Consolidated Financial Statement of

THE BAHAMAS NATIONAL TRUST

For the year ended December 31, 2022

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THE BAHAMAS NATIONAL TRUST
Consolidated Financial Statements

For the year ended December 31, 2022

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The Bahamas

INDEPENDENT AUDITORS' REPORT

To the Council of
The Bahamas National Trust

Opinion

We have audited the consolidated financial statements of The Bahamas National Trust (the "Trust"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Trust as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in The Bahamas, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Trust's financial statements for the year ended December 31, 2021, were audited by another auditor who expressed an unmodified opinion on those financial statements on July 31, 2023.

Emphasis of Matter

1. Note 2(r) of the consolidated financial statements which states that real property bequeathed or donated as gifts in-kind is included in come at the time the title passes to the Trust. Management has elected to record such real property at a nominal value, which is permitted by IAS 20. Such real property is generally received as properties to be held for long-term preservation, and as such, management does not consider these assets in the normal sense, and further considers that assigning fair values to such property would distort the Trust's consolidated financial position. Our opinion is not modified in respect of this matter.

2. Restatement of Prior Year Financial Statements – we draw attention to Note 23 of the consolidated financial statements, which describes that the financial statements for the year ended December 31, 2021 have been corrected and restated in order to correct errors in the prior year's audit. In addition, certain reclassifications have been made to conform to the current year's presentation. Our opinion is not modified in respect of this matter.

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INDEPENDENT AUDITORS' REPORT *(Continued)*

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Management is responsible for overseeing the Trust's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

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INDEPENDENT AUDITORS' REPORT *(Continued)*

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

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

Ecovis Bahamas

ECOVIS Bahamas
Chartered Accountants
Nassau, The Bahamas

October 23, 2024

THE BAHAMAS NATIONAL TRUST
Consolidated Statement of Financial Position

As at December 31, 2022
(Expressed in Bahamian dollars)

	Notes	2022 General Fund	2022 The Heritage Fund	2022 Total	2021 Total (Restated)
ASSETS					
Current assets					
Cash and cash equivalents	4.1	$ 3,221,726	$ 24	$ 3,221,750	$ 3,248,400
Term deposits	4.2	6,986	1,900,670	1,907,656	1,907,479
Trade and other receivables	5	154,030	-	154,030	183,778
Inventories		30,236	-	30,236	38,425
Due from BNTFI	6	1,609,847	-	1,609,847	1,350,242
Other assets		22,316	-	22,316	29,524
Total current assets		5,045,141	1,900,694	6,945,835	6,757,848
Non-current assets					
Financial assets at fair value through profit or loss	7	254,941	1,614,137	1,869,078	2,109,878
Financial assets at amortized cost	8	-	210,000	210,000	210,000
Property and equipment	9	794,603	-	794,603	953,340
Right-of-use assets	10.1	57,868	-	57,868	218,513
Capital work-in-progress	12	1,705,741	-	1,705,741	324,527
Intangible assets	13	1,154	-	1,154	7,244
Total non-current assets		2,814,307	1,824,137	4,638,444	3,823,502
TOTAL ASSETS		$ 7,859,448	$ 3,724,831	$ 11,584,279	$ 10,581,350
LIABILITIES					
Current liabilities					
Trade and other payables	16	$ 345,516	$ -	$ 345,516	$ 243,187
Deferred income	18	2,544,299	-	2,544,299	2,918,921
Lease liability - current portion	10.2	58,921	-	58,921	37,010
Total current liabilities		2,948,736	-	2,948,736	3,199,118
Non-current liabilities					
Lease liability - non-current portion	10.2	-	-	-	63,079
Total liabilities		2,948,736	-	2,948,736	3,262,197
NET ASSETS		$ 4,910,712	$ 3,724,831	$ 8,635,543	$ 7,319,153
FUND BALANCES	15	$ 4,910,712	$ 3,724,831	$ 8,635,543	$ 7,319,153

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

These consolidated financial statements were approved by the Council, authorized for issue on October 23, 2024, and signed on its behalf by:

Geoffrey Andrews
President

Philip Cumming
Honorary Treasurer

THE BAHAMAS NATIONAL TRUST
Consolidated Statement of Comprehensive Income

For the year ended December 31, 2022
(Expressed in Bahamian dollars)

	Notes	2022 General Fund	2022 The Heritage Fund	2022 Total	2021 Total (Restated)
INCOME					
Contribution from non-profit organizations		$ 3,228,569	$ -	$ 3,228,569	$ 995,416
Other gifts and donations		1,759,095	-	1,759,095	2,588,895
Government grants	***14(a)***	1,500,000	-	1,500,000	1,500,000
Park fees, moorings and tours		981,235	-	981,235	1,054,497
Events proceeds and other activities		493,810	-	493,810	24,401
Other income		132,943	-	132,943	11,845
Retail sales		113,124	-	113,124	63,776
Members' subscriptions		95,742	-	95,742	59,047
Income from Discovery Club		26,940	-	26,940	7,361
Total income		8,331,458	-	8,331,458	6,305,238
EXPENSES					
Salaries and benefits	***14(c), 19***	2,897,535	-	2,897,535	2,014,074
Projects supported by non-profit organizations		1,055,048	-	1,055,048	1,300,529
Miscellaneous		1,201,380	-	1,201,380	281,746
Maintenance - vehicles and boats		285,970	-	285,970	169,610
Professional fees		262,560	-	262,560	136,454
Cost of events		196,979	-	196,979	91,177
Committees, conferences and travel		155,575	-	155,575	46,299
General insurance		149,986	-	149,986	150,053
Repairs and maintenance - general		148,026	-	148,026	126,670
Utilities		110,508	-	110,508	90,342
Cost of sales - retail		78,355	-	78,355	71,887
Bank charges		64,155	69	64,224	197,310
Postage and office supplies		61,773	-	61,773	36,834
Advertising, publications and outreach		48,632	-	48,632	41,840
Freight and duty		23,601	-	23,601	20,499
Security		15,740	-	15,740	7,137
Public meetings and school education		5,586	-	5,586	3,802
Total expenses		6,761,409	69	6,761,478	4,786,263
NET INCOME		1,570,049	(69)	1,569,980	1,518,975
OTHER INCOME/(EXPENSES)					
Net change in unrealized gain on financial assets at FVTPL	***7***	-	-	-	59,044
Depreciation on property and equipment	***9***	(435,003)	-	(435,003)	(403,482)
Amortization on intangible assets	***13***	(6,282)	-	(6,282)	(9,686)
Amortization on right-of-use assets	***10.3***	(29,260)	-	(29,260)	(15,759)
Interest on lease liability	***10.3***	(11,998)	-	(11,998)	(9,061)
Dividends		-	39,019	39,019	44,766
Interest income	***4.2***	-	177	177	49,022
Total other expenses		(482,543)	39,196	(443,347)	(285,156)
TOTAL COMPREHENSIVE INCOME		$ 1,087,506	$ 39,127	$ 1,126,633	$ 1,233,819

