not performed continuously throughout the period and the tests are performed on a sample basis. Any projection of the evaluation of the compliance procedures to future periods is subject to the risk that the procedures, may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We communicate with management 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Dreyer

Margaret Dreyer
Partner
Chartered Accountants

Sydney, 14 June 2022

THE GIRLS & BOYS BRIGADE

DIRECTORS' DECLARATION

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and,
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including compliance with accounting standards and giving a true and fair value of the financial position and performance of the company.

INFORMATION AND DECLARATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991

Declaration

In respect of fundraising appeals in accordance with the Charitable Fundraising Act 1991.

The Directors declare that:

- a) the financial statements give a true and fair view of all income and expenditure of The Girls & Boys Brigade organisation with respect to fundraising appeals for the financial year ended 31 December 2021;
- b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals as at 31 December 2021;
- c) the provisions of the Act, the regulations under the Act and the conditions attached to the Authority have been complied with; and
- d) the internal controls exercised by The Girls & Boys Brigade are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



M. J. Forsdick
Director

Sydney

Date: 14/6/22

THE GIRLS & BOYS BRIGADE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Notes	2021 \$	2020 \$
Revenue	2	1,613,320	1,447,061
Supervision, instructional & recreational activities		(773,797)	(709,257)
Administration		(269,279)	(188,147)
Portfolio Management Fees		(9,023)	(8,173)
Fundraising expenses		(468,443)	(386,989)
Surplus before income tax expense		92,778	154,495
Income tax expense	1(b)	-	-
Surplus for the year		92,778	154,495
Total comprehensive surplus for the year		92,778	154,495

Notes to the financial statements are included on pages 14 to 25.

THE GIRLS & BOYS BRIGADE
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		2021	2020
		\$	\$
CURRENT ASSETS	Notes		
Cash and cash equivalents	14 (a)	1,530,730	304,702
Other assets	4	<u>54,605</u>	<u>21,246</u>
TOTAL CURRENT ASSETS		<u>1,585,335</u>	<u>325,948</u>
NON-CURRENT ASSETS			
Financial assets	3	872,620	784,134
Property, plant and equipment	8	<u>244,920</u>	<u>228,095</u>
TOTAL NON-CURRENT ASSETS		<u>1,117,540</u>	<u>1,012,229</u>
TOTAL ASSETS		<u>2,702,875</u>	<u>1,338,177</u>
CURRENT LIABILITIES			
Payables	5	32,858	36,988
Provisions	6	75,607	52,742
Other liabilities	7	1,380,207	151,000
Lease liabilities	9	<u>7,954</u>	<u>9,969</u>
TOTAL CURRENT LIABILITIES		<u>1,496,626</u>	<u>250,699</u>
NON-CURRENT LIABILITIES			
Provisions	6	52,736	40,761
Lease Liabilities	9	<u>27,872</u>	<u>13,854</u>
TOTAL NON-CURRENT LIABILITIES		<u>80,608</u>	<u>54,615</u>
TOTAL LIABILITIES		<u>1,577,234</u>	<u>305,314</u>
NET ASSETS		<u>1,125,641</u>	<u>1,032,863</u>
RETAINED SURPLUS	10	1,125,641	1,032,863
		<u><u>1,125,641</u></u>	<u><u>1,032,863</u></u>

Notes to the financial statements are included on pages 14 to 25.

THE GIRLS & BOYS BRIGADE
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Retained Surplus
	\$
Balance at 1 January 2020	878,368
Surplus for the year, representing total comprehensive surplus for the year	<u>154,495</u>
Balance at 31 December 2020	<u>1,032,863</u>
Balance at 1 January 2021	1,032,863
Surplus for the year, representing total comprehensive surplus for the year	<u>92,778</u>
Balance at 31 December 2021	<u>1,125,641</u>

Notes to the financial statements are included on pages 14 to 25.

