

Financial Statements of

**CAYMAN ISLANDS AMATEUR SWIMMING  
ASSOCIATION**

December 31, 2017

## **CAYMAN ISLANDS AMATEUR SWIMMING ASSOCIATION**

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## **Independent Auditors' Report to the Members**

### *Qualified Opinion*

We have audited the financial statements of Cayman Islands Amateur Swimming Association (the "Association"), which comprise the statement of financial position as at December 31, 2017, the statements of operations, changes in fund balances and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### *Basis for Qualified Opinion*

The system of internal control of the Association, in common with many other organizations of similar size and purpose, is dependent upon the close involvement of the Association's management. The Association derives a substantial portion of its income from sources which cannot be fully controlled until they are entered into the accounting records and are therefore not susceptible to independent audit verification. Accordingly, it was not practicable to extend our auditing procedures over such income beyond the amounts recorded.

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 Association in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.



## **Independent Auditors' Report to the Members (continued)**

### *Auditors' 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 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 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 Association'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 Association'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 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 Association to cease to continue as a going concern.
- 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 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.

A handwritten signature of the KPMG firm, written in blue ink. The signature is stylized and matches the KPMG logo.

January 10, 2019

## CAYMAN ISLANDS AMATEUR SWIMMING ASSOCIATION

### Statement of Financial Position

As at December 31, 2017  
(stated in Cayman Islands dollars)

	Note	2017	2016
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	354,483	373,811
Accounts receivable		35,863	35,863
Prepaid expenses and other assets		2,541	2,858
		<u>392,887</u>	<u>412,532</u>
<b>Non-current assets</b>			
Fixed assets	4	852	1,577
		<u>393,739</u>	<u>414,109</u>
<b>Total assets</b>		CIS 393,739	414,109
<b>Liabilities and fund balances</b>			
<b>Current liabilities</b>			
Accounts payable		3,600	4,140
Unearned sponsorship revenue		-	14,830
Unearned membership dues		3,630	3,461
		<u>7,230</u>	<u>22,431</u>
<b>Fund balances</b>			
Unrestricted general fund		233,895	239,078
Restricted fund – 50 metre pool	5	151,244	151,230
Hardship fund		1,370	1,370
		<u>386,509</u>	<u>391,678</u>
<b>Total liabilities and fund balances</b>		CIS 393,739	414,109

See accompanying notes to financial statements.

Approved on behalf of the Association on January 10, 2019

MICHAEL LOCKWOOD  
\_\_\_\_\_  
President

ANDREW MACKAY  
\_\_\_\_\_  
Treasurer

## CAYMAN ISLANDS AMATEUR SWIMMING ASSOCIATION

### Statement of Operations

Year ended December 31, 2017  
*(stated in Cayman Islands dollars)*

	Note	2017	2016
<b>Revenue from operations</b>			
Sponsorship		83,609	108,530
Overseas swim meets		22,501	43,359
National championships		2,135	3,875
Merchandise		2,333	1,993
Membership fees		7,230	8,074
Sea swim fees		11,273	11,454
		129,081	177,285
<b>Expenditures</b>			
Employee expenses		(94,302)	(93,376)
Overseas swim meets		(103,771)	(106,222)
Sea swim expenses		(28,735)	(25,038)
Senior national team expenses		(10,169)	(8,632)
Fundraising expenses		(8,980)	-
Insurance		(5,814)	-
Miscellaneous expenses		(3,889)	(4,612)
Awards & grants		(1,800)	-
Coaching		(945)	(1,124)
Depreciation		(725)	(683)
Equipment costs		-	(620)
		(259,130)	(240,307)
<b>Other revenue</b>			
Government grant	6	71,725	53,863
Other fundraising, net		53,123	45,144
Interest income		18	12
50 metre pool – Interest income		14	15
		(Decrease)/increase in restricted and general fund balances for year CI\$	(5,169) 36,012

*See accompanying notes to financial statements.*

## CAYMAN ISLANDS AMATEUR SWIMMING ASSOCIATION

### Statement of Changes in Fund Balances

Year ended December 31, 2017

*(stated in Cayman Islands dollars)*

		Restricted Fund – 50 metre pool	Hardship Fund	Unrestricted General Fund	Total
Balance at December 31, 2015		151,215	1,370	203,081	355,666
Increase in fund balance		-	-	36,012	36,012
Transfer to restricted fund – 50 metre pool		15	-	(15)	-
<b>Balance at December 31, 2016</b>	CIS\$	151,230	1,370	239,078	391,678
Decrease in fund balance		-	-	(5,169)	(5,169)
Transfer to restricted fund – 50 metre pool		14	-	(14)	-
<b>Balance at December 31, 2017</b>	CIS\$	151,244	1,370	233,895	386,509