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

THE BAHAMAS NATIONAL TRUST
Consolidated Statement of Changes in Equity

For the year ended December 31, 2022
(Expressed in Bahamian dollars)

	General Fund	The Heritage Fund	Total
Balance as at December 31, 2020	**$ 2,192,985**	**$ 3,892,349**	**$ 6,085,334**
Comprehensive income for the year			
Profit for the year	1,080,985	152,834	1,233,819
Total comprehensive income for the year	1,080,985	152,834	1,233,819
Transfer between Funds			
Inter-fund transfer	117,662	(117,662)	-
Balance as at December 31, 2021	**3,391,632**	**3,927,521**	**7,319,153**
Comprehensive income for the year			
Profit for the year	1,087,506	39,127	1,126,633
Revaluation reserve	189,757	-	189,757
Total comprehensive income for the year	1,277,263	39,127	1,316,390
Balance as at December 31, 2022	**$ 4,668,895**	**$ 3,966,648**	**$ 8,635,543**

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

THE BAHAMAS NATIONAL TRUST
Consolidated Statement of Cash Flows

For the year ended December 31, 2022
(Expressed in Bahamian dollars)

	Notes	2022 General Fund	2022 The Heritage Fund	2022 Total	2021 Total (Restated)
Cash flows from operating activities:					
Profit for the year		$ 1,087,506	$ 39,127	$ 1,126,633	$ 1,233,819
Adjustment for:					
Net change in unrealized gain on financial assets at FVTPL	***7***	-	-	-	(59,044)
Depreciation on property and equipment	***9***	435,003	-	435,003	403,482
Amortization on intangible assets	***13***	6,282		6,282	9,686
Amortization on right-of-use assets	***10.3***	29,260		29,260	15,759
Interest on lease liability	***10.3***	11,998	-	11,998	9,061
Dividends		-	(39,019)	(39,019)	(44,766)
Interest income	***4.2***	-	(177)	(177)	(49,022)
Cash provided by operating activities before changes in operating assets and liabilities		1,570,049	(69)	1,569,980	1,518,975
Decrease/(increase) in operating assets:					
Trade and other receivables		29,748	-	29,748	(27,882)
Inventories		8,189	-	8,189	11,111
Due from BNTFI		(259,605)	-	(259,605)	(1,242,602)
Other assets		7,208	-	7,208	3,359
Increase/(decrease) in operating liabilities:					
Trade and other payables		102,329	-	102,329	(145,966)
Deferred income		(374,622)	-	(374,622)	1,886,752
Advance government grant		-	-	-	(750,000)
Net cash provided by operating activities		1,083,296	(69)	1,083,227	1,253,747
Cash flows from investing activities:					
Net increase in term deposits	***4.2***	-	-	-	(900,493)
Sale of financial assets at amortized cost	***8***	-	-	-	957,168
Net increase in investments		240,800		240,800	60,625
Acquisition of property and equipment	***9***	(276,266)	-	(276,266)	(295,490)
Decrease/(increase) in right-of-use assets		348,803	-	348,803	(113,462)
Addition to capital work-in-progress	***12***	(1,381,214)	-	(1,381,214)	(76,399)
Net cash used in investing activities		(1,067,877)	-	(1,067,877)	(368,051)
Cash flows from financing activity:					
Lease payments	***10.2***	(42,000)	-	(42,000)	(37,200)
Net cash used in financing activity		(42,000)	-	(42,000)	(37,200)
Net (decrease)/increase in cash and cash equivalents		(26,581)	(69)	(26,650)	848,496
Cash and cash equivalents, beginning of year		3,248,307	93	3,248,400	2,399,904
CASH AND CASH EQUIVALENTS, END OF YEAR		$ 3,221,726	$ 24	$ 3,221,750	$ 3,248,400
Supplemental cash flow information:					
Cash on hand	***4.1***	$ 12,619	$ -	$ 12,619	$ 9,047
Cash at banks	***4.1***	$ 3,209,107	$ 24	$ 3,209,131	$ 3,239,353

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

1. GENERAL

The Bahamas National Trust (the "Trust") was incorporated as a Trust for Places of Historic Interest or Natural Beauty under the provision of The Bahamas National Trust Act, 1959, as amended (the "Act"). It exists for the purposes of promoting the permanent preservation, for the benefit and enjoyment of the Commonwealth of The Bahamas, of lands and tenements (including buildings) and submarine areas of beauty or natural or historic interest and, as regards lands and submarine areas, for the preservation (so far as practicable) of their natural aspect, features, and animal, plant, and marine life.

The consolidated financial statements include the financial statements of the Trust and its wholly-owned subsidiary, the Bahamas National Park Safaris Ltd. ("BNPS"), an entity incorporated under the Companies Act, 1992 of the Commonwealth of The Bahamas on April 21, 2017.

The Trust maintains the following funds:

- General Fund
  The General Fund, by all or any recognized means, raises funds for the furtherance of the Trust's purposes and applies the same in accordance with the provisions of the Act.

- The Heritage Fund
  The Heritage Fund was established by the Trust as an endowment fund in 1984 with the restriction that contributions thereto would be held indefinitely as capital and invested in income-producing investments.

The affairs of the Trust are administered by a Council and an Executive Committee, the composition, powers, and proceedings of which are governed by the provisions of the Act.

The principal administrative office of the Trust is located at Bay Street Business Centre, East Bay Street, Nassau, The Bahamas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) ***Statement of compliance*** – The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

b) ***Basis of preparation*** – These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are carried at fair values.

c) ***Basis of consolidation*** – The consolidated financial statements comprise the financial statements of the Trust and its wholly-owned subsidiary, over which it exercises control. Control exists when the Trust has the power to govern the financial and operating policies of the subsidiary to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are considered.

