Sample Purpose Only

Statement of comprehensive income for the financial year ended December 201X

	Notes	2021 $	2020 $
Revenue – consultancy income	4	**136,335,322**	107,344,691
Other income	5	**266,865**	225
Expenses			
Employee compensation	6	**(118,492,120)**	(81,120,974)
Expenses attributable to holding/related corporations		**(20,816,251)**	(19,830,910)
Depreciation of plant and equipment	10	**(851,449)**	(1,444,446)
Depreciation of right-of-use assets	21	**(2,510,978)**	(2,495,010)
Professional support costs	20	**(7,648,322)**	(4,511,267)
Technique and know-how	20	**(5,725,491)**	(4,312,497)
Rental expense – operating leases		**(516,559)**	(427,314)
Foreign currency exchange gain / (loss) – net		**595,849**	(1,219,235)
Travelling and accommodation		**(500,001)**	(454,310)
Staff recruitment and training		**(334,761)**	(445,510)
Office supplies		**(256,207)**	(128,576)
Communication		**(235,148)**	(303,588)
Repair and maintenance		**(123,784)**	(161,667)
Finance costs	7	**(212,220)**	(194,307)
Allowance for impairment loss	11	**(1,055,328)**	(1,524,137)
Others		**(2,368,719)**	(1,831,232)
Total expenses		**(161,051,489)**	(120,404,980)
Reimbursement of expenses by customers		**8,673,473**	6,208,277
Recharge of expenses to related corporations	20	**2,023,031**	2,335,975
Loss before income tax		**(13,752,798)**	(4,515,812)
Income tax credit / (expense)	8	**936,934**	(1,793,494)
Net loss for the year, representing total comprehensive loss for the year		**(12,815,864)**	(6,309,306)

This statement should be read in conjunction with the notes to the financial statements

Statement of assets used in and liabilities arising out of operations
as at 31 December 2021

	Notes	2021 $	2020 $
ASSETS			
Non-current assets			
Signing bonus and tuition loans receivable	9	**1,424,329**	993,754
Plant and equipment	10	**972,921**	1,282,698
Right-of-use assets	21	**6,297,403**	8,732,534
		8,694,653	11,008,986
Current assets			
Trade and other receivables	11	**10,776,812**	22,952,964
Other current assets	12	**111,998**	131,466
Cash and cash equivalents	13	**16,837,926**	12,046,051
		27,726,736	35,130,481
Total assets		**36,421,389**	46,139,467
LIABILITIES			
Non-current liabilities			
Deferred compensation plans	15	**6,512,309**	2,473,343
Provision for reinstatement cost	16	**537,857**	537,857
Amount due to holding corporation	18	**200,000**	200,000
Lease Liabilities	21	**4,100,005**	6,635,800
		11,350,171	9,847,000
Current liabilities			
Trade and other payables	17	**154,902,964**	152,513,863
Contract liabilities	19	**637,930**	1,533,610
Lease liabilities	21	**2,632,735**	2,571,890
		158,173,629	156,619,363
Total liabilities		**169,523,800**	166,466,363
HEAD OFFICE ACCOUNT	14	**(133,102,411)**	(120,326,896)

This statement should be read in conjunction with the notes to the financial statements.

Statement of changes in head office account
for the financial year ended 31 December 2021

	Head office account	Accumulated losses	Total
	$	$	$
Balance at 1 January 2020	2,018,851	(116,000,741)	(113,981,890)
Total comprehensive loss for the year	-	(6,309,306)	(6,309,306)
Funds transferred to head office	(35,700)	-	(35,700)
Balance at 31 December 2020	1,983,151	(122,310,047)	(120,326,896)
Total comprehensive loss for the year	**-**	**(12,815,864)**	**(12,815,864)**
Funds transferred from head office	**40,349**	**-**	**40,349**
Balance at 31 December 2021	**2,023,500**	**(135,125,911)**	**(133,102,411)**

This statement should be read in conjunction with the notes to the financial statements.