THE GIRLS & BOYS BRIGADE

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donors/supporters		2,733,926	1,299,447
Payments to suppliers and employees		(1,472,783)	(1,224,825)
Interest received		<u>115</u>	<u>286</u>
Net cash provided/(used) by operating activities	14 (b)	<u>1,261,258</u>	<u>74,908</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of Shares		(148,916)	(97,664)
Sale of Shares		147,091	70,786
Income from investments, net of portfolio management fees		20,088	26,966
Purchase of property, plant & equipment		<u>(43,793)</u>	<u>(15,650)</u>
Net cash (used)/provided by investing activities		<u>(25,530)</u>	<u>(15,562)</u>
CASH FLOWS FROM FINANCING ACITIVIES			
Repayment of lease liabilities		<u>(9,700)</u>	<u>(9,250)</u>
Net cash used in financing activities		<u>(9,700)</u>	<u>(9,250)</u>
Net increase in cash and cash equivalents		1,226,028	50,096
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>304,702</u>	<u>254,606</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	14 (a)	<u>1,530,730</u>	<u>304,702</u>

Notes to the financial statements are included on pages 14 to 25.

THE GIRLS & BOYS BRIGADE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Accounting Standards and complies with the other requirements of law and the Charitable Fundraising Act 1991 (NSW).

Accounting Standards include Australian equivalents to International Financial Reporting Standards ("A-IFRS"). A statement of compliance with IFRS cannot be made due to the application of not for profit sector specific requirement contained in the A-IFRS.

Basis of Preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions
AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2

The amendments above did not have any material impact to the amounts recognised in the prior periods and are not expected to have a significant effect the current or future periods.

(a) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life. The following estimated useful lives are used in the calculation of depreciation:

- Land and Buildings 15 years
- Equipment 5-10 years
- Computer Equipment 2–2½ years
- Camping and Recreation Equipment 5-10 years

From 1 January 2021, the company adopted a new policy where any property, plant and equipment with an original cost of less than \$3,000 will be immediately expensed.

(b) Taxation

The Girls & Boys Brigade has been granted exemption from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

THE GIRLS & BOYS BRIGADE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits which are expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to the reporting date.

Defined Contributions Plans

Contributions to defined contribution superannuation plans are expensed when incurred.

(d) Financial Liabilities

Trade payables are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services. Income received in advance is recognised when the full recognition criteria of the monies received from donors have not been met.

(e) Revenue Recognition

Donations and contributions

Revenue in the form of bequests, donations, contributions and ‘in kind’ sponsorships is recognised in the year in which it is received. Donations in respect of specific projects or activities received in advance are recognised as income over the periods necessary to match them with the related costs, which they are intended to compensate on a systematic basis.

Interest revenue

Interest revenue is recognised as it accrues.

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Financial Assets

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'net realised/unrealised gains and losses' line item. For listed equities fair value is determined at year end based on quoted market price, level 1 input in the fair value hierarchy.

(h) Going Concern

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis, which has been used in the preparation of these financial statements. The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of The Girls & Boys Brigade to continue as a going concern.

On the basis of their assessment of the Company's financial position and of the enquires made, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases

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

The Company as a lessee

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

Right-of-use assets

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

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and lease of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (defined as leases with a lease term of 12 months or less). It also applies the lease of low-value assets recognition exemption to leases of assets to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Critical accounting judgement and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgments, estimates and assumptions about carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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.

(k) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective:

(i) Standard/Interpretation	(ii) Effective for annual reporting periods beginning on or after	(iii) Expected to be initially applied in the financial year ending
<i>AASB 2020-1 Amendments to AASs – Classification of Liabilities as Current or Non-Current</i>	1 January 2023	31 December 2023
<i>AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i>	1 July 2021	31 December 2022
<i>2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 January 2023	31 December 2023

The Directors of the Brigade anticipate that the adoption of the Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Brigade.