   The consolidated financial statements are presented as a single economic entity. Intra-group transactions, balances, and unrealized gains and losses are eliminated in preparing the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

d) ***Changes in accounting policies and disclosures*** – Certain new standards, and amendments to existing standards have been published by the International Accounting Standards Board ("IASB"), the effect on the Trust's consolidated financial statements are set out below:

i) *Adoption of new standard effective January 1, 2022*
There are no new or amended accounting standards effective January 1, 2022, impacting the Trust's consolidated financial statements for the current period.

ii) *New standard issued but not yet effective or adopted*
The following amended standard has been issued but is not yet effective and has not been early adopted. The Trust intends to adopt this standard when it becomes effective:

- IAS 1 (Amendment): Classification of Liabilities as Current or Non-current – In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement;
  - That a right to defer must exist at the end of the reporting period;
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2023, and must be applied retrospectively. The Trust is currently assessing the impact the amendment will have on current practice and whether existing liabilities agreements may require renegotiation.

e) ***Functional and presentation currency*** – The consolidated financial statements are presented in Bahamian dollars, which is the Trust's functional and presentation currency.

f) ***Foreign currency translations*** – Transactions in foreign currencies are translated to the Bahamian dollar at the exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. Gains and losses on translation are recognized in profit or loss.

g) ***Cash and cash equivalents*** – Cash and cash equivalents are carried in the consolidated statement of financial position at cost. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and cash at banks.

h) ***Term deposits*** – Term deposits represent deposits at banks, and other financial institutions with an original maturity of more than ninety (90) days. These deposits are recognized in the statement of financial position at amortized cost using the effective interest method.

i) ***Inventories*** – Inventories which are comprised of books, shirts and other souvenirs for sale are carried at the lower of cost and net realizable value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

j) ***Impairment of non-financial assets*** – An assessment is made at each reporting date to determine whether there is any indication of impairment of any assets, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is computed as the higher of the asset's value in use or its net selling price.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to operations in the period in which it arises unless the asset is carried at a revalued amount in which case the impairment is charged to the revaluation increment of the said asset. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any depreciation), had no impairment loss been recognized for the asset in prior years.

A reversal of an impairment loss is credited to current operations.

k) ***Financial instruments*** – A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition, classification and measurement
A financial instrument is recognized when the Trust becomes a party to the contractual provisions of the instrument.

Financial assets
The Trust classifies its financial assets as subsequently measured at:

- Amortized cost; or
- Fair value through profit or loss (FVTPL).

A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

Investments in mutual funds and investments held in a brokerage account are measured at FVTPL, all other financial assets are measured at amortized costs.

Financial liabilities
IFRS 9 has not substantially changed the classification of financial liabilities, and retained the following categories:

- Amortized cost; or
- Fair value through profit or loss (FVTPL).

The Trust's financial liabilities are classified as measured at amortized cost. Balances included in this classification are accrued expenses and other liabilities and lease liability.

Derecognition
The Trust derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. The Trust derecognizes a financial liability when its contractual obligations are discharged, cancelled, or have expired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

k) ***Financial instruments*** *(Continued)*

Impairment
New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted.

The Trust assesses its financial assets measured at amortized cost and debt instruments at FVOCI for 'expected credit loss' (ECL).

The Trust considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade' and is issued or guaranteed by the Bahamas Government. The Trust does not apply the low credit risk exemption to any other financial instruments.

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortized cost: the loss allowance is deducted from the gross carrying amount of the assets. Movement in the ECL is recognized in profit or loss.
- Debt instruments measured at FVOCI: the loss allowance is recognized in other comprehensive income with the corresponding entry recognized in profit or loss. The loss allowance does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

l) ***Property and equipment*** – Property and equipment are measured at cost less accumulated depreciation and impairment losses. Costs include expenditures that are directly related to the acquisition of the asset.

Subsequent cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Trust and its cost can be measured reliably. The costs of day-to-day servicing of property and equipment are recognized in the statement of comprehensive income.

Property and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Depreciation is recognized on the straight-line basis at rates estimated to write-off the relevant assets over their expected useful lives. The rates used are as follows: Land is not depreciated. The rates used are as follows:

Buildings	-	20 years
Leasehold improvements	-	7 – 10 years
Furniture, fixtures, and equipment	-	5 – 7 years
Motor vehicles and boats	-	4 years

m) ***Leases*** – At the inception of the contract, the Trust assesses whether the contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for periods in exchange for consideration.

A right-of-use asset represents the right to use an underlying asset for the lease term and a lease liability represents the obligation to make lease payments arising from the lease.

The Trust recognizes a lease contract as a right-of-use asset included in property and equipment under land and building and a corresponding lease liability at the commencement date. Interest cost is charged to the consolidated statement of comprehensive income over the lease term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

m) ***Leases*** *(Continued)*

Right-of-use asset
The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payment made at or before the lease commencement date.

The right-of-use asset is subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is provided on a straight-line basis from the commencement date to the earlier of the end of the useful lifetime of the right-of-use asset or the end of the lease term.

Lease liability
The lease liability is initially measured at the present value of lease payments to be made over the lease term, discounted using the Trust's incremental borrowing rate because the interest rate implicit in the lease is not readily determinable. The lease payment comprises fixed payments. The Trust determines the lease term as the non-cancellable term of the lease, together with any periods covered by any option to extend or terminate the lease.

After the commencement date, the amount of the lease liability is increased to reflect the addition of the interest and reduced for lease payments made. The carrying amount of the lease liability is re-measured if there is a change in lease payments or the lease term. When the lease liability is re-measured, a corresponding adjustment is made to the carrying amount of the right-of-use asset of recorded in the consolidated statement of comprehensive income if the carrying amount of the right-of-use asset is reduced to zero.

The Trust applies a single recognition and measurement approach for leases as lessee, except for short-term leases and leases of low-value items.

n) ***Leasehold properties*** – Leasehold properties comprise land and marine park holdings designated as conservation areas under the Act and are not assigned a value. The properties are held under 99-year leases granted by the Government of the Commonwealth of The Bahamas that require nominal annual rental payments.

o) ***Capital work-in progress*** – Assets under construction or development are recognized as capital work-in progress until they are available for use and thereupon the total cost is transferred to the relevant asset and included under buildings or leasehold improvements, as applicable. Capital work-in progress is stated at cost, less impairment losses, if any.

p) ***Intangible assets*** – Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. Amortization is recognized on a straight-line basis over the estimated useful lives of the assets of five years in the consolidated statement of comprehensive income.

q) ***Related parties*** – A related party represents an entity or an individual that has the ability to control, directly or indirectly, through one or more intermediaries, or exercises significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

r) ***Income and expenses recognition*** – Subscriptions, gifts and donations, income from exhibition proceeds and other activities and Government grants are recognized as income for the General Fund when received, except for non-expendable capital contributions. Non-expendable capital contributions relating to The Heritage Fund are credited directly to the restricted fund balance account of that endowment fund.