Statement of cash flows
for the financial year ended 31 December 2021

	Notes	2021 $	2020 $
Cash flows from operating activities			
Loss before taxation		**(13,752,798)**	(4,515,812)
Adjustments for:			
Depreciation of plant and equipment	**10**	**851,449**	1,444,446
Depreciation of right-of-use assets	**21**	**2,510,978**	2,495,010
Gain on disposal of plant and equipment		**(180)**	-
Interest expense		**212,220**	194,307
Interest income		**(717)**	(25)
Amortisation of signing bonus and tuition loans receivable	**9**	**867,241**	817,576
Impairment loss on trade receivables	**11**	**1,055,328**	1,524,137
Operating loss before working capital changes		**(8,256,479)**	1,959,639
Changes in signing bonus and tuition loans receivable		**(1,297,817)**	(885,112)
Changes in trade and other receivables		**11,120,824**	(8,441,174)
Changes in other current assets		**19,468**	(67,965)
Changes in deferred compensation plans		**4,038,966**	(1,137,950)
Changes in trade and other payables		**2,389,101**	12,602,887
Changes in contract liabilities		**(895,680)**	398,659
Cash generated from operations		**7,118,383**	4,428,984
Interest received		**717**	25
Interest paid		**(10,945)**	(7,940)
Income tax paid	**8**	**936,934**	(1,793,494)
Net cash generated from operating activities		**8,045,089**	2,627,575
Cash flows from investing activities			
Purchase of plant and equipment	**10**	**(541,672)**	(299,979)
Proceeds from disposal of plant and equipment		**180**	-
Net cash used in investing activities		**(541,492)**	(299,979)
Cash flows from financing activities			
Funds transferred from / (to) head office		**40,350**	(35,700)
Interest paid - lease	**21**	**(201,275)**	(186,367)
Payment of lease liabilities	**21**	**(2,550,797)**	(2,526,045)
Net cash generated used in financing activities		**(2,711,722)**	(2,748,112)
Net increase / (decrease) in cash and cash equivalents		**4,791,874**	(420,516)
Cash and cash equivalents at beginning of year		**12,046,051**	12,466,567
Cash and cash equivalents at end of year	**13**	**16,837,926**	12,046,051

This statement should be read in conjunction with the notes to the financial statements.

Notes to the financial statements

1 Corporate information

The financial statements of SE Asia, Inc., Singapore Operations (the "Branch") for the year ended 31 December were authorized for issue by the Branch's management on the date of the statement by managing director.

The Branch is registered and domiciled in Singapore. The registered office and principal place of business of the Branch is at Tower, Singapore 189767.

The principal activity of the Branch is to provide management consulting services to the senior management of large diversified corporations on issues of corporate strategy development and policy.

The Branch's head office is SE Asia, Inc. The head office's immediate holding corporation, which is also its ultimate holding corporation, is Bain & Company, Inc. Both corporations are incorporated in the United States of America.

The Branch is a segment of SE Asia, Inc. and is not a separately incorporated legal entity. The accompanying financial statements of the Branch have been prepared from the records of the Branch and reflect only transactions recorded therein.

The Branch is a part of SE Asia, Inc. Its resources and existence are at the disposal of the head office's management. Its assets are legally available for the satisfaction of debts of Asia, Inc., not solely those appearing on the accompanying financial statements of the Branch, and its debts may result in claims against assets not appearing thereon. The parent company has undertaken to provide financial support as and when required.

2.1 Basis of preparation

The financial statements have been prepared by the Branch's management in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations to FRS promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

2.2 Adoption of new and revised standards

On 1 January 2021, the Branch adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.3 FRS not yet effective

As at the date of authorisation of these financial statements, the following are the new or amended FRS and INT FRS that are not yet effective but may be early adopted for the current financial year:

Description	**Effective date (Annual periods beginning on or after)**
Amendments to FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to FRS 16 *Property, Plant and Equipment:* Proceeds Before Intended Use	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current)	1 January 2023
Amendments to FRS 1 *Presentation of Financial Statements* and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023

The directors are still assessing whether the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Branch in the period of its initial adoption.

2.4 Summary of significant accounting policies

Signing bonus and tuition loans receivable
Sign on bonus refers to bonus paid to new staff as an incentive to join the Branch. The sign on bonus is refundable by the staff if they do not work for the Branch for the required period stipulated in the agreement (the "claw back period"). The amount is stated at cost and amortised on a straight-line basis over the claw back period.

Tuition loans receivable refer to tuition fees paid to staff which are refundable by the staff if they do not meet the conditions of the loan. The amount is stated at cost and amortised on a straight-line basis over the bond period of staff.

Plant and equipment and depreciation
Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

2.4 Summary of significant accounting policies (cont'd)

Plant and equipment and depreciation (cont'd)

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that the future economic benefits associated with the item will flow to the Branch and the cost of the item can be measured reliably.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold improvements	Lease Term
Furniture and fixtures	7 years
Computer equipment	2.5 years
Computer software	5 years
Telephone equipment	5 years

No depreciation is provided in respect of renovation work in progress until such time the construction is completed and the asset is available for use.

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

For acquisitions and disposals during the financial period, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

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

Impairment of non-financial assets

The carrying amounts of the Branch's non-financial assets, such as plant and equipment, subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating-unit to which the assets belong will be identified. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating-units). As a result, some assets are tested individually for impairment and some are tested at the cash-generating-unit level.