*See accompanying notes to financial statements.*

## CAYMAN ISLANDS AMATEUR SWIMMING ASSOCIATION

### Statement of Cash Flows

Year ended December 31, 2017  
(stated in Cayman Islands dollars)

	Note	2017	2016
<b>Cash flows from operating activities</b>			
(Decrease)/increase in unrestricted general fund balance for year		(5,169)	36,012
Items not involving the movement of cash:			
Depreciation		725	683
Add/(deduct) net changes in non-cash operating balances:			
Accounts receivable		-	36,613
Prepaid expenses and other assets		317	5,750
Accounts payable		(540)	3,496
Unearned sponsorship revenue		(14,830)	1,661
Unearned membership dues		169	(1,408)
<b>Net cash (used in)/from operating activities</b>		<b>(19,328)</b>	<b>82,807</b>
<b>Cash flows from investing activities</b>			
Acquisition of fixed assets		-	(1,078)
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(1,078)</b>
<b>Movement in cash and cash equivalents during year</b>		<b>(19,328)</b>	<b>81,729</b>
Cash and cash equivalents at beginning of year		373,811	292,082
<b>Cash and cash equivalents at end of year</b>	3	CIS 354,483	373,811
<b>Supplementary information on cash flows from operating activities</b>			
Interest received		CIS 32	27

See accompanying notes to financial statements.



# CAYMAN ISLANDS AMATEUR SWIMMING ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2017  
(stated in Cayman Islands dollars)

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## 1. Background information

The Cayman Islands Amateur Swimming Association (the “Association”) was incorporated under the Companies Law of the Cayman Islands on March 21, 1986 as a non-profit organisation to administer and promote all aquatic sports in the Cayman Islands.

The Association has no share capital and is limited by the guarantee of its members, who undertake to contribute such amounts as may be required, not exceeding CI\$1, to the assets of the Association in the event of being wound up during the time of membership, or within one year after ceasing to be a member, for payment of the debts and liabilities of the Association.

As at December 31, 2017, the Association has one employee. The operations of the Association are conducted based upon decisions made by the Board of Directors and carried out by members on a voluntary basis. The registered office of the Association is located at The Lions Pool, P.O. Box 10376, Grand Cayman KY1-1004, Cayman Islands.

## 2. Significant accounting policies

### (a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and its interpretations adopted by the International Accounting Standards Board (“IASB”).

Up to the date of these financial statements, the International Accounting Standards Board has issued a number of new standards, amendments to existing standards and interpretations which are effective for the current period. The Association does not consider that the adoption of these had any significant impact on the disclosures, decrease in fund balance or financial position of the Association.

At the date of authorisation of the financial statements the following new relevant standards, amendments to standards and interpretations, which were in issue, are not yet effective. These standards and interpretations are effective for the accounting periods beginning on, or after the indicated dates:

*IFRS 9 - Financial Instruments*, is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. IFRS 9 published in July 2014 replaces the existing guidance in *IAS 39 - Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial statements from IAS 39.

## CAYMAN ISLANDS AMATEUR SWIMMING ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2017  
(stated in Cayman Islands dollars)

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### 2. Significant accounting policies (continued)

(a) *Statement of compliance (continued)*

The adoption of amendments to IFRS 9 would not be expected to have a material effect on the classification and measurement of financial assets. The financial assets held by the Association are cash and cash equivalents and accounts receivable. The Association is assessing the potential impact on its financial statements resulting from the application of IFRS 9.

*IFRS 15 - Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Association is assessing the potential impact on its financial statements resulting from the application of IFRS 15.

(b) *Basis of preparation*

These financial statements are presented in Cayman Islands dollars and are prepared on the historical cost basis.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may 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.

## CAYMAN ISLANDS AMATEUR SWIMMING ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2017

*(stated in Cayman Islands dollars)*

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### 2. Significant accounting policies (continued)

(c) *Foreign currency translation*

The Association may conduct transactions or hold financial instruments in either Cayman Islands dollars or U.S. dollars. As the Cayman Islands dollar is fixed to the U.S. dollar, no currency losses or gains are recognised. The Cayman Islands dollar to U.S. dollar exchange rate adopted by the Association is CISO.84: US\$1.00.