Appropriations by Parliament (termed "Government grants") received to subsidize operating expenses and specific projects of the Trust, are deferred and recognized as income in the financial period in which any conditions attached to them have been satisfied and by reference to the financial period in which the Trust recognizes as expenses the related costs that the Government subvention is intended to compensate. These amounts are presented gross in the consolidated statement of comprehensive income.

The Trust applies the deferral method of accounting for restricted contributions under which restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

Real property bequeathed or donated as gifts in-kind are included in income when title passes to the Trust. Management has elected to record such income at a nominal value. Such real property is generally received as properties to be held for preservation, and as such, management does not consider these to be assets in the normal sense and further considers that assigning fair values to such property would distort the consolidated statement of financial position.

Other assets bequeathed or donated as gifts in-kind are included in income on the date acquired at fair value as determined by management using relevant market data, or when considered necessary, professional appraisals.

All other income and expenses are generally recorded on an accrual basis.

s) ***Pension costs*** – The Trust has a defined contribution pension plan for its employees. The plan is funded by payments from employees and the Trust. The employees contribute a minimum of 5% of their monthly salaries and the Trust contributes a maximum of 5% of employees' salaries. The Trust's contributions are reflected in the consolidated statement of comprehensive income in the year in which they are due. Colina Financial Advisors Ltd. ("CFAL") administers the plan.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, contingent assets and liabilities at the end of reporting period and income and expenses for the year then ended. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods if affected.

Judgments made by management in the application of IFRS that have the most significant effect on the amounts recognized in the financial statements and estimates with a significant risk of resulting in a material adjustment in the next financial year are discussed below:

- *Allowance for impairment losses* – In determining amounts recorded for allowance for losses in the financial statements, management makes judgments regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from investments, accounts receivable and other financial assets, for example, repayment default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired financial assets as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant loans and loans portfolio with similar characteristics, such as credit risk.

  The methodology and assumptions used for estimating both the amounts and timing of future cash flows are reviewed regularly to minimize any differences between loss estimates and actual loss experience.

- *Estimated useful life of property and equipment* – The Group estimates the useful lives of its property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of the assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of the assets is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

4. CASH AND CASH EQUIVALENTS AND TERM DEPOSITS

4.1. Cash and cash equivalents consist of the following:

	Interest Rate	2022 General Fund	2022 The Heritage Fund	2022 Total	2021 Total
Cash at banks					
RBC Royal Bank (Bahamas) Limited		$ 3,072,631	$ 24	$ 3,072,655	$ 3,144,707
Commonwealth Bank Bahamas Limited		82,794	-	82,794	40,748
Bank of The Bahamas Limited		53,682	-	53,682	53,898
		3,209,107	24	3,209,131	3,239,353
Cash on hand	N/A	12,619	-	12,619	9,047
		$ 3,221,726	$ 24	$ 3,221,750	$ 3,248,400

As at December 31, 2022, the Trust has a corporate credit card and overdraft facilities with RBC Royal Bank (Bahamas) Limited for $25,700 (2021: $44,000) and $225,000 (2021: $225,000), respectively, which are secured by BGRS with a carrying value of $210,000 (2021: $210,000).

The overdraft facility when drawn, carries interest at a rate of 7.25% per annum.

4.2. Term deposits consist of the following:

	Interest Rate	2022 General Fund	2022 The Heritage Fund	2022 Total	2021 Total
RBC Royal Bank (Bahamas) Limited	0.00%	$ -	$ 1,900,670	$ 1,900,670	$ 1,900,493
RBC FINCO	0.00%	6,986	-	6,986	6,986
		$ 6,986	$ 1,900,670	$ 1,907,656	$ 1,907,479

Term deposits earn no interest (2021: between 0.03% and 0.05%) per annum and mature on January 20, 2024 (2021: January 20, 2023).

5. TRADE AND OTHER RECEIVABLES

a) Trade and other receivables consist of the following:

	2022			2021
	General Fund	The Heritage Fund	Total	Total
Contributions receivable	$ 78,580	$ -	$ 78,580	$ 79,080
Less: allowance for expected credit losses	-	-	-	-
	78,580	-	78,580	79,080
Other receivables	75,450	-	75,450	104,698
	$ 154,030	$ -	$ 154,030	$ 183,778

b) The ageing of trade and other receivables is as follows:

General Fund/The Heritage Fund					
	2022				
	Current	1 to 30 Days	Over 30 Days	Total	2021 Total
General Fund					
Contributions and income receivable	$ -	$ -	$ -	$ 83,236	$ 83,236
	$ -	$ -	$ -	$ 83,236	$ 83,236

6. DUE FROM BNTFI

The Bahamas National Trust Fund, Inc. (“BNTFI”) is a United States registered not-for-profit organization established as a supporting agency for the charitable and corporate purposes of the Trust. Donations received by BNTFI may be used without restriction by the Trust.

As at December 31, 2022, the total amount of $1,609,847 (2021: $1,350,242) represents all donations, monetary gifts, and project funding that is recognized in the consolidated statement of financial position as due from BNTFI and the corresponding amount as income under other gifts and donations in the statement of comprehensive income. There were no transfers made to the Trust during the year.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Details of investments in subsidiaries are comprised of the following:

	General Fund/The Heritage Fund					
	2022			2021		
	Quantity	Cost	Fair Value	Quantity	Cost	Fair Value
General Fund						
Fidelity account		$ 271,650	$ 254,941		$ 266,966	$ 292,945
The Heritage Fund						
Templeton Global Bond Fund - Class A	46,485	409,403	366,764	44,884	496,931	396,772
Templeton Growth Fund - Class A	58,523	1,428,127	1,247,373	58,159	1,124,107	1,420,161
		1,837,530	1,614,137		1,621,038	1,816,933
		$ 2,109,180	$ 1,869,078		$ 1,888,004	$ 2,109,878

Investments held in the Fidelity account represent assets bequeathed for the Exuma Cays Land and Sea Park amounting to $266,966 (2021: $292,945). BNTFI is the custodian of these assets under a custody agreement with the Trust.

The Trust has elected to automatically reinvest the dividends from investments in Templeton Global Bond Fund – Class A and Templeton Growth Fund – Class A. During the year, reinvested net dividends amounted to $11,294 (2021: $20,918) and $18,594 (2021: $23,848) in Templeton Global Bond Fund – Class A and Templeton Growth Fund – Class A, respectively.