All individual assets or cash-generating-units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or cash-generating-unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation.

All assets previously impaired are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or has decreased. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss has been recognised previously. Any impairment loss or reversal of impairment loss is recognised in profit or loss.

2.4 Summary of significant accounting policies (cont'd)

Financial assets

The Branch classifies its financial assets into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification of debt instruments depends on the Branch's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Branch reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Branch measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Debt instruments of the Branch mainly comprise of cash and cash equivalents and trade and other receivables.

There are three prescribed subsequent measurement categories, depending on the Branch's business model in managing the assets and the cash flow characteristic of the assets. The Branch managed these group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

Derecognition of financial assets

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

Impairment of financial assets

The Branch assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For trade receivables and contract assets, the Branch applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For all other financial assets, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.4 Summary of significant accounting policies (cont'd)

Employee compensation

Defined contribution plans

The Branch participates in the defined contribution national pension scheme as provided by the laws of the country in which it has operations. In particular, the Branch contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The Branch's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due, unless they can be capitalised as an asset.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Deferred compensation plans

The deferred compensation plans include Long-Term Compensation ("LTC") plan and Phantom Equity plan. Provision for deferred compensation plans is determined at the discretion of Bain & Company, Inc.'s Policy Committee for each entitled officer on an annual basis. The agreed payable amount will be formalised in agreement with the entitled officer.

The LTC plan is not interest bearing and vest over periods ranging from six months to three years. Payments under these plans are dependent solely on the performance of the underlying investments and are generally made to participants when proceeds are received from the investments.

The Phantom Equity plan is an unfunded plan and balances are adjusted annually in accordance with the terms of the plan. The Branch has the right to amend or terminate the plan at any time without payment to unvested participants. Balances become payable at termination in instalments and accrue interest in accordance with the terms of the plan. Payments are subject to certain restrictions under the plan and are subject to subordination provisions contained in the holding corporation's revolving credit facility.

Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Branch recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Branch.

2.4 Summary of significant accounting policies (cont'd)

Provisions
Provisions are recognised when the Branch has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The Branch's management reviews the provisions annually and where in their opinion, the provisions is inadequate or excessive, due adjustment is made.

<u>Reinstatement cost</u>
Provision for reinstatement cost in respect of the Branch's leased office premises is recognised at the date of inception of the lease and is based on the estimated cost for dismantling, removing and reinstating the leased office premises to its original condition at the end of the lease term as required by the lease agreement.

The provision has been estimated based on current prices and on the assumption that reinstatement of the office premises will take place at the end of the lease term.

Trade and other payables
Trade and other payables represent liabilities for goods and services provided to the Branch prior to the end of financial year which are unpaid, and liabilities arising from deferred compensation plans and provision for reinstatement costs. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

These liabilities are recognised when the Branch becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in the statement of comprehensive income. Financial liabilities are derecognised if the Branch's obligations specified in the contract expire or are discharged or cancelled.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Financial assets and financial liabilities are offset and the net amount presented in the statement of assets used in and liabilities arising out of operations when, and only when, the Branch's obligations specified in the contract expire or are discharged or cancelled.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Head office account
The head office account representing an amount of capital invested in the Branch by the Branch's head office, , Inc., is classified as equity.

2.4 Summary of significant accounting policies (cont'd)

Revenue recognition
Revenue is recognised when the Branch satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue is measured based on the consideration to which the Branch expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

To determine whether to recognise revenue, the Branch follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

<u>Consultancy income – fixed fee</u>
The Branch has concluded that the contracts with customers for provision of consulting services under a fixed fee revenue arrangement constitute a single performance obligation as all the activities are significantly interrelated and integrated towards delivering the services agreed under the contract. Revenue from services shall continue to be recognised over time.

<u>Consultancy income – contingent fee</u>
The Branch's contracts with customers for the provision of consulting services under a contingent revenue arrangement constitute a single performance obligation as all the activities are significantly interrelated and integrated towards delivering the services agreed under the contract. Contingent revenue is dependent upon meeting pre-determined criteria. The contingent fee terms, including measurement date, are clearly defined in the contract with customer. Revenue is recognised at the point in time when the customer confirms that the performance obligation service has met the pre-determined criteria and contingent fees are collected.

Finance income and finance cost
Finance income comprises interest income. Interest income is recognised on a time-proportion basis using the effective interest method.

Finance costs comprise interest expense on borrowings recognised in the profit and loss using effective interest method.

Government grants
Grants from the government are recognised as receivables at their fair value when there is reasonable assurance that the grant will be received, and the Branch will comply with all the attached conditions.