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SURPLUS FROM ORDINARY ACTIVITIES

The operating surplus includes the following items of revenue and expense:

	2021	2020
	\$	\$
OPERATING REVENUE		
Donations	925,727	990,584
Charity Events	272,161	126,360
Donation for the Basement Refurbishment	43,793	-
Income from Investments	30,848	25,463
Net unrealised gain on Investments	66,958	17,444
Net realised gain/(loss) on Investments	19,703	(6,355)
GBB Foundation Distribution	240,000	192,500
Interest	115	286
Parents' Contributions	-	579
Paid Parental Leave	13,570	-
Rent Received	200	200
Workers Compensation Payment	245	-
Federal Government Covid Support	-	100,000
TOTAL OPERATING REVENUE	1,613,320	1,447,061
EXPENSES		
Employee Benefit Expenses	1,123,349	924,025

3. FINANCIAL ASSETS

Opening Investment Portfolio at cost	784,134	746,167
Purchases at cost	148,916	97,664
Sales at cost	(147,091)	(70,786)
Net unrealised gain on Investments	66,958	17,444
Net realised gain/(loss) on Investments	19,703	(6,355)
Market Value of Investment Portfolio	872,620	784,134

The fair values of financial assets are based on valuation provided by professional fund managers. The funds are in diversified portfolios of various asset classes managed by professional fund managers recommended by the Board.

4. OTHER CURRENT ASSETS

Debtors	11,437	-
Accrued Income	8,102	6,365
Prepayments	35,066	14,881
	54,605	21,246

5. CURRENT PAYABLES

Trade Payables	32,858	36,988
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THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. PROVISIONS

	2021	2020
	\$	\$
Employee Benefits		
Current Provision		
Annual Leave	66,952	44,873
Long Service Leave	8,655	7,869
	75,607	52,742
Non-Current Provision		
Long Service Leave	52,736	40,761

7. OTHER CURRENT LIABILITIES

Income Received in Advance	1,380,207	151,000
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8. PROPERTY, PLANT & EQUIPMENT

	Land and Buildings \$	Computers \$	Camping & Recreation Equipment \$	Equipment \$	Right- of-use asset \$	Total \$
Balances as at 1st January 2020	448,469	92,043	11,590	16,998	33,073	602,173
Additions	90,000	6,010	-	9,640	-	105,650
Disposals	(19,464)	(48,419)	(1,171)	(2,170)	-	(71,224)
Balances as at 31st December 2020	519,005	49,634	10,419	24,468	33,073	636,599
Balances as at 1st January 2021	519,005	49,634	10,419	24,468	33,073	636,599
Additions	43,793	-	-	-	39,285	83,078
Disposals	(6,924)	(18,138)	(10,419)	(10,543)	(33,073)	(79,097)
Balances as at 31st December 2021	555,874	31,496	-	13,925	39,285	640,580
Accumulated Depreciation						
Balance as at 1st January 2020	(316,011)	(73,532)	(10,525)	(13,859)	-	(413,927)
Disposal of Assets	7,235	38,964	1,171	2,170	-	49,540
Depreciation Expense	(21,122)	(8,956)	(672)	(3,918)	(9,449)	(44,117)
Balances as at 31st December 2020	(329,898)	(43,524)	(10,026)	(15,607)	(9,449)	(408,504)
Balance as at 1st January 2021	(329,898)	(43,524)	(10,026)	(15,607)	(9,449)	(408,504)
Disposal of Assets	4,085	12,028	10,026	7,218	15,748	49,105
Depreciation Expense	(24,636)	-	-	(2,052)	(9,573)	(36,261)
Balances as at 31st December 2021	(350,449)	(31,496)	-	(10,441)	(3,274)	(395,660)
Net Book Value						
As at 31st December 2020	189,107	6,110	393	8,861	23,624	228,095
As at 31st December 2021	205,425	-	-	3,484	36,011	244,920

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9. LEASE LIABILITIES

	2021	2020
	\$	\$
Current	7,954	9,969
Non-current	27,872	13,854
	<u>35,826</u>	<u>23,823</u>

10. RETAINED SURPLUS

Balance at beginning of financial year	1,032,863	878,368
Net surplus	92,778	154,495
Balance at end of financial year	<u>1,124,641</u>	<u>1,032,863</u>

12. AUDITORS' REMUNERATION

The auditors did not receive fees for their service nor any other benefits.