When investment income of The Heritage Fund is required to meet the operational needs of the General Fund, shares of the Templeton funds may be sold for this purpose.

8. FINANCIAL ASSETS AT AMORTIZED COST

Financial assets at amortized cost consist of the following:

	General Fund/The Heritage Fund					
	2022				2021	
	Interest Rate	Maturity Date	Quantity	Amortized Cost	Quantity	Amortized Cost
The Heritage Fund						
Bahamas Government Registered Stock	Prime+0.293%	25/09/2027	180,000	$ 180,000	180,000	$ 180,000
Bahamas Government Registered Stock	4.68%	18/09/2029	30,000	30,000	30,000	30,000
				$ 210,000		$ 210,000

Interest on Bahamas Government Registered Stocks (BGRS) is receivable semi-annually, in June and December. As at December 31, 2022, interest receivable from BGRS totaled $5,545 (2021: $5,545).

9. PROPERTY AND EQUIPMENT

Property and equipment are comprised of the following:

	General Fund/The Heritage Fund								
	Land and Buildings	Leasehold Improvements	Furniture Fixtures and Equipment	Computers and Devices	Motor Vehicles and Boats	Signage	Software	Machinery and Other Equipment	Total
Cost									
Balance as at December 31, 2020	$ 2,344,276	$ 527,031	$ 455,505	$ 260,118	$ 1,316,591	$ 58,507	$ 12,206	$ 451,256	$ 5,425,490
Additions	-	-	23,218	25,522	182,188	-	-	64,562	295,490
Balance as at December 31, 2021	2,344,276	527,031	478,723	285,640	1,498,779	58,507	12,206	515,818	5,720,980
Additions	-	-	23,218	25,522	127,529	-	-	99,997	276,266
Balance as at December 31, 2022	2,344,276	527,031	501,941	311,162	1,626,308	58,507	12,206	615,815	5,997,246
Accumulated depreciation									
Balance as at December 31, 2020	2,152,147	376,455	349,791	210,675	908,960	18,304	12,206	335,620	4,364,158
Charge for the year	52,236	51,955	36,363	19,088	175,346	8,358	-	60,136	403,482
Balance as at December 31, 2021	2,204,383	428,410	386,154	229,763	1,084,306	26,662	12,206	395,756	4,767,640
Charge for the year	90,655	39,294	39,239	21,446	172,441	8,358	-	63,570	435,003
Balance as at December 31, 2022	2,295,038	467,704	425,393	251,209	1,256,747	35,020	12,206	459,326	5,202,643
Carrying value									
As at December 31, 2022	**$ 49,238**	**$ 59,327**	**$ 76,548**	**$ 59,953**	**$ 369,561**	**$ 23,487**	**$ -**	**$ 156,489**	**$ 794,603**
As at December 31, 2021	**$ 139,893**	**$ 98,621**	**$ 92,569**	**$ 55,877**	**$ 414,473**	**$ 31,845**	**$ -**	**$ 120,062**	**$ 953,340**

The Trust owns in excess of sixty-nine (69) acres of freehold properties, which were bequeathed or donated and for which a nominal value was recorded at the time of donation or bequest. These properties are located on New Providence, Long Island, Eleuthera, Abaco, Crooked Island, Exuma, and Andros in The Bahamas.

10. RIGHT-OF-USE ASSETS

The Trust operates from leased premises, with lease terms renewable every five (5) years. The lease agreement, which was renewed on August 1, 2021, for another term of five (5) years, will expire on July 31, 2024.

10.1. Right-of-use assets

	2022	2021
Balance, beginning of year	$ 218,513	$ 120,810
Additions	-	113,462
Adjustment	(131,385)	-
Amortization expense recognized in profit or loss	(29,260)	(15,759)
Balance, end of year	$ 57,868	$ 218,513

10.2. Lease liability

	2022	2021
Balance, beginning of year	$ 100,089	$ 122,872
Additions	-	113,462
Adjustment	(11,166)	(108,106)
Interest expense recognized in profit or loss	11,998	9,061
Lease payments during the year	(42,000)	(37,200)
Balance, end of year	$ 58,921	$ 100,089

Maturity Analysis:

The future minimum lease payments under this lease at the reporting period are as follows:		
No later than 1 year	$ 58,921	$ 37,010
Later than 1 year and not later than 5 years	-	63,079
	$ 58,921	$ 100,089

10.3. Amounts recognized in profit or loss

	2023	2022
Amortization of right-of-use asset	$ 29,260	$ 15,759
Interest on lease liability	11,998	9,061
	$ 41,258	$ 24,820

11. LEASEHOLD PROPERTIES

The Trust holds the following leasehold properties under 99-year leases granted by the Government of the Commonwealth of The Bahamas:

General Fund/The Heritage Fund				
Description	**Location**	**Size (in Acres)**	**Commencement Date**	**Annual Rental**
Inagua National Park (incl. Union Creek)	Great Inagua	183,780	May 1, 1963	$ 1
Exuma Cays Land and Sea Park	Exuma	112,640	January 1, 2964	$ 1
Peterson Cay National Park	Grand Bahama	1	April 1, 2968	$ 1
Pelican Cays Land and Sea Park	Abaco	2,100	May 1, 1968	$ 3
Conception Island National Park	North of Rum Cay	2,000	October 1, 2971	$ 3
Lucayan National Park	Grand Bahama	40	March 1, 1982	$ 1
Black Sound Reserve	Abaco	1	January 1, 1986	$ 3
The Rand Nature Centre	Grand Bahama	100	February 26, 1992	$ 10
Abaco National Park	Abaco	20,500	April 21, 1994	$ 1
Wetlands, Ponds and Seabed between Wide Opening and North Bight	Western Andros	185,032	April 1, 2002	$ 1
Lakes, Ponds and Blue Holes between Stafford Creek and Fresh Creek	Andros	33,235	April 1, 2002	$ 1
Little Inagua National Park	Inagua	31,360	April 1, 2002	$ 1
Seabed, Marsh and Mangroves near and on Moriah Harbour Cay	Exuma	13,440	April 1, 2002	$ 1
Seabed between Stafford Creek and Staniard Creek - Barrier Reef	Andros	4,490	April 1, 2002	$ 1
Seabed near Walker's Cay	Abaco	3,840	April 1, 2002	$ 1
Seabed between Fresh Creek and Lightbourn Point	Andros	3,172	April 1, 2002	$ 1
Broadleaf Forest and Lowlands	Andros	2,979	April 1, 2002	$ 1
Harold, Wilson and Bonefish Ponds	New Providence	1,530	April 1, 2002	$ 1
Pasture and O'Brien Cays	Exuma	161	April 1, 2002	$ 1
Primeval Forest, South Ocean	New Providence	3	April 1, 2002	$ 1
Westside National Park	Andros	1,288,167	January 1, 2010	$ 1
Conception Island National Park	North of Rum Cay	25,173	January 1, 2010	$ 1
Fowl Cays National Park	Abaco	1,346	January 1, 2010	$ 1

The protected areas in the national park holdings managed by the Trust total approximately 1.9 million acres.