Government grants in respect of expenses are recognised in profit or loss over the period necessary to match them with the related costs which they are intended to compensate, on a systematic basis, and are offset against the related expenses.

2.4 Summary of significant accounting policies (cont’d)

Allocation of administrative expenses
, Inc.’s administrative expenses are allocated to the Branch primarily on the basis of turnover in the office.

Disbursements for clients
The Branch is reimbursed by its clients for substantially all direct and certain indirect expenses incurred in the performance of consulting services. The reimbursement is shown separately in the statement of comprehensive income.

Income taxes
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax is measured:

(i) at the tax rates that are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Branch expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity.

2.4 Summary of significant accounting policies (cont'd)

Leases
The Branch assesses at 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 for time in exchange for consideration.

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

Right-of-use Assets
The Branch recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). 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 payment 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, as follows:

- Office premises 65 months

If ownership of the leased asset transfers to the Branch at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment as disclose in Note 2.4 to the Financial Statements.

The Branch's right-of-use assets are presented as right-of-use assets (Note 21).

Lease Liabilities
At the commencement date of the lease, the Branch 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. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Branch and payments of penalties for terminating the lease, if the lease term reflects the Branch exercising the option to terminate. 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 Branch 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.

2.4 Summary of significant accounting policies (cont'd)

Leases (cont'd)

As a Lessee (cont'd)

Short-term leases and leases of low-value assets
The Branch applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term and leases of low value assets are recognised as expense on a straight-line over the lease term.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or the arrangement coveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

Related parties
Parties are considered to be related if one party has the ability, directly or indirectly, to control or exercise significant influence over the other party in making financial and operational decisions. Related parties may be individuals or corporate entities.

Foreign currency transactions
The financial statements of the Branch are presented in the currency of the primary economic environment in which the Branch operates (its functional currency). The financial statements of the Branch are presented in Singapore dollars, which is the functional currency of the Branch.

In preparing the financial statements, transactions in currencies other than the Branch's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period monetary items denominated in foreign currencies are retranslated at the rate prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

3 Critical accounting estimates, assumptions and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Branch based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Branch. Such changes are reflected in the assumptions when they occur.

Expected credit losses ("ECL") on trade receivables
ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Branch has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward looking information, including significant changes in external market indicators which involved significant estimates and judgements.

In determining the ECL of trade receivables, the Branch has used one year of historical payment history to determine the loss rate. The Branch also has reasonable and supportable forward-looking information available without undue cost or effort.

As at date of balance sheet, the ECLs for trade receivables and contract assets are $2,611,295 (2020: $1,549,997).

Deferred compensation plans
Provision for deferred compensation plans is determined at the discretion of Bain & Company, Inc.'s Policy Committee for each entitled officer on an annual basis. The agreed payable amount will be formalised in agreement with the entitled officer. The LTC plan is not interest bearing and vest over periods ranging from six months to three years. Payments under these plans are dependent solely on the performance of the underlying investments and are generally made to participants when proceeds are received from the investments. The Phantom Equity plan is an unfunded plan and balances are adjusted annually in accordance with the terms of the plan. The Branch has the right to amend or terminate the plan at any time without payment to unvested participants. Balances become payable at termination in instalments and accrue interest in accordance with the terms of the plan. Payments are subject to certain restrictions under the plan and are subject to subordination provisions contained in the holding corporation's revolving credit facility.

4 Revenue – consultancy income

	2021 $	2020 $
Fixed fee revenue		
- Third parties	**78,872,087**	70,173,688
- Holding/related corporations	**52,574,706**	32,021,706
	131,446,793	102,195,394
Contingent revenue		
- Third parties	**4,888,529**	5,149,297
	136,335,322	107,344,691

All the fixed fee income and contingent fee income is recognised over time and at point in time, respectively.

5 Other income

	2021 $	2020 $
Interest income	**717**	25
Gain on disposal of plant and equipment	**180**	-
Government grant	**265,968**	200
	266,865	225

The government grant comprises mainly grants from the Economic Development Board.

6 Employee compensation

	2021 $	2020 $
Salaries and bonus	**104,330,783**	73,075,625
Employer's contribution to Central Provident Fund	**2,305,924**	1,921,187
Employee benefits	**11,696,623**	5,906,507
Termination benefits	**158,790**	217,655
	118,492,120	81,120,974

Amortisation of signing bonus of $550,523 (2020: $620,014) and tuition loans of $316,718 (2020: $197,562) are included in employee benefits.

6 Employee compensation (cont'd)

In 2020 and 2021, the Branch received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. Grant benefit is recognised in profit or loss on a systematic basis over the period of uncertainty in which the related salary costs for which the grant is intended to compensate is recognised as expenses. Management has determined the period of uncertainty to be 17 months commencing from April 2020. Government grant benefit of $1,162,906 (2020: $1,203,630) was recognized and deducted against the related salary costs during the year. Grant receivable of Nil (2020: $208,961) (Note 11) and deferred grant income of Nil (2020: $1,371,807) (Note 17) has also been recognised during the year.