13. SEGMENTAL INFORMATION

The Brigade operates wholly within Australia for the provision of recreational, educational and several activities to children and youth in the 5 to 18 year range.

14. NOTES TO CASH FLOW STATEMENT

(a) Reconciliation of cash

For the purpose of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2021	2020
	\$	\$
Westpac – Cash at bank	343,574	105,504
Westpac – Maxi-I Direct Account	1,127,150	150,539
Macquarie Bank - Cash Management Account	60,006	48,659
	<u>1,530,730</u>	<u>304,702</u>

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14. NOTES TO CASH FLOW STATEMENT (CONTINUED)

(b) Reconciliation of net cash provided by operating activities to operating surplus for the year

	2021 \$	2020 \$
Operating surplus	92,778	154,495
Adjustment for:		
Depreciation	36,261	44,117
Income from Investments	(21,825)	(25,411)
Net unrealised (gain) on investments	(66,958)	(17,444)
Net realised (gain)/loss on investments	(19,703)	6,355
Loss on disposal of plant and equipment	12,410	21,684
Donation in kind – plant and equipment	-	(90,000)
Changes in net assets and liabilities:		
Increase /(Decrease) in employee entitlements	34,840	(21,707)
Decrease in other current assets	(31,622)	(1,845)
(Decrease) /Increase in trade and other payables	(4,130)	15,280
Increase /(Decrease) in income received in advance	1,229,207	(10,616)
Net cash provided/(used) by operating activities	<u>1,261,258</u>	<u>74,908</u>

15. MEMBERS GUARANTEE

The company is limited by guarantee. In the event of a winding up, the 11 members are limited in their liability to the amount of \$1 to meet outstanding obligations as per the company's Articles of Association.

16. ADDITIONAL COMPANY INFORMATION

The Girls and Boys Brigade is a public company limited by guarantee, incorporated and operating in Australia.

Registered Office and Principal Place of Business:
404 Riley Street
Surry Hills NSW 2010

17. RELATED PARTY DISCLOSURES

The Directors in office during the financial year were:

J B Fairfax, AO
C N G Smith
G D Bates
R Armytage, AM
J H Herron (Retired April 2021)
P Masi
F Ratcliffe
M J Forsdick
A P Strutt
K J Macdonald
A V Fairfax

There were no related party transactions during the financial year other than the donations received from the Directors. No directors had financial dealings with the Company or received remuneration from the Company.

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18. FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(b) Interest Rate Risk

Interest rate risk represents the amount that would be recognised if interest rates changed in respect of the company's interest bearing assets and/or liabilities. The change in interest rates could have either a positive or negative impact on the company. The Girls and Boys Brigade seeks to manage its cash position to meet its day-to-day operating needs and maximise net interest income.

The following table details the company's exposure to interest rate risk as at the 31 December 2021 and 31 December 2020:

	Note	Weighted Average Interest Rate %	Amount of Asset Held or Liability Incurred at Floating Interest Rate \$	Non Interest Bearing \$	Total \$
31 December 2021					
Financial Assets					
Cash at bank	14	0.10	1,530,730	-	1,530,730
Investments (current)	3	-	-	-	-
Other	4	-	-	54,605	54,605
Investments (non current)	3	-	-	872,620	872,620
Financial Liabilities					
Payables	5	-	-	32,858	32,858
Lease liabilities	9	2.16	35,826	-	35,826
31 December 2020					
Financial Assets					
Cash at bank	14	0.10	304,702	-	304,702
Investments (current)	3	-	-	-	-
Other	4	-	-	21,246	21,246
Investments (non current)	3	-	-	784,134	784,134
Financial Liabilities					
Payables	5	-	-	36,988	36,988
Lease liabilities	9	2.16	23,823	-	23,823

(c) Fair Value of Financial Instruments

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

(d) Other Price Risk

The Girls & Boys Brigade is exposed to market risks arising from investments. Investments are held for long term gain rather than trading purposes.