12. CAPITAL WORK-IN-PROGRESS

Capital work-in-progress is comprised of the following:

General Fund/The Heritage Fund			
	Utility Building Exuma	**Moorings Exuma**	**Total**
Cost			
Balance as at December 31, 2020	$ 49,446	$ 198,682	$ 248,128
Additions	-	76,399	76,399
Balance as at December 31, 2021	49,446	275,081	324,527
Additions/Deductions	1,577,879	(196,665)	1,381,214
Balance as at December 31, 2022	1,627,325	78,416	1,705,741
Carrying value			
As at December 31, 2022	**$ 1,627,325**	**$ 78,416**	**$ 1,705,741**
As at December 31, 2021	**$ 49,446**	**$ 275,081**	**$ 324,527**

13. INTANGIBLE ASSETS

Intangible assets are comprised of the following:

General Fund/The Heritage Fund			
	Computer Software	**Website Development**	**Total**
Cost			
Balance as at December 31, 2020	$ 12,948	$ 35,477	$ 48,425
Additions	-	-	-
Balance as at December 31, 2021	12,948	35,477	48,425
Additions	-	-	-
Balance as at December 31, 2022	12,948	35,477	48,425
Accumulated depreciation			
Balance as at December 31, 2020	9,446	22,049	31,495
Charge	2,591	7,095	9,686
Balance as at December 31, 2021	12,037	29,144	41,181
Charge	-	6,282	6,282
Disposal	(192)	-	(192)
Balance as at December 31, 2022	11,845	35,426	47,271
Carrying value			
As at December 31, 2022	**$ 1,103**	**$ 51**	**$ 1,154**
As at December 31, 2021	**$ 911**	**$ 6,333**	**$ 7,244**

14. RELATED PARTY BALANCES AND TRANSACTIONS

Transactions with related parties during the year were as follows:

a) Grants from the Government of the Commonwealth of The Bahamas of $1,500,000 (2021: $1,500,000).

b) Administration of the charitable activities, without compensation, of The Bahamas National Trust (Canada) Foundation under an agency agreement.

c) Executive and senior management emoluments of $488,621 (2021: $ 455,848).

15. FUND BALANCES

General Fund
No dividends, bonus or other profit is permitted to be paid to any entity or person out of the income or property of the Trust. Dividends from BNPS are permitted to be paid to the Trust for its general purpose at the discretion of the Council.

Members of the Trust are not liable to contribute towards the payment of the debts and liabilities of the Trust beyond the amount of their annual subscriptions.

The Heritage Fund
In the normal course of business, the General Fund is only entitled to receive and expend the income realized from investments of The Heritage Fund. Any capital transfer from The Heritage Fund to the General Fund requires the approval of at least 75% of the Council's members.

16. TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

	2022			
	General Fund	The Heritage Fund	Total	2021 Total
Trade payable	$ 242,551	$ -	$ 242,551	$ 171,354
VAT payable	65,672	-	65,672	11,068
Accrued expenses	37,293	-	37,293	60,765
	$ 345,516	$ -	$ 345,516	$ 243,187

17. ADVANCE GOVERNMENT GRANT

In the year ended December 31, 2020, the Trust received an amount of $750,000 from the Government representing half of the annual government grant in respect of the subsequent financial year, 2021.

18. DEFERRED CONTRIBUTIONS

Deferred contributions during the year are as follows:

General Fund As at December 31, 2022	Notes	Beginning Balance	Grants	Disbursements	Ending Balance
Leon Levy Project	*a*	$1,225,812	$2,058,398	$ (2,948,794)	$ 335,416
Other projects	*b*	652,553	4,578,605	(4,396,212)	834,946
IDB-ICZM	*c*	400,673	-	(43,734)	356,939
Moriah Harbour Cay National Park	*d*	241,651	195,000	(106,990)	329,661
Vibrant Oceans	*e*	150,774	-	-	150,774
Community-based Conch Management Project	*f*	148,830	64,800	(110,861)	102,769
Shark Tank	*g*	98,628	-	(16,105)	82,523
The Builders Initiative	*i*	-	351,271	-	351,271
		$2,918,921	$7,248,074	$ (7,622,696)	$2,544,299

General Fund As at December 31, 2021	Notes	Beginning Balance	Grants	Disbursements	Ending Balance
Leon Levy Project	*a*	$ 467,673	$1,389,615	$ (631,476)	$1,225,812
Other projects	*b*	171,577	862,482	(381,506)	652,553
IDB-ICZM	*c*	-	456,379	(55,706)	400,673
Moriah Harbour Cay National Park	*d*	-	250,000	(8,349)	241,651
Vibrant Oceans	*e*	151,274	-	(500)	150,774
Community-based Conch Management Project	*f*	57,664	257,700	(166,534)	148,830
Shark Tank	*g*	99,507	-	(879)	98,628
Exuma Cays Land and Sea Park	*h*	84,474	-	(84,474)	-
		$1,032,169	$3,216,176	$ (1,329,424)	$2,918,921

The Trust applies the deferral method of accounting from contributions received that are restricted for specific purposes and recognized as revenue in the period in which the related allowable expenses are incurred.

a) Leon levy project (the "Project") represents the project managed by the Trust under the conservation management agreement entered into on November 30, 2007, between the Trust and The Leon Levy Foundation (the "Foundation"). The overall objective of the Project is to create a beautiful educational and actively used Native Plant Preserve (the "Preserve"). The Foundation provides the Trust with the funding requirements of the Preserve on a regular basis. Also, under the conservation management agreement signed on April 1, 2021, a grant of $1.5 million was approved for the improvement of the Preserve site, vehicular flow access and the renovation of a number of buildings on land adjacent to the Preserve.