(d) *Donated services*

A number of unpaid volunteers make significant contributions of their time and resources to manage the Association's activities. The value of these contributions is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

(e) *Revenue*

Fees, inclusive of sponsorship revenues, are recorded as revenue when received, on a cash basis.

(f) *Government grants*

Government grants are awarded annually to support the Association's various swimming programmes. These government grants are accounted for as income in the statement of operations.

(g) *Interest income*

Interest income is recorded on an accrual basis.

(h) *Financial instruments*

(i) *Classification*

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, or to exchange financial instruments with another enterprise under conditions that are potentially favourable or an equity instrument of another enterprise. Financial assets comprise cash and cash equivalents and accounts receivable.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities comprise accounts payable.

## CAYMAN ISLANDS AMATEUR SWIMMING ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2017  
(stated in Cayman Islands dollars)

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### 2. Significant accounting policies (continued)

(h) *Financial instruments (continued)*

(ii) *Recognition*

The Association recognizes financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the statement of operations.

(iii) *Fair value measurement principles*

Financial instruments are measured initially at cost, including transaction costs. For financial assets acquired, cost is the fair value of the consideration given, while for financial liabilities cost is the fair value of consideration received.

(iv) *Derecognition*

A financial asset is derecognised when the Association loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expired or are surrendered. A financial liability is derecognised when it is extinguished.

(i) *Cash and cash equivalents*

Cash and cash equivalents include savings and current accounts.

(j) *Fixed assets*

Fixed assets are stated at cost less accumulated depreciation and are depreciated on a straight-line basis at the following annual rates, estimated to write-off these assets over their expected useful lives:

Trailer	3 years
Computer/Printer/Mobile Handsets	2 years
OW Radios	2 years
Team Manager Software	3 years

(k) *Comprehensive income*

The Association has no other comprehensive income other than the net increase in unrestricted general fund balance disclosed in the statement of operations. Therefore, a separate statement of comprehensive income has not been prepared.

## CAYMAN ISLANDS AMATEUR SWIMMING ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2017  
(stated in Cayman Islands dollars)

### 3. Cash and cash equivalents

	2017	2016
Savings accounts	357,966	372,981
Current accounts	(3,483)	830
	CIS 354,483	373,811

Cash and cash equivalents include restricted fund as discussed in Note 5.

### 4. Fixed assets

	2017	2016
Cost:	3,538	13,462
Accumulated depreciation	(2,686)	(11,885)
Net book value	CIS 852	1,577

### 5. Restricted fund

At December 31, 2017, the restricted fund represents funds of CI\$151,244 (2016: CI\$151,230), which are set aside for the construction of a 50 metre pool.

### 6. Government grant

During the year ended December 31, 2017, the Association was granted CI\$71,725 (2016: CI\$53,863) from the Cayman Islands Government. The amount granted is used to fund the Association's activities and is subject to the provisions of the Purchase Agreement between the Association and the Cayman Islands Government. An amount of CI\$35,863 (2016: CI\$35,863) was due at December 31, 2017, and was included in accounts receivable at that date.

There are no unfulfilled conditions and other contingencies attaching to Government grants that have been recognised. There are no other Government grants that have been awarded to the Association.

### 7. Reimbursement of expenses

Certain expenses are borne by members and Directors and are reimbursed by the Association.

## CAYMAN ISLANDS AMATEUR SWIMMING ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2017  
(stated in Cayman Islands dollars)

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### **8. Fair value disclosure of financial instruments**

At December 31, 2017 and 2016 the carrying value of the Association's financial instruments, including cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to the immediate or short-term nature of these financial instruments.

### **9. Risk management – credit risk**

At December 31, 2017, the Association held CI\$354,483 (2016: CI\$373,811) in financial instruments, represented by cash and cash equivalents, at a financial institution in the Cayman Islands. As such, the Association is exposed to credit related losses in the event of non-performance by the financial institution. Given the high credit rating of the financial institution, the members do not expect the financial institution to fail to meet their obligations.

### **10. Subsequent events**

Effective May 4, 2018, the Association changed its name to be known as Cayman Islands Aquatic Sports Association.

The Association adopted amended and restated Articles of Association on November 30, 2017. The amended Articles of Association state that the Association's year shall be deemed to begin on the first day of September and to expire on the thirty-first day of August in the following calendar year. The next period end date for the Association will be August 31, 2018.