

Aquatic Sports Association of Jamaica
Financial Statements
Year Ended December 31, 2023

AQUATIC SPORTS ASSOCIATION OF JAMAICA
(A Company Limited by Guarantee)

Financial Statements
Year ended December 31, 2023

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Independent Auditor's Report

To the Members of
AQUATIC SPORTS ASSOCIATION OF JAMAICA
(A Company Limited by Guarantee)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aquatic Sports Association of Jamaica ("the Company") set out on pages 4 to 16, which comprise the statement of financial position as at December 31, 2023, the statements of profit or loss and other comprehensive income and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information. In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Company's financial reporting process.

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Independent Auditor's Report

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To the Members of
AQUATIC SPORTS ASSOCIATION OF JAMAICA
(A Company Limited by Guarantee)

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report

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To the Members of
AQUATIC SPORTS ASSOCIATION OF JAMAICA
(A Company Limited by Guarantee)

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

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

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

Hall, Wilson & Associates

Chartered Accountants
June 4, 2025

AQUATIC SPORTS ASSOCIATION OF JAMAICA
(A Company Limited by Guarantee)

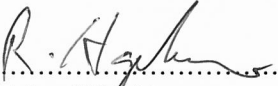
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Statement of Financial Position
At December 31, 2023

	<u>Notes</u>	<u>2023</u> \$	<u>2022</u> \$
<u>Assets</u>			
<u>Non-current assets</u>			
Property, plant and equipment	4	21,076,820	20,718,610
Deferred taxation	5	517,843	-
Investment	6	<u>190,291</u>	<u>199,974</u>
		<u>21,784,954</u>	<u>20,918,584</u>
<u>Current assets</u>			
Cash and cash equivalents	7	20,151,037	11,851,765
Accounts receivable	8	2,280,203	806,440
Inventories		<u>297,837</u>	<u>71,239</u>
		<u>22,729,077</u>	<u>12,729,444</u>
Total assets		<u>44,514,031</u>	<u>33,648,028</u>
<u>Equity and liabilities</u>			
Accumulated surplus		<u>31,117,743</u>	<u>27,114,168</u>
<u>Current liabilities</u>			
Taxation payable		4,244,742	-
Accounts payable and accruals	9	<u>9,151,546</u>	<u>6,533,860</u>
		<u>13,396,288</u>	<u>6,533,860</u>
Total equity and liabilities		<u>44,514,031</u>	<u>33,648,028</u>

The financial statements on pages 4 to 16 were approved for issue by the Board of Directors on June 4, 2025 and signed on its behalf by:


.....President
Lance Rochester


.....Treasurer
Richard Hopkins

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

AQUATIC SPORTS ASSOCIATION OF JAMAICA
(A Company Limited by Guarantee)

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Statement of Comprehensive Income
Year ended December 31, 2023

	<u>Notes</u>	<u>2023</u> \$	<u>2022</u> \$
Income		109,844,586	68,763,077
Direct costs		(84,501,793)	(48,901,208)
Gross profit		25,342,793	19,861,869
Loss on disposal of bond		(134)	-
Other income	10	-	7,322,105
		25,342,659	27,183,974
Administration expenses		(17,068,411)	(14,203,891)
Profit before net finance cost and taxation		8,274,248	12,980,083
Finance income		30,281	16,180
Finance cost		(574,185)	(110,860)
Net finance cost	11	(543,904)	(94,680)
		7,730,344	12,885,403
Gain/(loss) in value of investments classified as FVTPL		130	(2,887)
Profit before taxation	12	7,730,474	12,882,516
Taxation	13	(3,726,899)	-
Net profit for the year		4,003,575	12,882,516
Accumulated surplus brought forward		27,114,168	14,231,652
Accumulated surplus carried forward		31,117,743	27,114,168

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

AQUATIC SPORTS ASSOCIATION OF JAMAICA
(A Company Limited by Guarantee)

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Statement of Cash Flows
Year ended December 31, 2023