7 Finance costs

	2021	2020
	$	$
Interest expenses on		
Deferred vice president bonus	**10,946**	7,940
Lease expenses	**201,275**	186,367
	212,220	194,307

8 Income tax (credit) / expense

	2021	2020
	$	$
Tax (credit) / expense attributable to results is made up of		
Withholding tax (credit) / expense	**(936,934)**	1,793,494

The tax expense on the results differs from the theoretical amount that would arise using the Singapore standard rate of income tax due to the following:

	2021	2020
	$	$
Loss before taxation	**(13,752,798)**	(4,515,812)
Tax calculated at a tax rate of 17% (2019 – 17%)	**(2,337,975)**	(767,688)
Tax effect on non-allowable expenses	**225,134**	432,531
Tax effect on non-taxable income	**(344,201)**	(204,617)
Deferred tax assets not recognised	**2,457,042**	539,774
Withholding tax (credit) / paid in other countries	**(936,934)**	1,793,494
	(936,934)	1,793,494

At the end of the financial year, the Branch has unutilised tax losses of approximately $97,585,421 (2020: $88,325,977) which can be carried forward and used to offset against future taxable income subject to the provisions of tax legislation and agreement with the tax authorities. The tax losses have no expiry date. The potential deferred tax benefits on the unabsorbed tax losses have not been recognised in the financial statements as their realisation is not certain.

9 Signing bonus and tuition loans receivable

	2021	2020
	$	$
Signing bonus receivable	**565,247**	384,373
Tuition loans receivable	**859,082**	609,381
	1,424,329	993,754

Amortisation of signing bonus and tuition loans receivable is included as part of employee compensation disclosed in Note 6 to the financial statements.

At the balance sheet date, the carrying amounts of signing bonus and tuition loans receivable approximate their fair values. The signing bonus and tuition loans receivable are denominated in Singapore dollars.

(a) Signing bonus receivable

	2021	2020
	$	$
At 1 January	**384,373**	376,216
Additions	**731,397**	628,171
Amortisation	**(550,523)**	(620,014)
At 31 December	**565,247**	384,373

(b) Tuition loans receivable

	2021	2020
	$	$
At 1 January	**609,381**	550,002
Additions	**566,419**	256,941
Amortisation	**(316,718)**	(197,562)
At 31 December	**859,082**	609,381

10 Plant and equipment

	Leasehold improvements	Furniture and fixtures	Computer equipment	Computer software	Telephone equipment	Construction in Progress	Total
	$	**$**	**$**	**$**	**$**	**$**	**$**
Cost							
At 1 January 2020	4,226,089	1,248,552	875,241	117,181	542,322	-	7,009,385
Additions	-	-	65,020	12,593	222,366	-	299,979
Disposals	-	(1,400)	(82,965)	(3,434)	(116,101)	-	(203,900)
31 December 2020	4,226,089	1,247,152	857,296	126,340	648,587	-	7,105,464
Additions	**52,117**		**356,645**	**8,828**	**105,668**	**18,414**	**541,672**
Disposals		**(33,680)**	**(281,748)**				**(315,428)**
At 31 December 2021	**4,278,206**	**1,213,472**	**932,193**	**135,168**	**754,255**	**18,414**	**7,331,708**
Accumulated depreciation							
At 1 January 2020	2,689,284	1,094,851	485,656	94,250	218,179	-	4,582,220
Depreciation for the year	1,061,425	40,844	237,773	7,827	96,577	-	1,444,446
Disposals	-	(1,400)	(82,965)	(3,434)	(116,101)	-	(203,900)
At 31 December 2020	3,750,709	1,134,295	640,464	98,643	198,655	-	5,822,766
Depreciation for the year	**401,625**	**38,917**	**269,993**	**9,602**	**131,312**		**851,449**
Disposals		**(33,680)**	**(281,748)**				**(315,428)**
At 31 December 2021	**4,152,334**	**1,139,532**	**628,709**	**108,245**	**329,967**	**-**	**6,358,787**
Net book value							
At 31 December 2021	**125,872**	**73,940**	**303,484**	**26,923**	**424,288**	**18,414**	**972,921**
At 31 December 2020	475,380	112,857	216,832	27,697	449,932	-	1,282,698

11 Trade and other receivables

	2021 $	2020 $
Trade receivables - third parties	**9,128,584**	13,244,228
Contract assets – third parties	**4,110,697**	10,786,356
	13,239,281	24,030,584
Less: Loss allowance	**(2,611,295)**	(1,549,997)
	10,627,986	22,480,587
Grant receivables	**-**	208,961
Other receivables	**148,826**	263,416
	10,776,812	22,952,964

At the balance sheet date, the carrying amounts of trade and other receivables approximate their fair values.

