

**BAHAMAS SWIMMING FEDERATION**

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## COMPILATION REPORT

To the Members of:  
**Bahamas Swimming Federation**

On the basis of information provided by management we have compiled, in accordance with the International Standard on Auditing applicable to compilation engagements, the balance sheet of Bahamas Swimming Federation (the "Federation") as of December 31, 2007, and the related statements of income, changes in equity and cash flows for the year then ended. Management is responsible for these financial statements. We have not audited or reviewed these financial statements and accordingly express no assurance thereon.

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Nassau, Bahamas

**CHARTERED ACCOUNTANTS**

**BAHAMAS SWIMMING FEDERATION**  
**BALANCE SHEET**  
**AS AT DECEMBER 31, 2007**  
*(Expressed in Bahamian dollars)*

	2007	2006
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash at bank	\$ 32,671	\$ 48,596
Fixed deposit	16,785	16,382
Accounts receivable (Note 3)	54,132	33,786
Deposits and prepayments	300	300
<b>Total current assets</b>	<b>103,888</b>	<b>99,064</b>
<b>FIXED ASSETS (Note 4)</b>	<b>1,720</b>	<b>261</b>
<b>TOTAL</b>	<b>\$ 105,608</b>	<b>\$ 99,325</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Accrued expenses	\$ 2,200	\$ 3,200
<b>Total liabilities</b>	<b>2,200</b>	<b>3,200</b>
<b>EQUITY</b>		
Accumulated fund	103,408	96,125
<b>Total equity</b>	<b>103,408</b>	<b>96,125</b>
<b>TOTAL</b>	<b>\$ 105,608</b>	<b>\$ 99,325</b>

See notes to unaudited financial statements.

These financial statements are approved on behalf of the Board and authorized for issue on \_\_\_\_\_ and are signed on its behalf by:

\_\_\_\_\_  
 Director

\_\_\_\_\_  
 Director

**BAHAMAS SWIMMING FEDERATION  
STATEMENT OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>2007</b>	<b>2006</b>
<b>REVENUE</b>		
Fees, dues and donations (Note 5)	\$ 223,800	\$ 182,663
Interest	412	501
Miscellaneous	183	300
<b>Total revenue</b>	<b>224,395</b>	<b>183,464</b>
<b>EXPENSES</b>		
International and National competitions (Note 6)	194,172	138,792
Grant and allocation expense	10,000	-
Travel	5,909	-
Other	2,999	1,508
Donations	1,100	-
Time trials	850	-
Meeting expenses	695	133
Depreciation (Note 4)	661	2,940
Professional fees	500	500
Bank charges	226	230
<b>Total expenses</b>	<b>217,112</b>	<b>144,103</b>
<b>SURPLUS</b>	<b>\$ 7,283</b>	<b>\$ 39,361</b>

See notes to unaudited financial statements.

**BAHAMAS SWIMMING FEDERATION  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Accumulated Fund	Total
BALANCE AS AT DECEMBER 31, 2005	\$ 56,764	\$ 56,764
Surplus	39,361	39,361
BALANCE AS AT DECEMBER 31, 2006	96,125	96,125
Surplus	7,283	7,283
BALANCE AS AT DECEMBER 31, 2007	\$ 103,408	\$ 103,408

See notes to unaudited financial statements.

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**BAHAMAS SWIMMING FEDERATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>2007</b>	<b>2006</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Surplus	\$ 7,283	\$ 39,361
Adjustment for item not affecting cash:		
Depreciation (Note 4)	661	2,940
	7,944	42,301
Changes in non-cash working capital items:		
Increase in accounts receivable	(20,346)	(31,708)
(Decrease)/increase in accounts payable	(1,000)	1,000
Net cash provided by/(used in) operating activities	(13,402)	11,593
<b>CASH FLOWS FROM INVESTING ACTIVITY:</b>		
Purchase of fixed assets (Note 4)	(2,120)	(261)
Net cash used in investing activity	(2,120)	(261)
<b>NET (DECREASE)/INCREASE IN CASH</b>	<b>(15,522)</b>	<b>11,332</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>64,978</b>	<b>53,646</b>
<b>CASH, END OF YEAR</b>	<b>\$ 49,456</b>	<b>\$ 64,978</b>
<b>REPRESENTED BY:</b>		
Cash at bank	\$ 32,671	\$ 48,596
Fixed deposit	16,785	16,382
	\$ 49,456	\$ 64,978

See notes to unaudited financial statements.