	<u>2023</u> \$	<u>2022</u> \$
<u>Cash flows from operating activities</u>		
Net profit for the year	4,003,575	12,882,516
Adjustments to reconcile net profit for the year to net cash provided by operating activities:		
Depreciation	2,054,969	1,786,243
Loss on disposal of bonds	134	-
(Gain)/loss in value of investments classified as FVTPL	(130)	2,887
Taxation	3,726,899	-
Interest income	(30,281)	(16,180)
Accounts receivable	9,755,166	14,655,466
Inventories	(1,473,763)	37,310
Accounts payable	(226,598)	25,592
	<u>2,617,686</u>	<u>(5,428,427)</u>
Net cash provided by operating activities	<u>10,672,491</u>	<u>9,289,941</u>
<u>Cash flows from investing activities</u>		
Interest received	30,281	16,180
Investment	14,697	(131,937)
Purchase of property, plant and equipment	(2,413,179)	(248,058)
Net cash used in investing activities	(2,368,201)	(363,815)
<u>Cash flows from financing activity</u>		
Loan, being net cash used by financing activity	-	(818,306)
Effect of foreign exchange movements on cash and cash equivalents	(5,018)	3,017
Net increase in cash and cash equivalents	8,299,272	8,110,837
Cash and cash equivalents at the beginning of the year	<u>11,851,765</u>	<u>3,740,928</u>
Cash and cash equivalents at the end of year	<u>20,151,037</u>	<u>11,851,765</u>

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

Notes to the Financial Statements
Year ended December 31, 2023

1. Corporate structure and nature of business

The company is incorporated under the Companies Act and is domiciled in Jamaica. The registered office and principal place of business is situated at Independence Park, Kingston 6. The nature of the business is to promote the art of swimming and to encourage the teaching and popularity thereof. It is a charitable, non-governmental organisation.

2. Statement of compliance and basis of preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB) and comply with the provisions of the Companies Act.

New standards, interpretations and amendments to standards that are effective for accounting periods beginning on or after January 1, 2023:

During the year, certain new standards amendments to standards and interpretations became effective. The company has assessed the relevance of all such new standards, interpretations and amendments and has adopted the following, which are relevant to its operations.

- Amendments to *IAS 1 'Presentation of financial statements'* on classification of liabilities, (effective for annual periods beginning on or after January 1, 2023). These amendments to *IAS 1, 'Presentation of financial statements'*, clarify that liabilities are classified as either current or non – current, depending on the rights that exist at the end of the reporting period. The amendment also clarifies what *IAS 1* means when it refers to the 'settlement' of a liability.
- Amendments to *IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9 and IFRS 16* (effective for annual periods beginning on or after January 1, 2023). Amendments to *IAS 16 'Property, plant and equipment'* prohibit a company from deducting from the cost of the property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Amendments to *IAS 37 'Provisions, contingent liabilities and contingent assets'* specify which costs a company includes when assessing whether a contract will be loss – making. Annual improvements make minor amendments to *IFRS 1, 'First – time Adoption of IFRS'*, *IFRS 9 'Financial instruments'* and the illustrative examples accompanying *IFRS 16, 'Leases'*.

New and amended standards issued but not yet effective and not early adopted:

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are not effective at the date of the statement of financial position and which the company has not early adopted. Management anticipates that none of the new amendments and interpretations to existing standards will be relevant to the company's financial statements.

Notes to the Financial Statements (continued).
Year ended December 31, 2023

2. Statement of compliance and basis of preparation (cont'd)

(b) Basis of preparation

The financial statements are presented in Jamaican dollars (J\$) which is the functional currency of the company. The financial statements have been prepared under the historical cost convention.

The measurement bases used are more fully described in the accounting policies below:

(i) Income

- Sponsorship and development funding are recognized when received. They are included in the statement of comprehensive income when used during the year, otherwise they are included in the statement of financial position as advances;
- Interest income is reported on the accruals basis.

(ii) Expenses

Expenses are recognized on the accruals basis.

(c) Use of estimates and judgement

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the date of the statement of financial position, and the income and expense for the year then ended. Actual amounts could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below.

Residual value and expected useful life of property, plant and equipment.

The residual value and the expected useful life of an asset are reviewed at least at each financial year-end, and, if expectations differ from previous estimates, the change is accounted for. The useful life of an asset is defined in terms of the asset's expected utility to the company.

Notes to the Financial Statements (continued)
Year ended December 31, 2023

3. Material accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances including short-term deposits and other monetary instruments with maturities ranging between one and three months from the date of the statement of financial position.

