

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, 2008, 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.

Nassau, Bahamas

CHARTERED ACCOUNTANTS

BAHAMAS SWIMMING FEDERATION
BALANCE SHEET
AS AT DECEMBER 31, 2008
(Expressed in Bahamian dollars)

	2008	2007
ASSETS		
CURRENT ASSETS		
Cash	\$ 138,752	\$ 32,671
Fixed deposit	17,208	16,785
Accounts receivable (Note 3)	3,132	54,132
Deposits and prepayments	300	300
Total current assets	159,392	103,888
FIXED ASSETS (Note 4)	883	1,720
TOTAL	\$ 160,275	\$ 105,608
LIABILITIES AND EQUITY		
LIABILITIES		
Accounts payable	\$ 2,700	\$ 2,200
Government Athlete Subvention	1,367	-
Total liabilities	4,067	2,200
EQUITY		
Accumulated fund	156,208	103,408
Total equity	156,208	103,408
TOTAL	\$ 160,275	\$ 105,608

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, 2008**

	2008	2007
REVENUE		
Fees, dues and donations (Note 5)	\$ 313,971	\$ 223,800
Interest	422	412
Miscellaneous	240	183
Total revenue	314,633	224,395
EXPENSES		
International and National competitions (Note 6)	246,443	194,172
Other	7,605	2,999
Travel	2,672	5,909
Donations	1,742	1,100
Time trials	1,458	850
Professional fees	500	500
Depreciation (Note 4)	837	661
Meeting expenses	400	695
Bank charges	176	226
Grant and allocation expense	-	10,000
Total expenses	261,833	217,112
SURPLUS	\$ 52,800	\$ 7,283

See notes to unaudited financial statements.

**BAHAMAS SWIMMING FEDERATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Accumulated Fund	Total
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
Surplus	52,800	52,800
BALANCE AS AT DECEMBER 31, 2008	\$ 156,208	\$ 156,208

See notes to unaudited financial statements.

DRAFT

**BAHAMAS SWIMMING FEDERATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Surplus	\$ 52,800	\$ 7,283
Adjustment for item not affecting cash:		
Depreciation (Note 4)	837	661
	<u>53,637</u>	<u>7,944</u>
Changes in non-cash working capital items:		
Decrease/(increase) in accounts receivable	51,000	(20,346)
Increase/(decrease) in accounts payable	500	(1,000)
Increase in Government Athlete Subvention	1,367	-
Net cash provided by/(used in) operating activities	<u>106,504</u>	<u>(13,402)</u>
CASH FLOWS FROM INVESTING ACTIVITY:		
Purchase of fixed assets (Note 4)	-	(2,120)
Net cash used in investing activity	<u>-</u>	<u>(2,120)</u>
NET INCREASE/(DECREASE) IN CASH	106,504	(15,522)
CASH, BEGINNING OF YEAR	49,456	64,978
CASH, END OF YEAR	\$ 155,960	\$ 49,456
REPRESENTED BY:		
Cash	\$ 138,752	\$ 32,671
Fixed deposit	17,208	16,785
	<u>\$ 155,960</u>	<u>\$ 49,456</u>

See notes to unaudited financial statements.

**BAHAMAS SWIMMING FEDERATION
NOTES TO UNAUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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, 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are as follows:

- a) *Statement of compliance* – These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) promulgated by the International Accounting Standards Board.
- b) *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 2008**
There were no new standards, amendments to standards or interpretations relevant to the Federation which were effective during the year.

BAHAMAS SWIMMING FEDERATION
NOTES TO UNAUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2008

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 Association's operations. The Association 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 Association will apply *IAS 23 (Amended)* from January 1, 2009, but it is not expected to immediately impact the Association 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, 2008

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 and not relevant to the Association's operations:

The Association 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, 2008

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, 2008

3. ACCOUNTS RECEIVABLE

Accounts receivable consists of:

	2008	2007
Other receivables	\$ 3,132	\$ 3,132
Government Athlete Subvention	-	11,000
Government Grant receivable	-	40,000
	\$ 3,132	\$ 54,132

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	7,777	-	-	7,777
Computer hardware and software	5,420	-	-	5,420
	13,902	-	-	13,902
	Ending Balance	Additions	Disposals	Ending Balance
<i>Accumulated Depreciation:</i>				
Furniture and fixtures	\$ 705	\$ -	\$ -	\$ 705
Equipment	7,062	390	-	7,452
Computer hardware and software	4,415	447	-	4,862
	12,182	837	-	13,019
2008 Net Movement	\$ 1,720	\$ (837)	\$ -	\$ 883
2007 Net Movement	\$ 261	\$ 1,459	\$ -	\$ 1,720

BAHAMAS SWIMMING FEDERATION
NOTES TO UNAUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2008

5. REVENUE

Revenue is comprised of the following:

	2008	2007
Government contributions	\$ 155,000	\$ 54,350
Corporate sponsors	56,085	-
National entries	32,173	12,532
Club fees	22,165	36,129
Royal Bank of Canada (RBC)	20,000	20,000
BTC	15,000	35,000
Carifta	11,581	36,060
Time trials	1,717	1,662
Other	250	2,017
Contributions - Private	-	20,050
BOA Grant	-	6,000
	\$ 313,971	\$ 223,800

6. INTERNATIONAL AND NATIONAL COMPETITIONS

International and National competitions consist of the following:

	2008	2007
Carifta Cost (Net)	\$ 89,067	\$ 108,705
CISC	62,398	-
World University	58,380	4,239
Nationals	31,116	24,540
World Championships	4,982	3,681
Pan Am expenses	500	14,262
CCCAN - CAC	-	26,745
BOA Assist Pan Am	-	12,000
	\$ 246,443	\$ 194,172

**BAHAMAS SWIMMING FEDERATION
NOTES TO UNAUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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:

	Maximum exposure	
	2008	2007
Cash and cash equivalents	\$ 155,960	49,456
Accounts receivable	3,132	54,132
Security deposits	300	300
	\$ 159,392	\$ 103,888

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

BAHAMAS SWIMMING FEDERATION
NOTES TO UNAUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2008

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, 2008

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

7.2. Liquidity risk *(Cont'd)*

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

As at December 31, 2008				
	Within 1 Year	Over 1 Year	No Specific Maturity	Total
Assets:				
Cash and cash equivalents	\$ 155,960	\$ -	\$ -	\$ 155,960
Accounts receivable	54,132	-	-	54,132
Deposits and prepayments	-	-	300	300
Total assets	210,092	-	300	210,392
Liabilities:				
Accrued expenses	2,700	-	-	2,700
Government Athlete Subvention	1,367	-	-	1,367
Total liabilities	4,067	-	-	4,067
Net liquidity gap	\$ 206,025	\$ -	\$ 300	\$ 206,325
Cumulative liquidity gap	\$ 206,025	\$ 206,025	\$ 206,325	

As at December 31, 2007				
	Within 1 Year	Over 1 Year	No Specific Maturity	Total
Total assets	\$ 103,588	\$ -	\$ 300	\$ 103,888
Total liabilities	(2,200)	-	-	(2,200)
Net liquidity gap	\$ 101,388	\$ -	\$ 300	\$ 101,688
Cumulative liquidity gap	\$ 101,388	\$ 101,388	\$ 101,688	

BAHAMAS SWIMMING FEDERATION
NOTES TO UNAUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2008

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 overdraft and long-term debt which totals \$17,208 (2007: \$16,785).

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.