**BAHAMAS SWIMMING FEDERATION**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

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**1. GENERAL**

Bahamas Swimming Federation (the “Federation”) was established to promote, encourage and control Swimming, Diving, Synchronized Swimming, Water Polo, Open Water Swimming and Masters Swimming in the Commonwealth of The Bahamas and to foster, encourage and stimulate competitions for such sports. The Federation is to affiliate and work along with other bodies promoting sports within the Commonwealth of The Bahamas and elsewhere, whose aims and objects are similar to those of the Federation and to adopt, publish and enforce fair and practicable rules and regulations for the control and management of Swimming, Diving, Water Polo, Synchronized Swimming, Masters Swimming and Open Water Swimming and ensure that such Rules do not conflict with that of FINA.

The Federation’s principal place of business is The Betty Kelly Swimming Complex, Oakes Field, Nassau, Bahamas.

The Federation had no full-time employees at December 31, 2007.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted are as follows:

- d) *Statement of compliance* – These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) promulgated by the International Accounting Standards Board.
- e) *Basis of measurement* – These financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities that have been measured at fair value.
- c) *Adoption of new and revised standards:*

**i) Standards, amendments and interpretations effective in 2007**

During the year, the Federation has adopted certain International Financial Reporting Standards (IFRS) and amendments to standards that became effective. These are: IFRS 7 *Financial Instruments: Disclosures* which is effective for annual reporting periods beginning on or after January 1, 2007; and the consequential amendments to IAS 1 *Presentation of Financial Statements*.

The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to change the disclosures provided in these financial statements regarding the Federation’s financial instruments and management of capital.

**BAHAMAS SWIMMING FEDERATION**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Cont'd)*

c) *Adoption of new and revised standards: (Cont'd)*

ii) **Amendments to published standards not yet effective and not early adopted:**

The following amendments to published standards (effective for annual periods beginning on or after January 1, 2009), which have been issued but are not yet effective, may be relevant to the Federation's operations. The Federation will apply these amendments from January 1, 2009.

- *IAS 1 (Revised), Presentation of financial statements* – The main objective in revising *IAS 1* was to aggregate information in the financial statements on the basis of shared characteristics. *IAS 1* will affect the presentation of owner changes in equity and of comprehensive income. It will not change the recognition, measurement or disclosure of specific transactions and other events required by other IFRSs. *IAS 1* will require an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) will be required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income will not be permitted to be presented in the statement of changes in equity.
- *IAS 23 (Amendment), Borrowing costs* – This amendment requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs is no longer available. The Federation will apply *IAS 23 (Amended)* from January 1, 2009, but it is not expected to immediately impact the Federation as there are no qualifying assets.
- *IAS 36 (Amendment), Impairment of Assets* – *IAS 36* states that where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosure equivalent to those for value-in-use calculations should be made.



**BAHAMAS SWIMMING FEDERATION**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Cont'd)*

c) *Adoption of new and revised standards: (Cont'd)*

**iii) Standards, interpretations and amendments to published standards not yet effective:**

The Federation has concluded that the following standards, interpretations and amendments to existing standards, which are published but not yet effective (effective for annual periods beginning on or after January 1, 2009), maybe relevant to its operations, but will have no material impact on adoption; or are not relevant to its operations and will therefore have no material impact on adoption; or contain inconsequential clarifications that will have no material impact when they come into effect.

- IFRS 2 – Share-based Payments (Vesting conditions and cancellations)
- IFRS 3 – Business Combinations (Revision on applying the acquisition method)
- IFRS 5 – Non-current Assets held for Sale and Discontinued Operations (May 2008 Annual Improvements)
- IFRS 8 – Operating Segments
- IAS 16 (Amendment) – Property, Plant and Equipment (and consequential amendment to IAS 7, Statement of Cash Flows)
- IAS 27 – Consolidated and Separate Financial Statements (Consequential amendments arising from amendments to IFRS 3)
- IAS 32 (Amendment) – Financial Instruments: Presentation (Puttable financial instruments and obligations arising on liquidation)
- IAS 38 – Intangible Assets
- IAS 40 (Amendments) – Investment Property (and consequential amendment to IAS 16)
- IFRIC 15 – Agreements for construction of real estates
- IFRIC 17 – Distributions of Non-cash Assets to Owners
- IFRIC 18 – Transfers of Assets from Customers

d) *Use of estimates* – Preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Federation's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

e) *Functional and presentation currency* – The financial statements are presented in Bahamian dollars ("B\$"), which is the Federation's functional currency.

