



**57th ANNUAL GENERAL MEETING OF THE
BERMUDA BRANCH OF THE BRITISH RED CROSS SOCIETY
& BERMUDA RED CROSS CHARITABLE TRUST**

Wednesday, 28th September, 2022
Bermuda Red Cross Headquarters
12:30 pm

AGENDA

- | | |
|-------------------------------------|------------------------------|
| 1. Chair opens meeting | Mr. Brian Gonsalves |
| 2. Notice of Quorum | Mrs. Sharon Lee Evans Dawson |
| 3. Reading of Principles | Staff |
| 4. Chair Update | Mr. Brian Gonsalves |
| 5. Executive Director's Report | Mrs. Ann Spencer-Arscott |
| 6. Approval of minutes | |
| 7. Treasurer's Report | Mr. Richard Lightowler |
| 8. Approval of financials | |
| 9. Services Report | |
| 10. Appointment of Auditors | Mr. Brian Gonsalves |
| 11. Election of Board of Governors | |
| • Introduction of New Board Members | |
| 12. Any other business | |
| 13. Closing of Meeting | Mr. Brian Gonsalves |

MINUTES of the 56th Annual General Meeting of the
Members of Bermuda Red Cross ("BeRC") held at
Charleswood, 9 Berry Hill Road, Paget DV 03 on Wednesday 29
September 2021 at 12:30p.m. and conducted by teleconference.

MEMBERS PRESENT

DIRECTORS: Steve Cosham
Jasmine Garstang - Treasurer
Brian Gonsalves - Chair
Neil Joy
Richard Lightowler
Dr Vanessa Philips-Williams
Randy Simons

STAFF: Ann Spencer-Arscott - Executive Director
Sharon Evans - Recording Secretary
Susan Baron
Maria Duffy
Diane Gordon
Claire-Anne Raynor
Dukarai Richardson-Burgess - Staff Intern
Petra Spencer-Arscott
Novella Waldron

GENERAL MEMBERS: Susan Black
Lisa Brewster
Mana Heydarpour
Roger Kendall
Richard Lathan
Marva Phillips-Williams
Carmalita Simmons
Janet Pinky Todd
Cynthy Thompson

1. **CHAIRMAN**

Brian Gonsalves chaired the meeting and Sharon Evans acted as secretary to the meeting.

2. **CONFIRMATION OF NOTICE AND QUORUM**

The Chairman confirmed that notice of the meeting had been given to all Members and Claire-Anne Raynor confirmed that there was a quorum.

3. **PRINCIPLES**

The 7 Fundamental Principles were read out by members of the staff of the BeRC.

4. **MINUTES**

The minutes of the Annual General Meeting of the Members held on 21 October 2020, were approved and accepted by Roger Kendall and seconded by Claire-Anne Raynor.

Documents were emailed prior to the meeting, and some printed copies were available for review.

5. **TREASURER'S REPORT**

NOTED THAT the draft financial statements of the Bermuda Red Cross Charitable Trust and the Bermuda Red Cross for the financial year ended 31 December 2020, together with the Treasurer's Reports thereon, were laid before the meeting, and read by Jasmine Garstang, copies of which are attached and form part of these minutes.

Once finalised, the final audited copies will be submitted to the Charities Commission and published on the BeRC website.

The Chair thanked the Treasurer for her service noting that she was stepping down.

On behalf of the Board and the BeRC, the Chair expressed gratitude to the Auditors for their in-kind donation of their audit fees for 2020.

Richard Lightowler noted that 2020 had been a challenging year in particular because of COVID-19, its negative impact on fundraising and considerable time spent to ensure a positive cashflow in order that the Association could keep its doors open. He expressed on behalf of the Finance Committee, the Board and Members his gratitude to the staff for accepting salary cuts for 4 months, from May through August.

The Executive Director reported that she would circulate the Bermuda Red Cross Charitable Trust draft financial statements for the financial year ended 31 December 2020 immediately following the meeting.

6. **APPROVAL OF FINANCIALS**

The Draft Financial Statements and Independent Auditors' Report for the year ended 31 December 2020 were proposed by Jasmine Garstang and seconded by Diane Gordon.

7. **CHAIR UPDATE**

Brian Gonsalves read his Chairman's Report, a copy of which is attached and forms part of these minutes. There were no questions from the attendees.

8. **EXECUTIVE DIRECTOR'S REPORT**

The Executive Director of the BeRC presented her report for the year 2020, the 56th year of the Bermuda Branch, a copy of which is attached and forms part of these minutes. There were no questions from the attendees.

9. **SERVICES REPORT**

Copies were circulated via email prior to the AGM and copies will be available after the meeting upon request.

Richard Lightowler expressed his gratitude to staff and volunteers. There were no questions raised by the attendees concerning the Programme/Services Report.

10. **APPOINTMENT OF AUDITOR**

Arthur Morris & Company Limited have graciously offered to conduct our Audit for the 2021 year as an in-kind donation. proposed by Petra Spencer-Arscott and seconded by Susan Baron.

RESOLVED THAT Arthur Morris & Company Limited be and are hereby appointed as Auditor of the BeRC to hold office until the conclusion of the next annual general meeting.

11. **INTRODUCTION OF NOMINEES**

Roger Kendall proposed the slate of offices for election, which was seconded by Susan Black.

12. **ELECTION OF THE BOARD OF GOVERNORS**

It was noted that Jasmine Garstang wished to stand down from the Board and as Treasurer due to time commitments. She will continue to work with Susan Baron on the management accounts. Consequently, we are now in search of a new Treasurer and Board member who can liaise with Jasmine and Susan.

RESOLVED THAT:

- (i) The maximum number of Board of Governors be twelve.
- (ii) The following persons be and are hereby appointed as Governors, until the next Annual General Meeting or until their appointment is terminated in accordance with the Constitution of the BeRC:

Brian Gonsalves – Chair

Richard Lightowler – Deputy Chair

Jordon Madeiros

Stephen Cosham

Neil Joy

Randolph Simons

Dr. Vanessa Phillips-Williams

- (iii) the follow person be and is hereby appointed as Recording Secretary until the next Annual General Meeting or until her appointment is terminated in accordance with the Constitution of the BeRC:

Sharon Lee Evans (a.k.a. Dawson)

- (iv) The Board of Governors may fill any vacancy in their number left unfilled for any reason.

13. ANY OTHER BUSINESS

a. Front Porch repairs was raised. The Executive Director advised that the issue was more the stair handrails and the portico pulling back from the building. She noted that it would cost approx. \$100k to demolish and renovate versus demolishing the whole building. She advised that BeRC was awaiting Planning permission to the subdivision application as the sale of the subdivided front lot would generate the necessary funds to demolish and rebuild the Gamble building. In the meantime, the BeRC was looking for alternative space for the Thrift Shop to avoid public and staff using the stairs. Richard Lightowler noted that it was a timing and financing challenge to stretch the life of the building within the current financial constraints. The Chair asked members to advise himself or the Executive Director on suggestions for any usable space for the Thrift Shop.

b. The New Board Members were introduced by the Chair and their roles:

- Dr Vanessa Philips Williams – Disaster Mgmt
- Steve Cosham - Chair Strategy Planning
- Randy Simons – HR Specialist
- Neil Joy – Chair Fundraising Committee

In addition, we are looking for a new Finance Board Member

14. CLOSE

The Chair thanked members for their attendance and those who were able to join via zoom. As the reports presented have indicated, the BeRC has had a busy year. The Chair wished to recognize the dedication of the Board, staff and volunteers in continuing the BeRC's efforts and accomplishments in the community. He extended the Board's gratitude to our Executive Director for her leadership and commitment to the organization.

There being no further business, the proceedings then concluded at 1:16pm.