Contract assets relate to fixed price consulting services contracts. The contract assets balance increased as the Branch provided more services and transferred mores services ahead of the agreed payment schedules.

Trade and other receivables are denominated in the following currencies:

	2021 $	2020 $
Australian dollar	**-**	330
Euro	**1,047,902**	368,406
Singapore dollar	**1,125,139**	420,797
United States dollar	**8,603,771**	22,163,431
	10,776,812	22,952,964

12 Other current assets

	2021 $	2020 $
Refundable deposits	**23,440**	30,066
Prepayments	**88,558**	101,400
	111,998	131,466

At the balance sheet date, the carrying amounts of refundable deposits approximate their fair values. The refundable deposits are denominated in Singapore dollars.

13 Cash and cash equivalents

	2021	2020
	$	$
Cash and bank balances	**16,837,926**	**12,046,051**

Cash and bank balances are denominated in the following currencies:

	2021	2020
	$	$
Singapore dollar	**5,110,830**	1,795,510
United States dollar	**11,727,096**	10,250,541
	16,837,926	12,046,051

At the balance sheet date, the carrying amounts of cash and bank balances approximate their fair values.

14 Head office account

The head office account representing an amount of capital invested in the Branch by the Branch's head office, Bain & Company SE Asia, Inc., is non-interest bearing, unsecured and has no fixed terms of repayment.

15 Deferred compensation plans

	2021	2020
	$	$
Long-term compensation	**--**	10,380
Phantom equity plan	**6,512,309**	2,462,963
	6,512,309	2,473,343

At the balance sheet date, the carrying amounts of deferred compensation plans approximate their fair values. These balances are denominated in United States dollars.

16 Provision for reinstatement cost

	2021	2020
	$	$
At 1 January and 31 December	**537,857**	537,857

At the balance sheet date, the carrying amounts of provision of reinstatement cost for the Branch's leased office premise approximate their fair values. These balances are denominated in Singapore dollars.

17 Trade and other payables

	2021 $	2020 $
Trade payables	**1,732,851**	3,087,298
Due to holding corporation – trade	**112,548,042**	119,410,529
Accrued payroll and related expenses	**39,621,911**	26,415,188
Deferred grant income	**-**	1,371,867
Other accrued expenses	**1,000,160**	2,228,981
	154,902,964	152,513,863

At the balance sheet date, the carrying amounts of trade and other payables approximate their fair values.

Trade and other payables are denominated in the following currencies:

	2021 $	2020 $
Singapore dollar	**154,696,523**	152,091,305
United States dollar	**191,176**	421,793
Philippines Pesos	**8,294**	627
Malaysia Ringgit	**-**	138
Vietnam Don	**-**	-
Canadian Dollars	**2,592**	-
Indonesia Ruppiah	**649**	-
Pounds Sterling	**3,730**	-
	154,902,964	152,513,863

18 Amount due to holding corporation

	2021 $	2020 $
Amount due to holding corporation – non-trade	**200,000**	200,000

The non-trade amounts due to holding corporation are unsecured, interest-free and have no fixed terms of repayment. The non-trade amounts due to holding corporation are denominated in Singapore dollars.

19 Contract liabilities

Contract liabilities for consulting services contracts has increased due to more contracts in which the Branch billed and received consideration ahead of the provision of services.

The amount of revenue recognised in the current reporting period which relates to brought-forward contract liabilities is $288,845. (2020: $863,510).

20 Significant related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Branch and related parties during the financial year on terms agreed between the parties concerned.

	2021 $	2020 $
Professional support costs and technique know-how charged by holding corporation	**13,373,812**	8,823,764
Expenses attributable to holding/related corporations	**20,816,251**	19,830,910
Consultancy income charged to holding/related corporations	**52,574,706**	32,021,706
Expenses paid on behalf by related/holding corporations	**6,956,513**	5,624,945
Expenses paid on behalf of related/holding corporations	**19,140,657**	21,625,182
Expenses recharged to related corporations	**1,366,188**	1,448,881

Balances with related parties at the balance sheet date are set out in Note 17.

Key management's remuneration amounts to $ 74,836,102 (2020 - $48,094,781). Key management's remuneration includes salary, bonus and other enrolments (including benefits-in-kind) computed based on the cost incurred by the Branch.

21 Leases

Branch as a lessee

The Branch has lease contracts for building. The Branch's obligations under these leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension options which are further discussed below.