18. DEFERRED CONTRIBUTIONS *(Continued)*

b) Other projects represent agreements entered between the Trust ("Grantee") and various other "Grantors" of which the major projects include the following:

- Grants of $88,534 were received by the Trust from the American Bird Conservatory (ABC) to develop, execute, and enhance habitat management and community engagement strategies on Kirtland's Warbler's (KIWA) winter range in the Central Bahamas.
- Grants of $229,917 were received by the Trust from the Bahamas Protected Areas Fund to support the recovery of Grand Bahama and Abaco after Hurricane Dorian with a focus on reestablishing a base of operations, procuring surveillance equipment to allow for the regular monitoring of parks, completing an arboretum at the Rand Nature Centre, developing a biodiversity inventory database to capture all biodiversity in the parks and to manage invasive alien species within the parks on the two islands.
- Grants of $165,000 were received by the Trust from Re: wild, formerly known as Global Wildlife Conservation (GWC) to support a series of projects including post-Dorian mangrove restoration, development of citizen-based conservationists to facilitate conservation action and the building of a stronger enforcement program for the national park system of The Bahamas through the use of SMART technology.

c) Under an agreement with the Inter-American Development Bank (IDB), the Trust received funding to assist in building resilience to coastal risks (including those associated with climate change) through sustainable coastal protection infrastructure, including natural infrastructure and integrated management of the coast. This project finances science-based shoreline stabilization and coastal flooding control measures in East Grand Bahamas, Central Long Island, and Nassau/Junkanoo Beach in New Providence, natural infrastructure for hazard resilience through restoration of coastal natural habitats (mangroves and reefs) in Andros and institutional strengthening for coastal risk management.

d) The Trust has received funding from the Coughlin Fund to assist in the management and operations of the Moriah Harbor Cay National Park.

e) A grant was received by the Trust from Vibrant Oceans pursuant to an agreement dated December 13, 2019, entered between Rockefeller Philanthropy Advisors and the Trust to advance marine protection and management in The Bahamas.

f) Under an agreement between the Government of The Bahamas and the Inter-American Development Bank, the Trust received financing from the Japan Special Fund for Poverty Reduction. The Trust intends to apply part of the grant to the Community-based Conch Management pilot project in the Family Islands. The grant is intended to increase the socioeconomic benefits derived from conch fishery in the designated areas of Grand Bahama.

g) Shark tank represents the portion of the donation awarded to the Trust as winner of the Discovery Channels's "Shark Tank Meets Shark Week" competition in July 2018.

h) Exuma Cays Land and Sea Park represented the bequest of the late Gregory john Pentek to the Trust, as his residual beneficiary, for the benefit of Exuma Cays Land and Sea Park development (ECLSP).

i) Funding received by the Trust for a multi-year project undertaken to increase the management effectiveness of The Bahamas National Protected Area System (BNPAS) by strengthening public support and trust through the strategic engagement of fishers, community-based monitoring programs, and the implementation of surveillance tools for enforcement and compliance and to provide ongoing support for conch restoration and monitoring work at Moriah Harbor Cay National Park.

19. PENSION COSTS

Pension costs of $48,083 (2021: $39,466), included in salaries and benefits, represent the Trust's contributions to the defined contribution pension plan for the year.

20. FINANCIAL RISK MANAGEMENT

In the course of business, the Trust's activities expose it to a variety of financial risks. These include credit, liquidity, and market risks (foreign exchange currency risk, interest rate risk and price risk).

The Board of Directors has overall responsibility for the establishment and oversight of the Trust's risk management framework.

Risk management framework
The Trust's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Trust regularly reviews its risk management policies and systems to reflect changes in best practice.

The Trust's activities expose it to the following risks from its use of financial instruments:

20.1. Credit risk;
20.2. Liquidity risk; and
20.3. Market risk (specifically interest rate risk).

20.1. Credit risk

The Trust takes on exposure to credit risk, which is the risk that the counterparty to a financial instrument will cause a financial loss for the Trust by failing to perform according to the terms of the contract. From this perspective, the Trust's significant exposure to credit risk is primarily concentrated in cash and cash equivalents, term deposits, due from BNTFI, investments in government stocks, interest receivable, other receivables, and accounts receivable.

Maximum exposure to credit risk
The maximum exposure to credit risk at the reporting date was:

	2022			
	General Fund	The Heritage Fund	Total	2021 Total
Cash and cash equivalents	$ 3,221,726	$ 24	$ 3,221,750	$ 3,248,400
Term deposits	6,986	1,900,670	1,907,656	1,907,479
Trade and other receivables	154,030	-	154,030	183,778
Due from BNTFI	1,609,847	-	1,609,847	1,350,242
Other assets	22,316	-	22,316	29,524
Financial assets at amortized cost	-	210,000	210,000	210,000
	$ 5,014,905	$ 2,110,694	$ 7,125,599	$ 6,929,423

Concentration of credit risk
Ninety-five percent (95%) (2021: 97%) of the Trust's cash resources is placed at one bank, if this bank was to encounter financial difficulties, the trust would be at risk of not receiving all, if any of its funds.

20. FINANCIAL RISK MANAGEMENT *(Continued)*

20.2. Liquidity risk

Liquidity risk is the risk that the Trust is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed facilities. The management of the Trust maintains an adequate amount of financial assets in liquid form to meet contractual obligations and other recurring payments.

Liquidity risk management process

The Trust's liquidity management process, as carried out within the Trust and monitored by the Board of Directors, includes monitoring future cash flows and liquidity on a regular basis. This incorporates an assessment of expected cash flows.

20.3. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions, such as foreign exchange rates (currency risk), interest rates (interest rate risk), and market prices (other price risk).

Currency risk

Currency risk or foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. At the reporting date, the Trust's financial instruments are primarily denominated in Bahamian dollars, except for certain financial assets at FVTPL denominated in United States dollars. As the parity between the United States and the Bahamian dollar is unlikely to change in the short-term, the Trust's exposure to any movement in the exchange rate is not considered significant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates and arises mainly from interest bearing time deposits and investments in government stocks.

General Fund/The Heritage Fund				
	2022		2021	
Change in Interest Rate	Effect on Total Comprehensive Income	Effect on equity	Effect on Total Comprehensive Income	Effect on equity
Decrease by 0.5%	$ (900)	$ (900)	$ (10,437)	$ (10,437)
Increase by 0.5%	$ 900	$ 900	$ 10,437	$ 10,437

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Sensitivity analysis – The Trust's quoted equity securities are traded on the Bahamas International Stock Exchange (BISX).