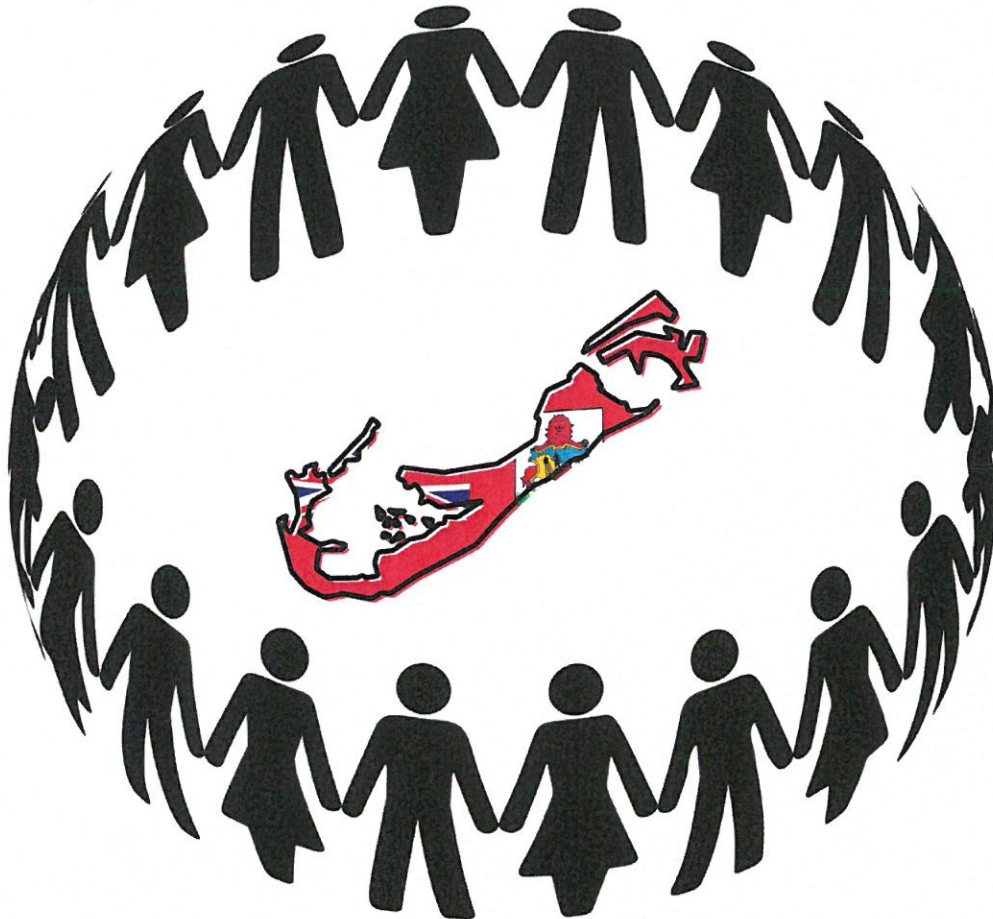
Brian Gonsalves
Chairman

Date



BermudaRedCross

Charity #113



Health & Safety | Education | Fundraising | Transport | Training
Disaster Management | Golden Hour | Communications | Equipment Rentals
| Administration | Thrift Shop

January – December 2021 Programme & Services Report

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Administrative Report

Submitted by Susan Baron

Due to the arrival of COVID-19 in 2020, all groups (room renters) were advised that their meetings will not be able to continue at Bermuda Red Cross. This decision was based on the size of the groups and therefore avoiding any potential risk to staff and/or volunteers. All understood this decision made by Bermuda Red Cross for the safety and wellbeing of all. The groups were given refunds or credits to their accounts.

The following is a breakdown of funds received for 2020

Large and Small training rooms rented:

Net received from groups after refunds or credits given - \$2,760
(consisting of weekly, once a year, one time and certain months of the year)

Basement Rentals - \$900/year (2 renters)

2 charities gratis: –

1. MS Society of Bermuda
2. Bermuda Audubon Society

Union Dues - \$4,655.03

- Bermuda Government
- Rosewood Tuckers Point
- Golf Villas Ltd.
- The Reefs
- King Edward Memorial Hospital
- Elbow Beach Hotel & Development

In Memory of – \$50

In Lieu of - nil

Birthdays, Anniversaries, Christmas



Disaster Management Report

Submitted by Diane P. Gordon



2021 was a continuation of 2020 - a year like no other!

COVID vaccinations commenced in January along with further testing as spikes came and went. Additionally, a winter storm caught us off guard at the end of January and required Red Cross Responders support at the CedarBridge shelter. Richard Lathan and Lisa Brewster, PSFA Team Leaders, supported shelter services for a twenty-four-hour period (under strict Covid guidelines) while other responders were working flat out assisting the Department of Health with Covid tasks.

Bermuda Red Cross role as auxiliary to Government strengthened even further in 2021 and it was rewarding to be able to collaborate and partner with various Government Ministries throughout the pandemic period. The DM attended weekly Covid meetings with Government representatives and other first-responders, assisted Department of Health with organizing Covid testing kits and provided back up support with our call-in help Psychosocial First Aid support service. In 2021, we took an additional 300 calls from the community bringing our total to approximately 550 calls during the Covid lock down period, 2020-2021.

The DM handed the reins over to student intern, Dukarai Richardson-Burgess, to organize, monitor and record all mask requests in 2021. By year end, a total of 300,000 disposal masks were distributed island-wide to the most vulnerable communities ranging from senior homes, clubs, essential service workers, homeless shelters, feeding programs and other like agencies. Dukarai played an integral part of helping our senior population during Covid and they would call in and ask for him specifically. Well done Dukarai and thank you for your hard work and dedication to Bermuda Red Cross!

In partnership with CISM (Critical Incident Stress Management) Responders and as part of the multi-agency partnership agreement, BeRC PSFA Responders and CISM Responders continued to provide weekly radio sessions to the community on "Self Help" tips from February through April. During Q4 of 2021, front line responders reached out to Red Cross for Psychosocial support for their teams. Many front-line workers did not feel comfortable confiding with their own representatives as they felt the information would be held against them. During a two-month period, the DM and Education Manager visited six teams of front line responders to hear their concerns and provide support.

PSFA training commenced in February 2021 with our first team of corporate responders attending (Butterfield and Vallis) and signing on as responders.

Partnerships and collaborations greatly increased and allowed us to become involved with a variety of public, private and third sector communities. Collaboration and partnerships with various groups allowed us to enter new opportunities with increased capacity.

Unfortunately, planned events continued to be "on again/off again" depending upon Covid numbers and, of course, this had an impact on our (DM) small revenue source and awareness campaigns within high-risk

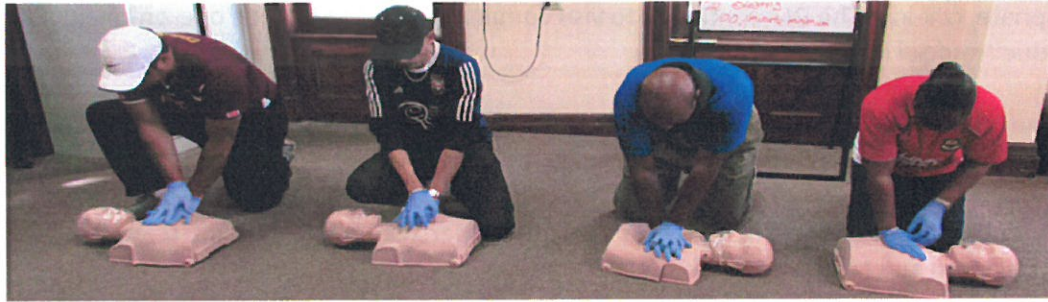
communities. None-the-less, communication and networking continued via telephone, virtual meetings and when appropriate, call-ins. The DM continued to visit communities but with little one-on-one personal communication due to social distancing.