The Branch also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Branch applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The Branch has leases of office space with lease terms of 6 years, which has first renewal option of 3 years and a further option to renew for another 3 years. The Branch has chosen to include the first renewal option.

(a) Carrying amounts of right-of-use assets

	2021 $	2020 $
At 1 January	**8,732,534**	11,227,544
Lease modification	**75,847**	-
Depreciation charge for the year	**(2,510,978)**	(2,495,010)
Balance at 31 December	**6,297,403**	8,732,534

21 Leases (cont'd)

(b) Amounts recognised in profit or loss

	2021 $	2020 $
Depreciation of right-of-use assets	**2,510,978**	2,495,010
Interest expense on lease liabilities (Note 7)	**201,275**	186,367
Lease expense not capitalised in lease liabilities:		
- Expense relating to short-term leases	**38,900**	32,265
Total amount recognised in profit or loss	**2,751,153**	2,713,642

(c) Total cash outflow

The Branch had total cash outflows for leases of $2,752,072 (2020 : $2,712,412)in 2021.

(e) Extension options

The Branch has lease contract that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Branch's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised.

(f) Lease modification

During the year, the Branch has exercised the first renewal option for its leases of office space. In exercising the renewal option, the Branch has negotiated revised lease payments. Accordingly, this has been accounted for as a lease modification

<u>Lease liabilities</u>

	2021 $	2020 $
<u>Lease liabilities – FRS 116</u>		
Current	**2,632,735**	2,571,890
Non-current	**4,100,005**	6,635,800
Total amount recognised in profit or loss	**6,732,740**	9,207,690

The movements in lease liabilities during the year are as follows:

	2021 $	2020 $
As at 1 January	**9,207,690**	11,733,735
Cash flows:		
- Interest paid	**(201,275)**	(186,367)
- Payment of principal portion of lease liabilities	**(2,550,797)**	(2,526,045)
Non-cash:		
- Interest expense	**201,275**	186,367
- Lease modification	**75,847**	-
As at 31 December	**6,732,740**	9,207,690

22 Financial risk management

The financial risk management of the Branch is handled by the head office as part of the operations of the group. Risk management is carried out under policies provided by the holding corporation. The holding corporation provides guidelines for overall risk management, as well as policies covering specific areas. There were no changes in the Branch's risk management policies in the current year.

22.1 Financial instruments by category

At the reporting dare, the aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	2021	2020
	$	$
Financial assets measured at amortised cost		
Trade and other receivables [(1)]	**6,666,115**	11,957,647
Other current assets	**23,440**	30,066
Cash and cash equivalents	**16,837,926**	12,046,051
	23,527,481	24,033,764
Financial liabilities measured at amortised cost		
Deferred compensation plans	**6,512,309**	2,473,343
Amount due to holding corporation	**200,000**	200,000
Trade and other payables [(2)-]	**154,902,964**	151,141,996
Lease liabilities[(3)]	**6,732,740**	9,207,690
	168,348,013	163,023,029

(1) Excludes contract assets and grant receivable
(2) Excludes deferred grant income
(3) Lease liabilities are financial instruments although they are outside the scope of certain parts of FRS 107 and FRS 109. Lease liabilities are within the scope for FRS 107 disclosures (except for disclosure of fair value), and within the scope of FRS 109 derecognition

The main risks arising from the Branch's financial instruments are credit risk, liquidity risk and market risk (including currency risk, price risk and interest rate risk). The management has reviewed and agreed on policies for managing each of these risks and they are summarised below:

22.2 Market risk

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises when transactions are denominated in foreign currencies. The Branch transacts in foreign currencies such as Euro ("EURO"), Great Britain pounds ("GBP"), Philippine Peso ("PESO") and United States dollars ("USD"). The main currency that the Branch is exposed to foreign currency risk is USD. The Branch does not hedge against the volatility of future cash flows caused by changes in foreign currency rates.

22 Financial risk management (cont'd)

22.2 Market risk (cont'd)

Foreign currency risk (cont'd)

The carrying amounts of foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	2021	2020
	$	$
Financial assets		
Trade and other receivables	**8,603,771**	22,163,431
Cash and cash equivalents	**11,727,096**	10,250,541
	20,330,867	32,413,972

	2021	2020
	$	$
Financial liabilities		
Deferred compensation plans	**6,512,309**	2,473,343
Trade and other payables	**191,176**	421,793
	6,703,485	2,895,136
Net currency exposure	**13,627,382**	29,518,836

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end date for a 5% change in foreign currency rates. A positive number below indicates an increase in profit where SGD weakens 5% against the relevant currency. For a 5% strengthening of the SGD against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be negative.