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19. ADDITIONAL INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991

(a) Details of aggregate gross income and direct expenses of Fundraising Strategies

2021	Gross Proceeds \$	Cost \$	Net surplus (deficit) \$
Direct mail donor appeals	449,764	-	449,764
Donations for Operational Expenditure	519,756	-	519,756
Donations from The Girls & Boys Brigade Foundation	240,000	-	240,000
Charity Events	272,161	81,419	190,742
General Fundraising Expenses	-	387,023	(387,023)
	<u>1,481,681</u>	<u>468,442</u>	<u>1,013,239</u>
2020	Gross Proceeds \$	Cost \$	Net surplus (deficit) \$
Direct mail donor appeals	323,098	-	323,098
Donations for Operational Expenditure	567,326	-	567,326
Donations from The Girls & Boys Brigade Foundation	192,500	-	192,500
Donations in kind, including office refurbishment	100,160		100,160
Charity Event – Golf Day	126,360	36,378	89,982
General Fundraising Expenses	-	350,611	(350,611)
	<u>1,309,444</u>	<u>386,989</u>	<u>922,455</u>

(b) Statement Showing How Funds Were Applied for Charitable Purposes:

	2021 \$	2020 \$
Net surplus from fundraising	1,013,239	922,455

This was applied to charitable purposes as funds were incorporated into operational income to meet operational expenditure and capital works.

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19. ADDITIONAL INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991 (continued)

(c) Comparisons of certain monetary figures and percentages

The total cost of fundraising expressed as a percentage of gross proceeds:

	2021	2020
Total Cost	468,442	386,989
Gross Proceeds	1,481,681	1,309,444
Percentage	31.62%	29.55%

The net surplus from fundraising appeals expressed as a percentage of gross proceeds from fundraising is:

	2021	2020
Net surplus from fundraising	1,013,239	922,455
Gross Proceeds	1,481,681	1,309,444
Percentage	68.38%	70.45%

The total cost of services provided by the holder of the authority to the total expenditure excluding fundraising expenses:

	2021	2020
Total Cost of Service	773,797	709,257
Net Expenditure	1,043,077	897,404
Percentage	74.18%	79.03%

The total cost of services provided by the holder of the authority to the net fundraising surplus:

	2021	2020
Total Cost of Service	773,797	709,257
Net surplus from fundraising	1,013,239	922,455
Percentage	76.37%	76.89%

20. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

THE GIRLS & BOYS BRIGADE

SUPPLEMENTARY FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 DETAILED INCOME STATEMENT

	2021	2020
	\$	\$
Income		
Fundraising Income		
Donations	441,264	323,098
Funding from Charitable Trusts & Foundations, Corporations & Community	519,756	567,326
Bequests	8,500	-
GBB Foundation Donation	240,000	192,500
Donations in kind	-	100,160
Charity Events	272,161	126,360
Total Income from Fundraising	<u>1,481,681</u>	<u>1,309,444</u>
Other Income		
Federal Government Covid Support	-	100,000
Rent	200	200
Interest Received	115	286
Paid Parental Leave	13,570	-
Workers Compensation Payment	245	-
Parents Contributions	-	579
Total Other Income	<u>14,130</u>	<u>101,065</u>
Investment Income		
Net Income from Investments	22,816	19,709
Imputation Credits	8,032	5,754
Net unrealised gain on Investments	66,958	17,444
Net realised gain /(loss) on Investments	19,703	(6,355)
Total Investment Income	<u>117,509</u>	<u>36,552</u>
Total Income	<u>1,613,320</u>	<u>1,447,061</u>
Expenses		
Administration	269,279	188,147
Portfolio Management Fees	9,023	8,173
Program & Service Expenses:		
Children's Program	394,924	407,607
Youth Program	166,583	204,213
Family Support	212,290	97,437
Total Program & Service Expenses	<u>773,797</u>	<u>709,257</u>
Fundraising Expenses:		
Charity Events	81,419	36,378
General Fundraising Expenses including wages	387,024	350,611
Total Fundraising Expenses	<u>468,443</u>	<u>386,989</u>
Total Expenses	<u>1,520,542</u>	<u>1,292,566</u>
Net operating surplus	<u>92,778</u>	<u>154,495</u>