Webinars, conferences included 2021 Pre-Hurricane Conference, Directors Meeting and Climate Change sessions. Other key events included:

- PSFA Responders meetings held in March – virtual only. March 10th with East End team, March 16th with Central team and March 17th with West End team;
- PSFA Team Leaders meeting held November 23rd at Red Cross Headquarters;

Bermuda “spiked” again in April, September and November resulting in Government issuing “stay at home” order for several weeks. Our PSFA responders continued to assist the Department of Health with administering of health consent forms and organizing testing kits again. Bermuda Red Cross partnered with the Bermuda Taxi Organization to coordinate and organize transport for seniors to be vaccinated, Island-wide.

To conclude, whilst Covid has been all consuming in the past two years it has also tested our resources and training and our first responders have become an invaluable resource not only to Bermuda Red Cross, but also Government agencies in the health space and crisis management space. Bermuda Red Cross has enjoyed positive media exposure as a consequence of our performance during the pandemic and as a consequence has reinforced the value we bring to the various government agencies involved in Disaster Management in Bermuda.



Education & Training Report

Submitted by Petra Spencer-Arscott

2021 Though training resumed, we were restricted in the number of participants we could have in the class because of continuing protocols around Covid-19.

Many of our Corporate/Government clients continued to work from home, which also impacted our numbers hugely.

The Psychosocial First Aid Responders Course (PSFA) is being offered whenever we have enough participants on our waiting lists and our Volunteer facilitator Mr. Gwen Creary is available to give us the 4 days needed for the course.

A course (4 participants) was held and was facilitated by Petra Spencer-Arscott

We offer Blended Learning which allows participants to complete a portion of the course on-line through a virtual village at their own speed, and then do the practical session here at the office in about 3 hours.

Instructors:

Volunteers in general for all areas are an ongoing concern and this includes our Volunteer Instructor Pool. We have 16 Instructors on our roster of Volunteers, but very few actively teach courses, and those that do, are very often teaching in the schools, and hold full time jobs and just cannot commit to more than a few hours per year.

New protocols for CPR/AED/First Aid were announced the by the American Red Cross in November 2021 and Bermuda Red Cross will be begin using the 2021 Protocols in August of 2022, all current Instructors have until the end of July 2022 to recertify to the new protocols, after which they will no longer be able to deliver the course.

Teaching materials and resources have or will be upgraded to meet the criteria for the new protocols.

Total Course Income - \$73,370

Total number of persons trained across all areas in 2021: **628**

Course Title	No of Participants
BLEND CPR/AED/1 ST AID (includes 10 staff/volunteers)	578
POOL LIFEGUARD	13
INSTRUCTOR TRAINING	3
PSYCHOSOCIAL FIRST AID RESPONDERS	4
BABYSITTING	30
TOTAL TRAINED ALL AREAS	628

AED Machine & Supplies:

All our AED machines come from Cardiac Science/Zoll in the U.S. Since becoming a provider of these machines in 2001, we have sold 190 machines and provided the required training to the companies throughout the Island.

We are currently experiencing shipping delays from our supplier, due to component shortages.

AED machines & supplies Total Sales - \$62,270

Fundraising & Communications Report

Submitted by Claire-Anne Raynor

2020 threw the world into chaos, and Bermuda was not immune. Bermuda Red Cross was forced to get creative and do things differently.

We thought this would be a year of celebrations for our 70th Anniversary, but when COVID-19 rolled in we had to change our vision from celebrating, to being visible in our community with all the skills we have received over the years.

We had a robust advertising campaign, but we cancelled everything from March forward and depended solely on social media, mass emails and word of mouth to advise the public on what we were doing.

On our anniversary we endeavored to have an Online Virtual Concert. This feat had never been done before in Bermuda. We had 12 Bermudian performing artist from seven different time zones, performing live for 7 hours. We are grateful to Partypass who Partnered with us to make this event happen. Here is the video from our virtual concert <https://youtu.be/r6AR1CFKhS0>

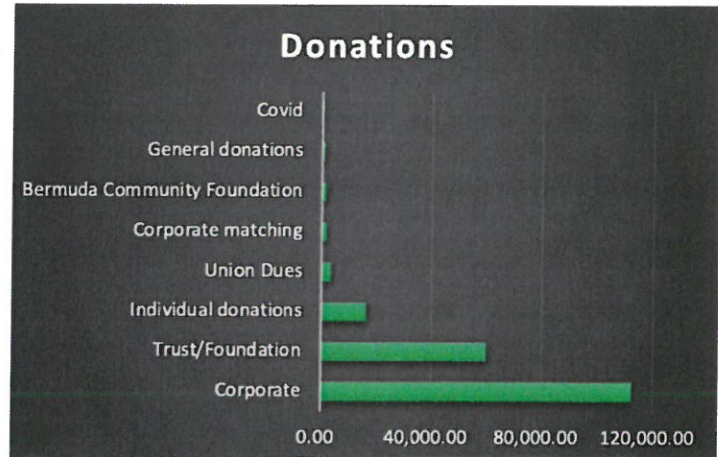
In spite of all this, we refused to let COVID dampen our Christmas Spirit! Our Annual Christmas Jingle 5k run/walk was also a virtual event. Participants could run anytime from midnight on Friday December 13th through to 11:59 p.m. on December 15th. We were over the moon when we found out we had participants in Switzerland.



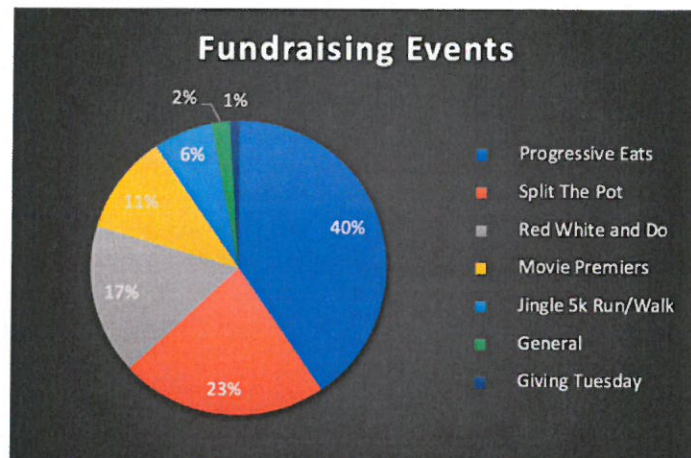
As we were not having our usual events, attention was turned to communicating to our community what we were doing. One of the ways we did that was having Bermemes follow us one day when we were delivering masks to one of the communities in which we work. This video was viewed over 13K times on Facebook in the first week. Here is the link: <https://youtu.be/-WJo4-7-crA>

2021 Donations & Fundraising Events:

Donations	
Corporate	112,300.00
Trust/Foundation	60,000.00
Individual donations	16,501.68
Union Dues	3,298.93
Corporate matching	1,870.00
Bermuda Community Foundation	1,468.00
General donations	910.00
Covid	400.00
	\$ 196,748.61



Fundraising Event	
Progressive Eats	30,210.00
Split The Pot	16,905.00
Red White and Do	12,387.35
Movie Premiers	8,090.00
Jingle 5k Run/Walk	4,861.00
General	1,470.00
Giving Tuesday	850.00
	\$ 74,773.35



We used our social media platforms to reiterate the messages that Bermuda Government was trying to get out to the community. With every press statement and conference related to COVID-19, we made sure that we were informed and posted the same information on our website and social media.

The message about who we are and what we do was certainly received by the community, but we need to do more to ensure what we do is not lost or forgotten as time moves on.

Golden Hour Report

Submitted by Sylvia Lightbourne

This year we would have been celebrating the 48th year of the Golden Hour Club. We are blessed with a great following of approximately 25 seniors who attend the Golden Hour Club on the first and third Wednesday at Peace Lutheran Church Hall.