	Profit or loss (after tax)	
	2021	2020
	$	$
United States dollars	**565,536**	**1,225,032**

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices. The Branch does not hold any quoted or marketable financial instrument and is not exposed to any movements in market prices.

22.2 Market risk (cont'd)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Branch's financial instruments will fluctuate because of changes in market interest rates. The Branch's operating cash flows is substantially independent of changes in market interest rates. The Branch has insignificant interest-bearing assets and liabilities.

No sensitivity analysis is prepared as the Branch does not expect any material effect on the Branch's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments comprising cash and cash equivalents at the reporting date.

22.3 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Branch.

(i) Risk management

The Branch's exposure to credit risk arises primarily from trade receivables. The Branch manages these risks by monitoring credit-worthiness of counterparties and limiting the aggregate risk to any individual counterparty.

(ii) Credit rating and impairment of financial assets

The Branch uses the following categories of internal credit risk rating for financial assets which are subject to expected credit losses under the 3-stage general approach. These four categories reflect the respective credit risk and how the loss provision is determined for each of those categories.

Category of internal credit rating	**Definition of category**	**Basis for recognition of expected credit losses**
Performing	Borrower or issuer have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
Underperforming	Borrower or issuer for which there is a significant increase in credit risk; as significant in credit risk is presumed if interest and/or principal repayment are 30 days past due	Lifetime expected credit losses
Nonperforming	Interest and/or principal payment are 90 days past due	Lifetime expected credit losses
Write-off	Interest and/or principal repayments are 120 days past due and there is no reasonable expectation of recovery	Asset is written off

22 Financial risk management (cont'd)

22.3 Credit risk (cont'd)

The table below details the credit quality of the Branch's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Category	12-month of lifetime ECL	Gross carrying amount $	Loss allowance $	Net carrying amount $
31 December 2021					
Trade receivables	Simplified approach	Lifetime ECL	**9,128,584**	**(2,611,295)**	**6,517,289**
Contract assets	Simplified approach	Lifetime ECL	**4,110,697**	**-**	**4,110,697**
Other receivables	Performing	12-month ECL	**148,826**	**-**	**148,826**
			13,388,107	**(2,611,295)**	**10,776,812**
31 December 2020					
Trade receivables	Simplified approach	Lifetime ECL	13,244,228	(775,122)	12,469,106
Contract assets	Simplified approach	Lifetime ECL	10,786,356	(774,875)	10,011,481
Other receivables	Performing	12-month ECL	263,416	-	263,416
			24,294,000	(1,549,997)	22,744,003

For trade receivables and contract assets, the Branch has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix. As at date of balance sheet, the ECLs for trade receivables and contract assets are $2,611,295.

In calculating the expected credit loss rates, the Branch considers historical loss rates for each category of customers.

For other receivables, the Branch assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Cash and cash equivalents are placed with financial institutions which are regulated hence ECL on cash and cash equivalents is insignificant.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Branch. The Branch categorises a receivable for write off when a debtor fails to engage in a repayment plan with the Branch and based on historical collection trend. Where receivables have been written off, the Branch continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

22 Financial risk management (cont'd)

22.4 Liquidity risk

The Branch manages liquidity risk by maintaining cash and available funding sufficient to enable it to meet its operational requirements. The Branch aims to maintain flexibility in funding by obtaining available funds from its head office.

The table below analyses the maturity profile of the Branch's financial liabilities based on contractual undiscounted cash flows:

		Undiscounted cash flow		
	Carrying Amount	Total	Less than 1 year	More than 1 year
2021		**$**	**$**	**$**
Trade and other payables	**154,902,964**	**154,902,964**	**154,902,964**	
Deferred compensation plans	**6,512,309**	**6,512,309**	**-**	**6,512,309**
Amount due to holding corporation	**200,000**	**200,000**	**-**	**200,000**
Lease liabilities	**6,732,740**	**6,979,333**	**2,791,733**	**4,187,600**
	168,348,013	**168,594,606**	**157,694,697**	**10,899,909**

		Undiscounted cash flow		
	Carrying Amount	Total	Less than 1 year	More than 1 year
2020		**$**	**$**	**$**
Trade and other payables	152,513,863	152,513,863	152,513,863	-
Deferred compensation plans	2,473,343	2,473,343	-	2,473,343
Amount due to holding corporation	200,000	200,000	-	200,000
Lease liabilities	9,207,690	9,493,439	2,712,411	6,781,028
	164,394,896	164,680,645	155,226,274	9,454,371

23 Capital management

The Branch's objectives when managing capital are to ensure that the Branch is adequately funded by the head office and to maintain an optimal balance with the head office and related corporations.

The Branch is not subject to any externally imposed capital requirements.