**BAHAMAS SWIMMING FEDERATION**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

- f) *Foreign currency translation* - Transactions in foreign currencies are translated into Bahamian dollars at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities expressed in foreign currencies are translated into Bahamian dollars at the rate of exchange ruling at the balance sheet date.
- g) *Cash and cash equivalents* – Cash and cash equivalents comprise cash at bank and in hand.
- h) *Fixed assets* – Fixed assets are recorded at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture & fixtures	3 – 5 years
Equipment	2 – 5 years
Computer hardware and software	2 – 4 years

- i) *Financial instruments* – Financial assets and financial liabilities are recognized in the Federation's balance sheet when the Federation has become a party to the contractual provisions of the instrument and are measured as follows:
- i. *Accounts receivable* – Accounts receivable are stated net of allowance for bad debts. Allowance for bad debts is determined by management after reviewing each account. Management has determined that no allowance for bad debts is necessary.
  - ii. *Accounts payable* – Accounts payable are stated at their nominal value which approximates their fair value.
- j) *Donations* – In common with other similar non-profit organizations, The Federation records income from donations only when received. In all other material respects The Federation adheres to International Financial Reporting Standards.

**BAHAMAS SWIMMING FEDERATION**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**3. ACCOUNTS RECEIVABLE**

Accounts receivable consists of:

	2007	2006
Government Grant receivable	\$ 40,000	\$ -
Government Athlete Subvention	11,000	10,000
Other receivable	3,132	2,232
Caribbean Islands Swimming Championships (CISC)	-	21,554
	<b>\$ 54,132</b>	<b>\$ 33,786</b>

**4. FIXED ASSETS**

Fixed assets are comprised of the following:

	Beginning Balance	Additions	Disposals	Ending Balance
<i>Cost:</i>				
Furniture and fixtures	\$ 705	\$ -	\$ -	\$ 705
Equipment	6,997	780	-	7,777
Computer hardware and software	4,080	1,340	-	5,420
	11,782	2,120	-	13,902
	Ending Balance	Additions	Disposals	Ending Balance
<i>Accumulated Depreciation:</i>				
Furniture and fixtures	\$ 705	\$ -	\$ -	\$ 705
Equipment	6,997	65	-	7,062
Computer hardware and software	3,819	596	-	4,415
	11,521	661	-	12,182
<b>2007 Net Movement</b>	<b>\$ 261</b>	<b>\$ 1,459</b>	<b>\$ -</b>	<b>\$ 1,720</b>
<b>2006 Net Movement</b>	<b>\$ 2,940</b>	<b>\$ (2,679)</b>	<b>\$ -</b>	<b>\$ 261</b>

**BAHAMAS SWIMMING FEDERATION**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**5. REVENUE**

Revenue is comprised of the following:

	<b>2007</b>	<b>2006</b>
Government contributions	\$ 54,350	\$ 59,554
Club fees	36,129	40,033
Carifta	36,060	14,360
BTC	35,000	7,500
Contributions - Private	20,050	24,949
Royal Bank of Canada (RBC)	20,000	21,220
National Entries	12,532	13,562
BOA Grant	6,000	-
Other	2,017	1,485
Time trials	1,662	-
	<b>\$ 223,800</b>	<b>\$ 182,663</b>

**6. INTERNATIONAL AND NATIONAL COMPETITIONS**

International and National competitions consist of the following:

	<b>2007</b>	<b>2006</b>
Carifta Cost (Net)	\$ 108,705	\$ 58,652
CCCAN - CAC	26,745	2,500
Nationals	24,540	20,739
Pan Am expenses	14,262	-
BOA Assist Pan Am	12,000	-
World University	4,239	-
World Championships	3,681	13,688
CISC	-	43,213
	<b>\$ 194,172</b>	<b>\$ 138,792</b>

**BAHAMAS SWIMMING FEDERATION**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
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**7. FINANCIAL RISK MANAGEMENT**

In the course of business, the Federation incurs different types of risk. These include credit, liquidity, and market risks, (including interest rate risk and other price risks).