Due to the pandemic, we only met for the first quarter of the year.

It is with a heavy heart that we note we lost 5 members of our club. Not being able to congregate, while we understand the need for the distance, but absence makes the heart grow fonder. We wait with great anticipation to be able to come together again in 2021.

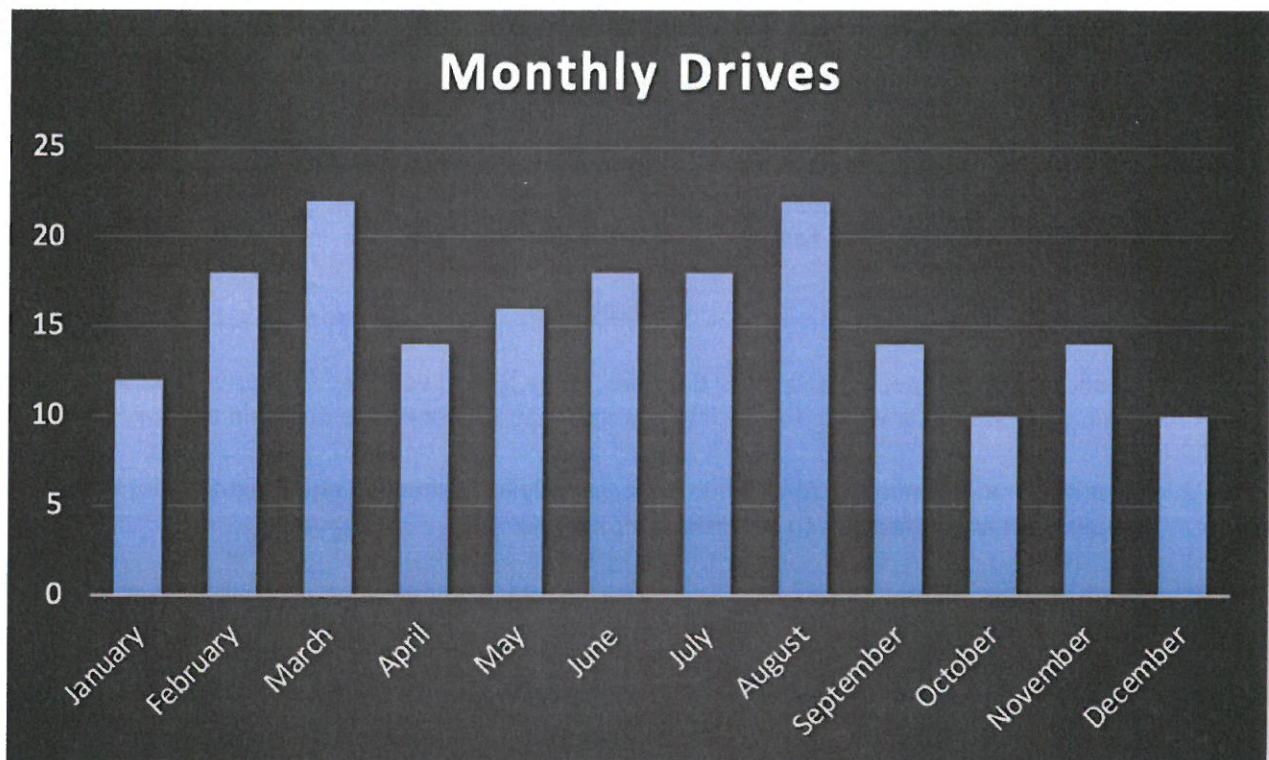


Transport Report

Submitted by Helen Nolan

2021 was a continuation of 2020 as Covid was still running rampant.

As the pandemic struck Bermuda, we lost drivers because they were not comfortable with being around people and as such only 188 drives were made in 2021, which is even lower than 2020. We are in desperate need for drivers from the east and west ends of the Island. If you know of anyone who would be able to assist, please contact 292-1276.



Rentals Report

Staff: 1

Volunteers: 2

Active – 2

Total No. of hours volunteered:

150 hours

New Rental Agreements: 395

Loaned and returned items: 68

Total # of donated items received: 27

Wheelchairs (2), Walker with wheels (8), Bed Side Rail (2), Crutches (2pr),
Canes (2), Platform Walker (1), Bath Seat (2), Tub Transfer Bench (3), Commode (4)
Bed Table (1)

Total # of donated items made to residents: 16

Donations made for them to retain the rented equipment.

Total # of New Purchases: 17

5 Wheelchairs, 5 Walkers, 3 Highchairs, 2 Cribs and 2 mattresses.

Delinquent accounts settled with a donation from a donor: 3 (5+ years old)

Total Income for E/R: \$ 61,338.83

Total Expenses for E/R: \$ 7,994.50

ER Restricted Funds: \$ 4,147.89

CHALLENGES

1. An ongoing challenge, as with other Charities, is the lack of volunteers. Our volunteers are aging and no longer able or willing to adapt to changes that are needed to maintain this service.
2. Securing more permanent/part-time help, especially to handle equipment maintenance and cleaning as I am finding this to be difficult for just me.
3. The recording and update of inventory. This task must be completed manually and often leads to error.

SUMMARY

While the financial numbers are lower than 2020, this can be attributed to the Covid pandemic. We are continuing in our service to community, with the short-term loan of equipment. And donating items to senior citizens.

We have brought some order to the inventory situation but find that it is still a challenge, but necessary as we need to know what and how much we are carrying at all times.

The 'loan' program, where we allow customers the use of wheelchairs (mainly) to take a patient or parent to an appointment; has been successful with every item that was loaned being returned.

Our volunteer hours were down this year, as many of our volunteers have health issues that precluded them from exposing themselves to the perils of Covid. Which is understandable. We do keep in contact and look forward to some of them resuming their schedule when things return to 'normal'.

Thrift Shop Report

Submitted by Maria Duffy

Dealing in – clothing, footwear accessories.

Premises – 2nd floor, Charleswood. Goods displayed in 2 showrooms & balcony. Changing room, kitchen.

Opening Hours – Tuesday, Friday & Saturday 9:00 a.m. – 3:00 p.m.

Drop offs – When shop is open.

Staff – 1 paid Manager

Volunteers – A pool of approximately 20, plus students doing community service hours.

Advertising – Social media and radio.

Red Cross Month – Manager interview on the radio (May).

Special Events:

None due to Covid.

Donations made to homeless, overseas missions and local churches.

Financial Results – See Treasurer's Report.

COVID

Customer number restrictions & contact tracing.



TO OUR VOLUNTEERS THANK YOU!!!

WE COULDN'T DO WHAT WE DO WITHOUT YOU

We are grateful to all our volunteers for the efforts in supporting Bermuda Red Cross. We could not do it without them! We do apologize if we have omitted anyone or misspelled any names. If we have, please advise Ann on director@bermudaredcross.com so that we can correct the error.