(b) Accounts receivable

Accounts receivable is stated at cost less impairment losses.

(c) Accounts payable

Accounts payable is stated at cost.

(d) Related parties

A party is related to the company, if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - (a) is controlled by, or is under common control with the company;
 - (b) has a direct or indirect interest in the company that gives it significant influence;
 - (c) has joint control over the company;
- (ii) the party is an associate of the company;
- (iii) the party is a joint venture in which the company is a venturer;
- (iv) the party is a member of the key management personnel of the company;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. The company has a related party relationship with its directors and key management personnel, representing certain senior officers of the company.

Notes to the Financial Statements (continued)
Year ended December 31, 2023

3. Material accounting policies (cont'd)

(e) Foreign currencies

Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Monetary assets and liabilities denominated in foreign currencies at the date of the statement of financial position are translated to Jamaican dollars at rates of exchange ruling on that date. Gains and losses arising from fluctuations in exchange rates are recognized in the statement of comprehensive income.

(f) Taxation:

Taxation on the profit or loss for the year comprises current and deferred tax. Taxation is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the date of the statement of financial position, and any adjustment to tax payable in respect of previous years. Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the date of the statement of financial position.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

(g) Impairment

- (i) The carrying amounts of the company's assets are reviewed at each date of the statement of financial position to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at the date of the statement of financial position. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive income.

Notes to the Financial Statements (continued)
Year ended December 31, 2023

3. Material accounting policies (cont'd)

(g) Impairment (continued)

(ii) Reversals of impairment

An impairment loss in respect of a receivable is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the carrying amount does not exceed the carrying amount that would be determined, net of depreciation or amortization, if no impairment loss had been recognized.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation:

Property, plant and equipment are depreciated on the straight-line basis at annual rates estimated to write off the assets over their expected useful lives. The depreciation rates are as follows:

Building	5%
Furniture, fittings, and equipment	10%
Computers	20%

Depreciation methods, useful lives and residual values are reassessed annually.

(i) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, accounts receivable and investments. Similarly, financial liability is comprised of accounts payable.

(j) Determination of fair value

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. Some financial instruments lack an available trading market. These instruments have been valued using present value or other valuation techniques and the fair value shown may not necessarily be indicative of the amounts realizable in an immediate settlement of the instruments.

Notes to the Financial Statements (continued)
Year ended December 31, 2023

4. Property, plant and equipment

	<u>Building & Leasehold Improvement</u>	<u>Pool & other Equipment</u>	<u>Computers</u>	<u>Office equipment</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>At cost:</u>					
December 31, 2021	22,943,078	4,509,660	1,310,567	1,478,665	30,241,970
Additions	<u>-</u>	<u>72,439</u>	<u>158,749</u>	<u>16,870</u>	<u>248,058</u>
December 31, 2022	22,943,078	4,582,099	1,469,316	1,495,535	30,490,028
Additions	<u>-</u>	<u>491,499</u>	<u>249,372</u>	<u>1,672,308</u>	<u>2,413,179</u>
December 31, 2023	<u>22,943,078</u>	<u>5,073,598</u>	<u>1,718,688</u>	<u>3,167,843</u>	<u>32,903,207</u>
<u>Depreciation:</u>					
December 31, 2021	3,511,327	2,899,823	881,975	692,050	7,985,175
Charge for the year	<u>1,147,154</u>	<u>303,133</u>	<u>194,233</u>	<u>141,723</u>	<u>1,786,243</u>
December 31, 2022	4,658,481	3,202,956	1,076,208	833,773	9,771,418
Charge for the year	<u>1,147,153</u>	<u>352,282</u>	<u>244,108</u>	<u>311,426</u>	<u>2,054,969</u>
December 31, 2023	<u>5,805,634</u>	<u>3,555,238</u>	<u>1,320,316</u>	<u>1,145,199</u>	<u>11,826,387</u>
<u>Net book value:</u>					
December 31, 2023	<u>17,137,444</u>	<u>1,518,360</u>	<u>398,372</u>	<u>2,022,644</u>	<u>21,076,820</u>
December 31, 2022	<u>18,284,597</u>	<u>1,379,143</u>	<u>393,108</u>	<u>661,762</u>	<u>20,718,610</u>

5. Deferred taxation

Deferred taxation is attributable to:

	<u>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</u>
Property, plant and equipment	<u>517,843</u>	<u>-</u>

All changes in the provision for deferred taxation are recognized in the statement of profit or loss and other comprehensive income.