20. FINANCIAL RISK MANAGEMENT *(Continued)*

20.3. Market risk *(Continued)*

Other price risk *(Continued)*
The following table indicate the sensitivity to a reasonable possible change in market prices, with all other variables held constant, on the Trust's total comprehensive income and member's equity:

General Fund/The Heritage Fund				
	2022		2021	
Change in Equity Price	Effect on Total Comprehensive Income	Effect on equity	Effect on Total Comprehensive Income	Effect on equity
Decrease by 5%	$ (93,454)	$ (93,454)	$ (90,847)	$ (90,847)
Increase by 5%	$ 93,454	$ 93,454	$ 90,847	$ 90,847

21. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Trust.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair values of assets and liabilities are determined as follows:

a) Financial instruments not measured at fair value:

i) Financial investments classified as measured at amortized cost is recorded at amortized cost, less impairment, if any. Its fair value represents the present value of future cash flows for similar types of investments;
ii) Loans and receivable and other receivables are stated net of impairment. The estimated fair value of receivables represents the discounted amount of estimated future cash flows expected to be received. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values as the impact of credit risk is recognized separately by deducting the amounts for the provisions for credit losses from both book and fair values; and
iii) The fair values of all other financial instruments not mentioned above are assumed to approximate their carrying values.

21. FAIR VALUE MEASUREMENTS *(Continued)*

b) Financial instruments measured at fair value:

Investments securities measured at fair value are fair valued as follows:

i) Financial investments classified as fair value through profit and loss are measured by reference to brokers quotation. Fair value is equal to carrying amounts on these items;
ii) Debt instruments measured at fair value through other comprehensive income are measured using prices on the secondary market published by The Central Bank of The Bahamas; and
iii) Equity securities for which fair values cannot be measured reliable are recognized at cost less impairment.

c) Fair value hierarchy:

The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Trust's financial instruments that are measured at fair value are included in the Level 2 category and are comprised of:

	2022			
	General Fund	The Heritage Fund	Total	2021 Total
Level 2				
Financial investments	$ 254,941	$ 1,614,137	$ 1,869,078	$ 2,109,878

22. CAPITAL MANAGEMENT

The Trust's objectives when managing capital, which is a broader concept than the "equity" on the face of the statement of financial position, are:

- To ensure that capital is adequate to maintain confidence in the safety and stability of the organization;
- To ensure that the return on capital is sufficient to meet the expectations of the stakeholders;
- To safeguard the Trust's ability to continue as a going concern so that it can continue to provide returns for its members and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The Trust is not subject to any external capital requirements.

23. RESTATEMENTS, CORRECTIONS AND RECLASSIFICATIONS

Corrections and restatements have been made to the prior year's audited numbers in order to correct errors and omissions in the 2021 audited financial statements. In addition, certain reclassifications have been made to conform to the current year's presentation.

The effect of these changes in the 2021 consolidated statement of financial position and the consolidated statement of comprehensive income are summarized in the statements below:

i) Statement of financial position:

	As Previously Stated	Adjustment	As Restated
ASSETS			
Cash and cash equivalents	$ 3,248,400	$ -	$ 3,248,400
Term deposits	1,907,479	-	1,907,479
Trade and other receivables	205,600	(21,822)	183,778
Inventories	39,425	(1,000)	38,425
Due from BNTFI	1,350,242	-	1,350,242
Other assets	31,016	(1,492)	29,524
Total current assets	6,782,162	(24,314)	6,757,848
Non-current assets			
Financial assets at fair value through profit or loss	2,109,878	-	2,109,878
Financial assets at amortized cost	210,000	-	210,000
Property and equipment	1,079,334	(125,994)	953,340
Right-of-use assets	218,513	-	218,513
Capital work-in-progress	301,527	23,000	324,527
Intangible assets	7,244	-	7,244
Total non-current assets	3,926,496	(102,994)	3,823,502
TOTAL ASSETS	$ 10,708,658	$ (127,308)	$ 10,581,350
LIABILITIES			
Current liabilities			
Trade and other payables	$ 183,435	$ 59,752	$ 243,187
Deferred income	2,918,921	-	2,918,921
Lease liability - current portion	37,010	-	37,010
Total current liabilities	3,139,366	59,752	3,199,118
Non-current liabilities			
Lease liability - non-current portion	63,079	-	63,079
Total liabilities	3,202,445	59,752	3,262,197
NET ASSETS	$ 7,506,213	$ (187,060)	$ 7,319,153
FUND BALANCES	$ 7,506,213	$ (187,060)	$ 7,319,153

23. RESTATEMENTS, CORRECTIONS AND RECLASSIFICATIONS *(Continued)*

ii) Statement of comprehensive income:

	As Previously Stated	Adjustment	As Restated
INCOME	$ 6,305,238	$ -	$ 6,305,238
EXPENSES			
Salaries and benefits	2,014,074	-	2,014,074
Projects supported by non-profit organizations	1,350,265	(49,736)	1,300,529
Maintenance - vehicles and boats	169,610	-	169,610
General insurance	150,053	-	150,053
Professional fees	136,454	-	136,454
Miscellaneous	124,303	157,443	281,746
Cost of events	104,401	(13,224)	91,177
Repairs and maintenance - general	100,594	26,076	126,670
Utilities	90,342	-	90,342
Advertising, publications and outreach	72,759	(30,919)	41,840
Cost of sales - retail	70,887	1,000	71,887
Bank charges	50,293	147,017	197,310
Committees, conferences and travel	46,299	-	46,299
Postage and office supplies	45,727	(8,893)	36,834
Freight and duty	20,499	-	20,499
Security	7,137	-	7,137
Public meetings and school education	3,802	-	3,802
Total expenses	4,557,499	228,764	4,786,263
NET INCOME	1,747,739	(228,764)	1,518,975
OTHER INCOME/(EXPENSES)			
Net change in unrealized gain on financial assets at FVTPL	59,044	-	59,044
Depreciation on property and equipment	(403,482)	-	(403,482)
Amortization on intangible assets	(9,686)	-	(9,686)
Amortization on right-of-use assets	(15,759)	-	(15,759)
Interest on lease liability	(9,061)	-	(9,061)
Dividends	44,766	-	44,766
Interest income	49,022	-	49,022
Total other expenses	(285,156)	-	(285,156)
TOTAL COMPREHENSIVE INCOME	$ 1,462,583	$ (228,764)	$ 1,233,819

23. EVENTS AFTER THE REPORTING PERIOD

There were no material events of significance impacting the Trust since December 31, 2022 and up to October 23, 2024 that require disclosure in these financial statements.