2021 Board of Directors

Brian Gonsalves
Sharon Lee Evans
Richard Lightowler
Marva Vanessa Phillips-Williams
Jordan Maderios
Stephen Cosham
Neil Joy
Randolph Simons

2021 Staff & Interns

Ann Spencer-Arscott
Petra Spencer-Arscott
Maria Duffy
Diane Gordon
Susan Baron
Novella Waldron
Claire-Anne Raynor
Interns – Dukarai Richardson-Burgess

2021 Volunteers

Aislinn Maiden
Angie Hooper
Barbara Tucker
Brenda Chambers
Brenda Williams
Carmalita Simmons
Catherine Durham
Cecilia Downs
Cecilly Smith
Cecily Tuzo
Charles Paul
Charna Stowe
Cheri Hunter
Collin Stewart
Craig Burt
Cynthia Aberdeen
Cynthia DeSilva

Cynthy Thompson
Dante Cooper
Deanda Daniels
Deanna Raynor
Diana Hindness
Dionne Williams
Donna Hendrickson
Donna Shawki
Dwayne Burgess
E Arlene Trott
Ebony Parsons
Elaine Clark
Erica Brown
Gavin Carter
Gaynell Weeks
Gerald Lawrance
Gloria Hayward

Glorialynn Morton
Greg Peters
Gwendolyn Creary
Helen Lee
Helen Nolan
Ivan Dyer
Jackqueline Jackson
Jennifer Spurling
Jennifer Welch
Josh Correia
Junita Woolridge
Karen Thomas
Karla Trott
Kathryn Masony
Kimberley Clarke
Laurence Sticca
Leonard Davis

Leroy Bean
Leroy Othneal Haynes
Lesley White
Linda Bell-Hodge
Lisa Brewster
Lisa Stephanie Eng
M. Louise Payne
Maggie Miller
Mana Heydarpour
Marcia Park
Maria Lancaster-Anderson
Marilynn Smith
Mary Sumpter
Michael Ashford
Mikia McGowan
Miriam Caisey
Monique Heyliger
Muriel Burt
Nancy Steynor

Nathan Trott
Neal Trott
Norma Durrant
Patrick Murdoch
Patsy Proctor
Prudence Brewer
Renee Lightbourne
Rhonda Rawlins
Richard Lathan
Roma Hayward
Romelle Warner
Rosa Simons
Proy Parker
Russ Dyrli
Samantha Swainson
Samuel Darling
Sandy Furr
Sheena Daniels
Sheila Conyers
Sheila Ming

Shirley Rogers
Spencer Butterfield
Sue Garland
Susan Black
Susan Dove
Suzanne DeCouto
Sylvia Lightbourn
Takeysha Atwell
Tanya Logan
Tara McKittrick
Terri Durrant
Tim Mardon
Tina Mann
Toni Dawn Dublin
Tracey Swan
Val Sofianos
Yvonne "Muriel" Roach
Zenia Brooks
Zina Woolridge

BERMUDA RED CROSS
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2021



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INDEPENDENT AUDITORS' REPORT

To the Board of Governors of Bermuda Red Cross

Qualified Opinion

We have audited the accompanying financial statements of Bermuda Red Cross (the "Charity"), which comprise the statement of financial position as at December 31, 2021, and the related statements of operations and changes in surplus, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenues as described in the Basis for Qualified Opinion section of our report, these financial statements present fairly, in all material respects, the financial position of the Charity as at December 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Part III of the Canadian Professional Accountants ("CPA") Handbook - Accounting Standards for Not-for-Profit Organizations ("ASNPO").

Basis for Qualified Opinion

As common with many not-for-profit organizations, the Charity derives its revenue from donations, thrift shop sales, fundraising events, and equipment rentals, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Charity and we were not able to determine whether any adjustments, if any, might be necessary to revenues and net assets.

We conducted our audit in accordance with Canadian Generally Accepted Auditing Standards ("CAS"). 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 Charity in accordance with the ethical requirements of the Chartered professional Accountants of Bermuda Rules of Professional Conduct ("CPA Bermuda Rules") that are relevant to our audit of financial statements in Bermuda. We have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Chartered Professional Accountants Handbook, Part III – Accounting Standards for Not-for-Profit Organizations ("ASPNO"), 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 Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Charity'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 CAS 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 CAS, we exercise professional judgment and maintain professional skepticism 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 Charity'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 Charity'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 Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Arthur Morris + Company Limited

**Hamilton, Bermuda
September 20, 2022**

BERMUDA RED CROSS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(Expressed in Bermuda dollars)

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (note 4)	\$ 160,154	\$ 266,446
Accounts receivable (note 2d)	8,089	15,900
Donations receivable	32,500	-
Inventory	10,163	14,575
Prepaid expense	232	5,657
	211,138	302,578
CAPITAL ASSETS (note 5)	19,175	25,960
	\$ 230,313	\$ 328,538
CURRENT LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses (note 6)	21,725	27,750
Disaster relief payable (note 7)	888	355
Deferred income	1,725	1,175
Due to related party (note 3)	63,150	26,439
Restricted funds (note 8)	59,150	18,044
	146,638	73,763
NET ASSETS		
Capital	10,000	10,000
Surplus	73,675	244,775
	83,675	254,775
	\$ 230,313	\$ 328,538

On behalf of the Board of Governors:

Governor

Governor

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

BERMUDA RED CROSS
STATEMENT OF OPERATIONS AND CHANGES IN SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in Bermuda dollars)

	2021	2020
REVENUES		
Donations	\$ 237,579	\$ 548,791
Net proceeds from thrift shop (note 10)	159,436	152,045
First Aid course fees and supply sales	74,732	63,658
AED machines and supply sales	65,270	25,005
Net proceeds from fundraising events (note 12)	58,026	7,234
Net proceeds from hospital equipment rental (note 11)	53,344	72,680
Donation - audit fees (note 13)	23,000	23,000
DRR programme income	9,046	8,699
Rental income - conference room	2,190	2,610
Other income	6,044	2,398
CPR supplies	54	60
	<u>688,721</u>	<u>906,180</u>
EXPENSES		
Wages and wage related expenses (note 9)	573,473	518,422
Other expenses (Schedule 1)	143,592	144,861
Rent expense (note 3)	60,000	60,000
Audit fees (note 13)	23,000	23,000
DRR programme expenses	20,819	11,196
Accounting	17,935	12,140
Depreciation (note 5)	15,620	8,601
Advertising	5,382	5,650
Professional and legal expenses	-	545
	<u>859,821</u>	<u>784,415</u>
TOTAL EXPENSES	<u>859,821</u>	<u>784,415</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	(171,100)	121,765
SURPLUS, beginning of year	<u>244,775</u>	<u>123,010</u>
SURPLUS, end of year	<u>\$ 73,675</u>	<u>\$ 244,775</u>

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

BERMUDA RED CROSS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in Bermuda dollars)

	2021	2020
CASH AND CASH EQUIVALENTS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenses	\$ (171,100)	\$ 121,765
Items not involving a movement of cash:		
Depreciation	<u>15,620</u>	<u>8,601</u>
	(155,480)	130,366
Changes in non-cash operating balances:		
Accounts receivable	7,811	4,867
Donations receivable	(32,500)	-
Inventory	4,412	9,624
Prepaid Expenses	5,425	(4,306)
Due from related party	36,711	21,917
Accounts payable and accrued expenses	(6,025)	(9,974)
Disaster relief payable	533	(5,203)
Deferred income	550	(4,600)
Restricted funds	<u>41,106</u>	<u>(7,298)</u>
Cash and cash equivalents (used for) provided by operating activities	<u>(97,457)</u>	<u>135,393</u>
INVESTING ACTIVITIES		
Purchase of capital assets	<u>(8,835)</u>	<u>(2,432)</u>
Cash and cash equivalents used for investing activities	<u>(8,835)</u>	<u>(2,432)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(106,292)	132,961
CASH AND CASH EQUIVALENTS, beginning of year	<u>266,446</u>	<u>133,485</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 160,154</u>	<u>\$ 266,446</u>

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

BERMUDA RED CROSS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in Bermuda dollars)

1. GENERAL

Bermuda Red Cross is a not for profit organization founded in Bermuda on August 1, 1950 as a branch of the British Red Cross Society. The Bermuda Red Cross is registered under the Bermuda Charities Act 2014, as charity #113.

The Bermuda Red Cross is a volunteer-led humanitarian organization that helps people in crisis and provides health and social services to the community. The Bermuda Red Cross is supported through general donations and service fees and is staffed by volunteers and paid personnel.

The Bermuda Red Cross' mission is to respond locally and globally to those in need, helping the vulnerable and enabling the community to be prepared and to respond.