Management has the overall responsibility for the establishment and oversight of the Federation's risk management.

**7.1. Credit risk**

The Federation takes on exposure to credit risk, which is the risk that the counterparty to a financial instrument will cause a financial loss for the Federation by failing to perform according to the terms of the contract. From this perspective, the Federation's significant exposure to credit risk is primarily concentrated in cash and cash equivalents.

*Cash and cash equivalents*

The Federation has no significant exposure to credit risk from cash and cash equivalents as the Federation places its funds with reputable and high quality financial institutions.

***Maximum exposure to credit risk:***

	<b>Maximum exposure</b>	
	<b>2007</b>	<b>2006</b>
Cash and cash equivalents	\$ 49,456	64,978
Accounts receivable	54,132	33,786
Security deposits	300	300
	<b>\$ 103,888</b>	<b>\$ 99,064</b>

The above table represents a worse case scenario of credit risk exposure.

**BAHAMAS SWIMMING FEDERATION**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

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**7. FINANCIAL RISK MANAGEMENT** (*Cont'd*)

**7.2. Liquidity risk**

Liquidity risk is the risk that the Federation is unable to meet its payment obligations associated with its financial liabilities, when they fall due.

***Liquidity risk management process:***

Primary responsibility for liquidity management rests with Management, this responsibility includes:

- Day-to-day funding, managed by monitoring the future cash flows and cash balances to ensure that liquidity requirements are met; and
- Monitoring balance sheet liquidity ratios against internal and regulatory requirements.

The Federation completes monthly reconciliations of cash balances and cash requirements. These reports are submitted to Management for approval and control purposes, as these are the key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection dates of the financial assets.

**BAHAMAS SWIMMING FEDERATION**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**7. FINANCIAL RISK MANAGEMENT** *(Cont'd)*

**7.2. Liquidity risk** *(Cont'd)*

The table below represents the contractual maturities of undisclosed financial liabilities:

<b>As at December 31, 2007</b>				
	<b>Within 1 Year</b>	<b>Over 1 Year</b>	<b>No Specific Maturity</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 49,456	\$ -	\$ -	\$ 49,456
Accounts receivable	54,132	-	-	54,132
Deposits and prepayments	-	-	300	300
<b>Total assets</b>	<b>103,588</b>	<b>-</b>	<b>300</b>	<b>103,888</b>
<b>Liabilities:</b>				
Accounts payable	2,200	-	-	2,200
<b>Total liabilities</b>	<b>2,200</b>	<b>-</b>	<b>-</b>	<b>2,200</b>
<b>Net liquidity gap</b>	<b>\$ 101,388</b>	<b>\$ -</b>	<b>\$ 300</b>	<b>\$ 101,688</b>
<b>Cumulative liquidity gap</b>	<b>\$ 101,388</b>	<b>\$ 101,388</b>	<b>\$ 101,688</b>	

<b>As at December 31, 2006</b>				
	<b>Within 1 Year</b>	<b>Over 1 Year</b>	<b>No Specific Maturity</b>	<b>Total</b>
<b>Total assets</b>	\$ 98,764	\$ -	\$ 300	\$ 99,064
<b>Total liabilities</b>	(3,200)	-	-	(3,200)
<b>Net liquidity gap</b>	<b>\$ 95,564</b>	<b>\$ -</b>	<b>\$ 300</b>	<b>\$ 95,864</b>
<b>Cumulative liquidity gap</b>	<b>\$ 95,564</b>	<b>\$ 95,564</b>	<b>\$ 95,864</b>	

**BAHAMAS SWIMMING FEDERATION**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

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**7. FINANCIAL RISK MANAGEMENT** (*Cont'd*)

**7.3. Market risk**

Market risk is the risk that there will be a change in the value of instruments due to changes in market conditions which includes the Federation's operating environment.

**7.3.1. *Currency risk***

The Federation is not exposed to currency risk, as all transactions are denominated in Bahamian Dollars.

**7.3.2. *Interest rate risk***

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Federation is exposed to interest rate risk on its bank fixed deposit which totaled \$16,785 (2006: \$16,382).

**7.3.3. *Price risk***

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Federation has no exposure to price risk as it has no financial instruments that are affected by market prices.