6. Investment

This represents portfolio of US\$ bonds managed by Mayberry Investments Limited aggregating US\$1,239 (2022: US\$1,333). The bonds are shown at the market value at each statement of financial position date and the gain or loss on revaluation is recognized in the statement of comprehensive income.

Notes to the Financial Statements (continued)
Year ended December 31, 2023

7. Cash and cash equivalents

	<u>2023</u>	<u>2022</u>
	\$	\$
National Commercial Bank Jamaica Limited:		
- Current account	2,243,679	1,697,189
- Imprest current account	5,403,990	3,485,066
- NADS savings account	591,515	156,379
- Swimming savings account	719,504	716,188
- Synchro savings account	466,474	789,724
- Savings account	9,931,934	4,607,723
- Water polo savings account	14,390	14,339
- Petty Cash Float	24,499	12,298
Mayberry account	31,302	5,099
Un-deposited funds	<u>723,750</u>	<u>367,760</u>
	<u>20,151,037</u>	<u>11,851,765</u>

8. Accounts receivable

	<u>2023</u>	<u>2022</u>
	\$	\$
Trade receivables:		
ASAJ registration	20,250	20,250
Meet fees	1,203,125	904,404
Pool entry fees	2,870,811	1,834,071
Reimbursed expenses	567,943	567,943
Other receivables	<u>1,943,098</u>	<u>1,804,795</u>
	6,605,227	5,131,463
Impairment losses	<u>(4,325,024)</u>	<u>(4,325,023)</u>
	<u>2,280,203</u>	<u>806,440</u>

9. Accounts payable and accruals

	<u>2023</u>	<u>2022</u>
	\$	\$
Accounts payable	8,162,378	4,844,033
Accruals	<u>989,168</u>	<u>1,689,827</u>
	<u>9,151,546</u>	<u>6,533,860</u>

10. Other income

This includes long standing balances in accounts payable and accruals and unsecured loan which were written off during the year.

Notes to the Financial Statements (continued)
Year ended December 31, 2023

11. Net finance cost

	<u>2023</u>	<u>2022</u>
	\$	\$
Interest income	<u>30,281</u>	<u>16,180</u>
Foreign exchange loss	(349,999)	(3,237)
Bank charges	(224,186)	(107,623)
	(574,185)	(110,860)
	(<u>543,904</u>)	(<u>94,680</u>)

12. Disclosures of expenses

Net profit for the year is stated after charging:

	<u>2023</u>	<u>2022</u>
	\$	\$
Staff costs	3,251,434	3,698,739
Auditors' remuneration	450,000	420,000
Depreciation	<u>2,054,969</u>	<u>1,786,243</u>

13. Taxation

	<u>2023</u>	<u>2022</u>
	\$	\$
(a) Current taxation	1,036,707	-
Previous years under provision	3,208,035	-
Origination and reversal of temporary differences	(517,843)	-
Tax expense in the statement of comprehensive income	<u>3,726,899</u>	<u>-</u>
(b) Reconciliation of effective tax rate:		
Profit before taxation	<u>7,730,474</u>	<u>12,882,516</u>
Computed "expected" tax expense @ 25%	1,932,618	-
Previous years under provision	3,208,035	-
Corporate tax credit	(375,000)	-
Difference between results for financial statements and tax reporting purposes in respect of:		
Disallowed items, net	(1,038,754)	-
Tax expense in the statement of comprehensive income	<u>3,726,899</u>	<u>-</u>

Notes to the Financial Statements (continued)
Year ended December 31, 2023

14. Financial risk management

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board, together with senior management has overall responsibility for the establishment and oversight of the company's risk management framework. The risk management policies are established to identify and analyse risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises principally from investment activities.

Management of credit risk:

Cash and cash equivalents

Cash and cash equivalents are placed with reputable financial institutions for short - term periods and management believes these institutions have minimal risk of default.