Bermuda Red Cross, and those it serves, is the beneficiary of the Bermuda Red Cross Charitable Trust (the "Trust"). Bermuda Red Cross operates, facilitates programs, projects and fundraising activities through property, which is owned by the Trust.

These financial statements have been approved for release by the Board of Governors on September 20, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with the CPA Canada Handbook – Part III, Accounting Standards for Not-for-Profit Organizations ("ASNPO"). The significant accounting policies are as follows:

a) Cash and cash equivalents

Cash and cash equivalents comprise cash accounts held at regulated financial institutions within Bermuda.

b) Inventory

Inventory is valued at the lower of cost and replacement cost, using the first in, first out costing method. Costs of inventories comprises AED supplies and First Aid supplies included in other expenses (schedule 1).

BERMUDA RED CROSS

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in Bermuda dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Capital assets and depreciation

Capital assets are carried at cost less accumulated depreciation and impairments, if any. Depreciation is calculated on a straight-line basis at the following annual rates designed to write off the cost of the assets over their estimated useful lives:

Furniture and fixtures	10 years
Thrift Shop equipment	10 years
Mannequins	10 years
ER equipment	5 years
Vehicle	5 years
Computer equipment and software	3 years
DRR equipment	3 years

d) Revenue recognition

The Bermuda Red Cross follows the deferral method of accounting for contributions. Restricted contributions are deferred and then recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. All other revenue is recorded on an accrual basis.

Accounts receivable are presented net of allowance for doubtful accounts of \$nil (2020 - \$1,205).

e) Donated services

The Bermuda Red Cross benefits greatly from donated services in the form of volunteer work for various activities. The values of donated services which are not susceptible to objective measurement are not reflected in these financial statements.

f) Deferred income

Deferred income represents contributions received in advance for Bermuda Red Cross events and courses relating to future periods.

g) Rent expense

Operating lease payments are recognized as an expense in the statement of operations and changes in surplus on a straight-line basis over the lease term. Associated costs, such as maintenance, are expensed as incurred.

BERMUDA RED CROSS

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in Bermuda dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount 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 reporting period. While management believes that the amounts included in the financial statements reflect the Bermuda Red Cross' best estimates and assumptions, actual results could differ from these estimates.

3. RELATED PARTY TRANSACTIONS AND BALANCES

Rent in the amount of \$60,000 (2020 - \$60,000) was paid to the Trust during the year.

The balance due to the Trust in the amount of \$63,150 (2020 - \$26,439) is unsecured, interest free and has no fixed terms of repayment.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following:

	2021	2020
Cash in bank	\$ 116,826	\$ 262,583
Disaster risk reduction funds	42,288	2,601
Disaster relief funds (note 7)	<u>1,040</u>	<u>1,262</u>
	<u>\$ 160,154</u>	<u>\$ 266,446</u>

Disaster risk reduction funds include reimbursements of expenses from the British Red Cross, as well as amounts received from donors which are restricted for the disaster risk reduction program.

Disaster relief funds are donations received from the general public for disasters around the world. The funds are held in separate bank accounts which are then transferred to the British Red Cross for distribution to the affected area. These funds are not available for the operating activities of the Bermuda Red Cross.

At December 31, 2021, total cash of \$60,038 (2020 - \$18,399) was restricted in relation to deferred donations restricted for future activities.

BERMUDA RED CROSS

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in Bermuda dollars)

5. CAPITAL ASSETS

Capital assets are comprised of the following:

			2021	2020
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Furniture and fixtures	\$ 36,761	\$ 35,331	\$ 1,430	\$ 2,602
ER equipment	68,355	64,672	3,683	2,653
Vehicle	18,449	11,069	7,380	11,070
Computer equipment and software	61,655	56,412	5,243	2,857
Thrift Shop equipment	6,375	5,628	747	996
DRR equipment	5,201	4,509	692	1,088
Mannequins	-	-	-	4,694
	<u>\$ 196,796</u>	<u>\$ 177,621</u>	<u>\$ 19,175</u>	<u>\$ 25,960</u>

As of December 31, 2021, assets with a cost of \$154,979 (2020 - \$271,834) are fully depreciated and still in use by the Bermuda Red Cross.

During the year ended December 31, 2021, assets with a cost of \$132,002 and accumulated depreciation of \$127,356 were written off as they were no longer in use, resulting in a loss of \$4,646, which is included in depreciation on the statement of operations.

During the year, the Bermuda Red Cross purchased capital assets amounting to \$8,835 (2020 - \$2,432).

BERMUDA RED CROSS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in Bermuda dollars)

6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of December 31, 2021, accounts payable and accrued expenses includes amounts of \$4,203 (2020 - \$2,047) due to the Government of Bermuda relating to social insurance, and \$5,060 (2020 - \$5,044) relating to payroll tax.

7. DISASTER RELIEF PAYABLE

Periodically, the Bermuda Red Cross collects donations from the public for various disasters which are remitted to the British Red Cross. The funds which are unpaid as of December 31, 2021 are held in the Bermuda Red Cross' general purpose bank accounts.

8. RESTRICTED FUNDS

Restricted funds are comprised of the following:

	ER Funds	Vehicle Funds	DRR Funds	Transport Funds	Total
Funds, beginning	\$ 4,957	\$ 11,069	\$ 2,018	\$ -	\$ 18,044
Funds received	8,300	-	40,000	6,000	54,300
Amounts recognized as revenue during the year	<u>(9,109)</u>	<u>(3,689)</u>	<u>(396)</u>	<u>-</u>	<u>(13,194)</u>
Funds, end of year	<u>\$ 4,148</u>	<u>\$ 7,380</u>	<u>\$ 41,622</u>	<u>\$ 6,000</u>	<u>\$ 59,150</u>

Restricted funds are donations externally restricted for the following future uses: Equipment Rental ("ER") funds for the use of ER related expenses; Disaster Risk Reduction ("DRR") funds for the use of DRR related expenses; transportation funds for the transportation of seniors and vehicle funds for the maintenance, licensing and other costs of vehicle operation for the next five years.

9. EMPLOYEE BENEFITS

The Bermuda Red Cross has a defined contribution pension plan for eligible employees. The Bermuda Red Cross' contributions to its employees defined contribution plan for the year ended December 31, 2021 amounted to \$17,421 (2020 - \$16,587). During December 2021 and January 2022 the Bermuda Red Cross implemented a targeted redundancy initiative to reduce overall employment costs. During the prior year, employees accepted a 20% pay reduction in order to assist the charitable activities of the Bermuda Red Cross during the pandemic, no such reduction was made during the year.

BERMUDA RED CROSS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in Bermuda dollars)

10. THRIFT SHOP

Net proceeds from the thrift shop comprise the following:

	2021	2020
Revenue	\$ 167,736	\$ 160,615
Direct expenses	<u>(8,300)</u>	<u>(8,570)</u>
Net proceeds from thrift shop	<u>\$ 159,436</u>	<u>\$ 152,045</u>

11. EQUIPMENT RENTAL

Net proceeds from the hospital equipment rental comprise the following:

	2021	2020
Revenue	\$ 61,339	\$ 84,937
Direct expenses	<u>(7,995)</u>	<u>(12,257)</u>
Net proceeds from hospital equipment rental	<u>\$ 53,344</u>	<u>\$ 72,680</u>

BERMUDA RED CROSS

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in Bermuda dollars)

12. FUNDRAISING EVENTS

Net proceeds from fundraising events comprise the following:

	2021	2020
Revenues		
Other events	\$ 32,176	\$ 9,147
Progressive eats program	30,210	-
Red White and Do	12,387	800
Virtual concert	<u>-</u>	<u>10,089</u>
	<u>74,773</u>	<u>20,036</u>
Direct expenses		
Event expenses	16,747	11,408
Rentals	<u>-</u>	<u>1,394</u>
	<u>16,747</u>	<u>12,802</u>
Net proceeds from fundraising events	<u>\$ 58,026</u>	<u>\$ 7,234</u>

13. DONATIONS

Audit fees in the amount of \$23,000 (2020 - \$23,000) were recorded as a donation for the year ended December 31, 2021.

BERMUDA RED CROSS

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in Bermuda dollars)

14. FINANCIAL INSTRUMENTS

The Bermuda Red Cross' financial instruments consist of cash and cash equivalents, accounts receivable, due from related party, accounts payable and accrued expenses and disaster relief payable.

The significant financial risks to which the Bermuda Red Cross is exposed are credit risk, interest rate risk and liquidity risk.

The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses and disaster relief payable approximates fair value due to their short term nature.

The fair value of due from related party is not practical to determine. The terms of repayment are described in note 3.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Bermuda Red Cross is exposed to credit risk in the event of non-performance by counterparties and due from related parties in connection with its cash and cash equivalents. In management's opinion, the risk of loss due to credit risk is not significant as cash and cash equivalents are placed with financial institutions which have a high credit rating.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest income earned on cash and cash equivalents are subject to interest rate risk as a result of changes in the prevailing market interest rates.

Liquidity risk

Liquidity risk is the risk that the Bermuda Red Cross will encounter difficulty in meeting obligations associated with financial liabilities. The Bermuda Red Cross manages its liquidity risk by ensuring it always has sufficient cash to meet its obligations when due and management continuously monitoring and reviewing cash flow.

Capital management

The Bermuda Red Cross manages its capital to mitigate the foregoing risks and to provide reasonable assurance that it will be able to meet its financial obligations, achieve its objectives and continue as a going concern. Effective May 17, 2017, the Board of Governors approved an operating reserve fund policy which sets the target minimum operating reserve fund equal to three months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services.

BERMUDA RED CROSS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in Bermuda dollars)

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events for recognition and disclosure to September 20, 2022 which is the date that the financial statements were available to be issued.

As a result of the coronavirus (COVID-19) pandemic, economic uncertainties have arisen that have had serious and adverse consequences to business conditions around the globe. At the current time, we are unable to quantify the potential effects of this pandemic on future financial statements.

BERMUDA RED CROSS
SCHEDULE 1
FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in Bermuda dollars)

	2021	2020
OTHER EXPENSES		
AED supplies	\$ 46,087	\$ 25,212
Website	17,045	23,771
First Aid supplies	14,573	3,385
Consulting and professional fees	13,245	-
Miscellaneous expenses	16,586	9,384
Bank charges	8,654	7,154
Dues and subscriptions	8,147	6,194
Office supplies	5,692	2,184
Cleaning expense	5,538	4,820
Photocopier rental	3,600	4,372
Telephone expenses	3,045	3,360
Vehicle expense	1,220	2,457
Repairs and maintenance	250	-
Bad debt expense (recovery)	(90)	(1,921)
Travel expense	-	1,286
Covid-19 relief support expense	-	53,203
	<u> </u>	<u> </u>
Total other expenses	<u>\$ 143,592</u>	<u>\$ 144,861</u>

BERMUDA RED CROSS CHARITABLE TRUST

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2021



Arthur Morris & Company Limited
Chartered Professional Accountants

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11 Par-la-Ville Road
P.O. Box 1365 HMFY
Hamilton HM11
Bermuda
Tel: +1 441 292 7478
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of Bermuda Red Cross Charitable Trust

Opinion

We have audited the accompanying financial statements of Bermuda Red Cross Charitable Trust (the "Trust"), which comprise the statement of financial position as at December 31, 2021, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Part III of the Canadian Professional Accountants ("CPA") Handbook - Accounting Standards for Not-for-Profit Organizations ("ASNPO").

Basis for Opinion

We conducted our audit in accordance with Canadian Generally Accepted Auditing Standards ("CAS"). 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 Company in accordance with the ethical requirements of the Chartered Professional Accountants of Bermuda Rules of Professional Conduct ("CPA Bermuda Rules") that are relevant to our audit of the financial statements in Bermuda. We have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Chartered Professional Accountants Handbook, Part III – Accounting Standards for Not-for-Profit Organizations ("ASPNO"), 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Independent Auditors' Report - continued
Bermuda Red Cross Charitable Trust

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 CAS 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 CAS, we exercise professional judgment and maintain professional skepticism 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 Trust'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 Trust'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 Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Arthur Morris + Company Limited

Hamilton, Bermuda
September 20, 2022

BERMUDA RED CROSS CHARITABLE TRUST

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

(Expressed in Bermuda dollars)

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 62,767	\$ 51,971
Due from related party (note 5)	63,150	26,439
Prepaid expenses	<u>6,844</u>	<u>9,348</u>
	132,761	87,758
CAPITAL ASSETS (notes 3 and 7)	<u>1,313,719</u>	<u>1,331,073</u>
	<u>\$ 1,446,480</u>	<u>\$ 1,418,831</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 3,741	\$ 500
Rental deposits (note 4)	5,820	5,820
Rent received in advance	1,500	1,500
Deferred income (note 2(d))	<u>17,050</u>	<u>17,000</u>
	<u>28,111</u>	<u>24,820</u>
NET ASSETS		
Capital account	371,012	371,012
Surplus	<u>1,047,357</u>	<u>1,022,999</u>
	<u>1,418,369</u>	<u>1,394,011</u>
	<u>\$ 1,446,480</u>	<u>\$ 1,418,831</u>

On behalf of the Trustees:

Trustee

Trustee

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

BERMUDA RED CROSS CHARITABLE TRUST

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in Bermuda dollars)

	2021	2020
REVENUES		
Rental income - Clipper building (note 5)	\$ 75,576	\$ 68,379
Rental income - Gamble building (note 5)	42,000	42,000
Rental income -apartments and cottage	36,000	36,885
Donations - audit fees (note 6)	13,000	13,000
Donations - general	2,385	1,100
	<u>168,961</u>	<u>161,364</u>
EXPENSES		
Salaries and benefits (note 5)	39,508	37,885
Depreciation (notes 3 and 7)	24,248	41,567
Repairs and maintenance	18,142	28,278
Insurance	13,024	13,024
Audit fees (note 6)	13,000	13,000
Land tax	10,334	10,334
Electricity	9,429	9,447
Other expenses	8,520	1,878
Professional fees	4,712	3,060
Accounting	2,000	1,500
Security	1,686	840
Loss on impairment (note 3)	-	456,780
	<u>144,603</u>	<u>617,593</u>
NET INCOME (LOSS)	<u>\$ 24,358</u>	<u>\$ (456,229)</u>

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

BERMUDA RED CROSS CHARITABLE TRUST
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in Bermuda dollars)

	2021	2020
CAPITAL ACCOUNT		
Balance, beginning and end of year	\$ <u>371,012</u>	\$ <u>371,012</u>
SURPLUS		
Balance, beginning of year	1,022,999	1,919,131
Change in accounting policy (note 7)	<u>-</u>	<u>(439,903)</u>
Balance, end of year as restated	1,022,999	1,479,228
Net income (loss) restated (note 7)	<u>24,358</u>	<u>(456,229)</u>
Balance, end of year	<u>1,047,357</u>	<u>1,022,999</u>
TOTAL NET ASSETS	\$ <u><u>1,418,369</u></u>	\$ <u><u>1,394,011</u></u>

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

BERMUDA RED CROSS CHARITABLE TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in Bermuda Dollars)

	2021	2020
CASH AND CASH EQUIVALENTS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Net income (loss)	\$ 24,358	\$ (456,229)
Items not involving a movement of cash:		
Depreciation	24,248	41,567
Loss on impairment	-	456,780
Changes in non-cash working capital:		
Prepaid expenses	2,504	(734)
Accounts receivable	-	100
Accounts payable	3,241	(500)
Rental deposits	-	(750)
Rent received in advance	-	1,500
Due to related party	<u>(36,711)</u>	<u>(21,917)</u>
Net cash provided by operating activities	<u>17,690</u>	<u>19,817</u>
INVESTING ACTIVITIES		
Purchase of capital assets	<u>(6,894)</u>	<u>(2,087)</u>
Cash and cash equivalents used for investing activities	<u>(6,894)</u>	<u>(2,087)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,796	17,730
CASH AND CASH EQUIVALENTS, beginning of year	<u>51,971</u>	<u>34,241</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 62,767</u></u>	<u><u>\$ 51,971</u></u>

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

BERMUDA RED CROSS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in Bermuda dollars)

1. GENERAL

Bermuda Red Cross Charitable Trust (the “Trust”) was formed by a trust deed dated August 16, 1996 under the laws of the Islands of Bermuda. The Trust is registered under the Bermuda Charities Act 2014, as charity #419.