Overall exposure to credit risk:

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<u>2023</u>	<u>2022</u>
	\$	\$
Cash and cash equivalents	19,402,789	11,471,706
Investment	190,291	199,974
Accounts receivable	<u>2,280,203</u>	<u>806,440</u>
	<u>21,873,283</u>	<u>12,478,120</u>

(b) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, and interest rates will affect the company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

Notes to the Financial Statements (continued)
Year ended December 31, 2023

14. Financial risk management (continued)

(b) Market risk (continued):

(i) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Interest bearing financial assets comprises bank deposits which have been contracted at fixed and variable interest rates for the duration of their terms. The company has no financial liabilities subject to interest. At the reporting date, all the company's interest bearing financial instruments were at fixed rates.

Fair value sensitivity analysis for fixed rate instruments

The company holds financial assets in savings accounts that are not subject to material changes in market rates. Therefore, a change in interest rates at the reporting dates would not materially affect the surplus for the year.

(ii) 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. The company incurs foreign currency risk primarily on short – term investments and bank deposits which are denominated in United States dollars (USD). The company manages foreign exchange exposure by maintaining adequate liquid resources in appropriate currencies. At December 31, 2023, net foreign currency assets aggregated US\$69,253 (2022: US\$32,115).

Exchange rates, in terms of Jamaican dollar, were as follows:

	<u>US\$</u>
December 31, 2022	149.96
December 31, 2023	154.95

Sensitivity analysis

A 5% (strengthening)/weakening of the US\$ against the Jamaica dollar would have increased/(decreased) surplus for the year by \$536,538 (2022: \$240,802). This analysis assumes that all other variables, in particular interest rates, remain constant.

(c) Liquidity risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Management aims at maintaining flexibility in funding by keeping lines of funding available with its bankers.

AQUATIC SPORTS ASSOCIATION OF JAMAICA
(A Company Limited by Guarantee)

SUPPLEMENTARY INFORMATION TO THE
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

AQUATIC SPORTS ASSOCIATION OF JAMAICA
(A Company Limited by Guarantee)

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Detailed Income Statement
Year ended December 31, 2023

	<u>Notes</u>	<u>2023</u> \$	<u>2022</u> \$
<u>Income</u>			
Meet income		13,869,902	9,008,978
Registration fees		2,176,900	1,721,130
Donation and sponsorship		-	140,000
Development funding		4,179,917	6,092,944
Stadium pool		29,811,430	19,221,600
CCCAN		3,996,085	7,396,518
CARIFTA championship		10,566,282	9,599,136
Syncro		995,900	1,057,000
WA (FINA) income		464,004	4,435,917
PAN AM Aquatics		-	4,261,615
Goodwill games		43,058,330	5,802,735
Miscellaneous		<u>725,836</u>	<u>25,504</u>
		<u>109,844,586</u>	<u>68,763,077</u>
<u>Direct costs</u>			
CARIFTA		10,800,107	8,340,328
CCCAN		5,129,781	6,671,075
Syncro		1,495,855	1,863,103
Pool expenses		24,207,299	13,223,319
UANA games		-	4,131,834
Goodwill games		33,647,817	5,680,634
WA (FINA) Expense		3,104,509	5,278,289
Other meet expenses		<u>6,116,425</u>	<u>3,712,626</u>
		<u>84,501,793</u>	<u>48,901,208</u>
Gross profit		25,342,793	19,861,869
Loss on disposal of bond		(134)	-
Other income	10	<u>-</u>	<u>7,322,105</u>
Administration expenses		25,342,659	27,183,974
		<u>(17,068,411)</u>	<u>(14,203,891)</u>
Profit before net finance income and taxation		<u>8,274,248</u>	<u>12,980,083</u>

AQUATIC SPORTS ASSOCIATION OF JAMAICA
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Administration Expenses
Year ended December 31, 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
Salaries and statutory contributions	3,251,434	3,698,739
National squad/team expenses	286,356	733,240
Development costs	695,118	703,066
Communication	644,536	571,366
Repairs and maintenance	1,125,521	403,014
Equipment rental	275,976	-
Office and administration expenses	1,980,968	1,182,883
Impairment losses	-	298,625
Accounting and audit fees	450,000	470,513
Professional fees	3,245,327	2,362,750
Janitorial expenses	3,058,206	1,993,452
Depreciation	<u>2,054,969</u>	<u>1,786,243</u>
	<u>17,068,411</u>	<u>14,203,891</u>