These financial statements have been approved for release by the Board of Governors on September 20, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with the CPA Canada Handbook: Accounting –Part III (“ASNPO”). The significant accounting policies are as follows:

a) Capital assets and depreciation

Effective January 1, 2021, the Trust changed its depreciation policy for capital assets. See note 7 for further information.

With the exception of land, which is not amortized, capital assets are carried at cost less impairment losses, if any, and amortized over the estimated useful life of the asset. Depreciation is calculated on a straight-line basis at the following annual rates designed to write off the cost of the assets over their estimated useful lives:

Buildings	50 years
Equipment	10 years
Furniture and fixtures	10 years
Computers	3 years

b) Rental income

Rental income is recorded on an accrual basis with deposits received in advance deferred in the Statement of Financial Position.

c) Donated services

Volunteer efforts and certain non-cash donations which are not susceptible to objective measurement valuation are not reflected in the financial statements.

BERMUDA RED CROSS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in Bermuda dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Revenue recognition

The Bermuda Red Cross Charitable Trust follows the deferral method of accounting for contributions. Restricted contributions are deferred and then recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. All other revenue is recorded on an accrual basis.

Restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Deferred income of \$17,050 recorded on the statement of financial position as at December 31, 2021 relates to funds received for capital renovations, which have not yet commenced.

e) Interest income

Interest income is recorded on an accrual basis.

f) Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount 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 reporting period. While management believes that the amounts included in the financial statements reflect the Trust's best estimates and assumptions, actual results could differ from these estimates.

3. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2021 Net Book Value</u>	<u>2020 Net Book Value</u>
Land	\$ 600,000	\$ -	\$ 600,000	\$ 600,000
Gamble building	521,007	462,862	58,145	60,381
Clipper building	1,025,586	386,449	639,137	659,648
Equipment	5,895	4,470	1,425	2,157
Computers	-	-	-	-
Furniture and fixtures	<u>55,728</u>	<u>40,716</u>	<u>15,012</u>	<u>8,887</u>
	<u>\$ 2,208,216</u>	<u>\$ 894,497</u>	<u>\$ 1,313,719</u>	<u>\$ 1,331,073</u>

During the year, the Trust wrote off fully depreciated computers of \$11,097 (2020 - \$nil), equipment of \$4,618, and furniture and fixtures of \$13,116 (2020 - \$nil).

BERMUDA RED CROSS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in Bermuda dollars)

3. CAPITAL ASSETS (continued)

Total depreciation expense for the year amounted to \$24,248 (2020 - \$41,567). See note 7 for further details.

A valuation of the land and buildings was completed on March 8, 2021. The total valuation of \$1,800,000 resulted in an aggregated impairment of \$456,780 which was applied to the Gamble building effective December 31, 2020. See note 7. The impairment is included on the statement of operations and surplus in 2020. There was no further impairment recognized during the year ended December 31, 2021.

During the year, the Trust purchased capital assets amounting to \$ - (2020 - \$1,879).

4. RENTAL DEPOSITS

Rental deposits comprise refundable deposits paid by tenants in accordance with lease agreements.

5. RELATED PARTY TRANSACTIONS AND BALANCES

Rental income in the amount of \$60,000 (2020 - \$60,000) was earned from the Bermuda Red Cross during the year, of which \$42,000 (2020 - \$42,000) is recorded as rental income - Gamble building and \$18,000 (2020 - \$18,000) is recorded as rental income - Clipper building.

Salaries and benefits of \$39,508 (2020 - \$37,885) has been allocated from Bermuda Red Cross relating to work completed for the Trust by its employees.

Balances due to / from related party relate to advances to and expenses paid on behalf of the Trust, which are unsecured, interest free, and have no set terms of repayment.

6. DONATIONS

Donated audit fees in the amount of \$13,000 (2020 - \$13,000) were recorded as a donation for the year ended December 31, 2021.

BERMUDA RED CROSS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in Bermuda dollars)

7. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2021, the Trust elected to change its method of accounting for depreciation of capital assets to be compliant with ASNPO, section 4433. The policy is described further in note 2(a) of these financial statements. During the year ended December 31, 2009, the Trust ceased recording depreciation on its buildings, which were previously depreciated on a straight-line basis over 50 years, on the basis that the buildings were not depreciating and market value was greater than their recorded value. Management has determined that the change in accounting principle would be preferable, in order to be compliant with ASNPO which results in a more comparable method of accounting and is consistent with industry practice. The comparative financial statements have been adjusted to apply the new method retrospectively. The following financial statement line items for 2020 were affected by the change in accounting principle:

	<u>As Originally Reported</u>	<u>Adjustment</u>	<u>Restated Account</u>
Depreciation expense	\$ 1,500	\$ 40,067	\$ 41,567
Capital assets	1,811,044	(479,971)	1,331,073
Surplus, beginning of year	1,919,131	(439,903)	1,479,228
Net loss	(416,162)	(40,067)	(456,229)
Retained earnings, end of year	1,502,970	(479,971)	1,022,999

During the year, management also determined that the impairment of \$456,780 recorded against buildings and land during the year ended December 31, 2020 was improperly allocated to the capital assets, and the full impairment should have been fully reflected against the Gamble building. Previously the impairment was applied on a pro-rata basis to the cost of the land, Gamble building and the Clipper building. This error did not result in any additional adjustments to line items in the statement of financial position or the statement of operations. The error was solely a reclass between the costs presented in note 3 for the 2020 yearend. The reclass affected the 2020 cost of the capital assets on note 3 as follows:

	<u>As Originally Reported</u>	<u>Reclass Adjustment</u>	<u>Restated Cost</u>
Land	\$ 478,558	\$ 121,442	\$ 600,000
Gamble building	825,784	(304,777)	521,007
Clipper building	842,251	183,335	1,025,586

BERMUDA RED CROSS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in Bermuda dollars)

8. FINANCIAL INSTRUMENTS

The Trust's financial instruments consist of cash, accounts payable, rental deposits and due from / to related party.

The carrying value of cash, accounts payable, and rental deposits approximates fair value due to their short term nature.

The significant financial risks to which the Trust is exposed are credit risk and liquidity risk.

The fair value of due to related party is not practical to determine. The terms of repayment are described at note 5.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Trust is exposed to credit risk in the event of non-performance by counterparties in connection with its cash. In management's opinion, the risk of loss due to credit risk is not significant as cash are placed with a regulated financial institution in Bermuda which have a high credit rating.

Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting obligations associated with financial liabilities. The Trust manages its liquidity risk by ensuring it always has sufficient cash to meet its obligations when due and management continuously monitoring and reviewing cash flow.

Capital management

The Trust manages its capital to mitigate the foregoing risks and to provide reasonable assurance that it will be able to meet its requirements and continue as a going concern.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events for recognition and disclosure to September 20, 2022 which is the date that the financial statements were available to be issued. There are no subsequent events to be disclosed.