

Audited Financial Statements

**PIBC MANAGEMENT LIMITED**  
**dba PARADISE ISLAND BEACH CLUB**

December 31, 2023

# **PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**

Audited Financial Statements

December 31, 2023

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# **NORONHA & CO.**

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## **INDEPENDENT AUDITORS' REPORT**

To the Shareholders of

**PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**

### ***Opinion***

We have audited the financial statements of PIBC Management Limited dba Paradise Island Beach Club ("the Club"), which comprise the statement of financial position as at December 31, 2023, and the statements of comprehensive operations, changes in equity and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Club as at December 31, 2023, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

### ***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 Club in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other 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 Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal controls as management determines are 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 Club'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 Club or to cease operations, or has no realistic alternative but to do so.

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

To the Shareholders of

**PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**

***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 ISA, 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 controls.
- Obtain an understanding of internal controls 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 Club's internal controls.
- 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 Club'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 Club 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

To the Shareholders of

**PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**

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 controls that we identify during our audit.

A handwritten signature in black ink, consisting of a stylized, cursive script.

May 10, 2024  
Nassau, The Bahamas

**CHARTERED ACCOUNTANTS  
NORONHA & CO.**


**PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2023**

	<u>Note</u>	<u>2023</u>	<u>2022</u>
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5, 23	2,078,610	2,035,091
Accounts receivables	6, 23	157,994	95,718
Inventories	7	33,806	39,286
Other assets	8	147,131	141,646
Amount due from a related party	9, 21	-	323
<b>TOTAL CURRENT ASSETS</b>		<u>2,417,541</u>	<u>2,312,064</u>
<b>NON-CURRENT ASSETS</b>			
Property, and equipment	10	772,823	872,819
<b>TOTAL NON-CURRENT ASSETS</b>		<u>772,823</u>	<u>872,819</u>
<b>TOTAL ASSETS</b>		<u>3,190,364</u>	<u>3,184,883</u>
<b>EQUITY AND LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Maintenance fees received in advance	11	2,123,562	2,019,880
Accounts payable and accrued expenses	12, 21, 23	440,969	423,115
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,564,531</u>	<u>2,442,995</u>
<b>EQUITY</b>			
Retained earnings		625,833	741,888
<b>TOTAL EQUITY</b>		<u>625,833</u>	<u>741,888</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,190,364</u>	<u>3,184,883</u>

The notes to financial statements form an integral part of these Financial Statements.

Approved and signed for and on behalf of the Management Committee;

  
 .....  
 Michael Patoka  
 Board Member

  
 Patrick Delaney  
 Elected Member

April 30, 2024  
 Nassau, The Bahamas



**PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**Year ended December 31, 2023**

	<u>Note</u>	<u>2023</u> \$	<u>2022</u> \$
<b>INCOME</b>			
Maintenance fees	11, 13	2,382,430	2,489,290
Energy surcharges	14	233,991	189,639
Credit cards	14	39,051	22,912
Minimart	22	36,000	36,000
Pool Bar		569,513	512,076
Interest		6,134	10,445
Default resale and rentals		572,731	351,120
Other		111,061	73,159
<b>TOTAL INCOME</b>		<b>3,950,911</b>	<b>3,684,641</b>
<b>DIRECT EXPENSES</b>			
Cost of sales		252,236	261,251
Salary and benefits	15	1,060,395	942,895
Utilities	16	522,256	404,386
Maintenance materials	17	818,785	547,135
Contracted services	18	106,517	107,558
Other supplies and materials	19	139,016	122,404
Saturday reception party		56,473	54,575
Replacement of amenities		6,841	10,826
<b>TOTAL DIRECT EXPENSES</b>		<b>2,962,519</b>	<b>2,451,030</b>
<b>OPERATING PROFIT</b>		<b>988,392</b>	<b>1,233,611</b>
<b>INDIRECT EXPENSES</b>			
Management compensation	20, 21	204,398	170,065
Insurance		165,696	164,560
Provision for bad debts	6	40,000	88,480
Bad debts		128,904	100,470
Licenses and taxes		126,191	202,476
Depreciation	10	99,996	99,996
Advertising		47,040	64,770
Bank charges		85,261	79,015
Professional fees		44,077	67,668
Computer and IT services		38,823	43,122
Rent - Welcome Center	22	39,130	39,130
Office supplies and expenses		28,770	32,217
Vehicle maintenance		16,174	13,911
Miscellaneous		21,410	-
Meeting / AGM expenses		15,511	9,667
Travel and entertainment		3,066	1,399
<b>TOTAL INDIRECT EXPENSES</b>		<b>1,104,447</b>	<b>1,176,946</b>
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR</b>		<b>(116,055)</b>	<b>56,665</b>

The notes to financial statements form an integral part of these Financial Statements.

**PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**

**STATEMENT OF CHANGES IN EQUITY**

**Year ended December 31, 2023**

	<u>Retained earnings</u>
	\$
Balance as at January 1, 2022	685,223
Total comprehensive income for the year	56,665
<b>Balance as at December 31, 2022</b>	<b>741,888</b>
Total comprehensive loss for the year	(116,055)
<b>Balance as at December 31, 2023</b>	<b>625,833</b>

The notes to financial statements form an integral part of these Financial Statements.

*Figures in brackets indicate deduction.*



**PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**  
**STATEMENT OF CASH FLOWS**  
**Year ended December 31, 2023**

	<u>Note</u>	<u>2023</u>	<u>2022</u>
		\$	\$
<b>CASH GENERATED FROM / (USED IN):</b>			
<b>OPERATING ACTIVITIES</b>			
Total comprehensive (loss) income for the year		(116,055)	56,665
<b>Adjustments for non-cash items</b>			
Depreciation of property and equipment	<b>10</b>	99,996	99,996
Decrease in bad debts provision	<b>6</b>	(48,480)	(56,828)
<b>Operating profit before working capital changes</b>		<b>(64,539)</b>	<b>99,833</b>
<b>Adjustments for working capital changes</b>			
Decrease (increase) in inventories	<b>7</b>	5,480	(15,549)
(Increase) decrease in accounts receivables	<b>6</b>	(13,796)	66,222
Decrease in amount due from a related party	<b>9, 21</b>	323	176
Increase in other assets	<b>8</b>	(5,485)	(1,403)
Increase (decrease) in maintenance fees received in advance	<b>11</b>	103,682	(19,365)
Increase (decrease) in accounts payable and accrued expenses	<b>12, 23</b>	17,854	(14,886)
<b>Net cash generated from operating activities</b>		<b>43,519</b>	<b>115,028</b>
<b>Increase in cash and cash equivalents</b>		<b>43,519</b>	<b>115,028</b>
Cash and cash equivalents at the beginning of the year		2,035,091	1,920,063
<b>Cash and cash equivalents at the end of the year</b>	<b>5</b>	<b>2,078,610</b>	<b>2,035,091</b>

The notes to Financial Statements form an integral part of these Financial Statements.  
*Figures in brackets indicate deduction.*

# **PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**

Notes to Financial Statements

December 31, 2023

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## **1. GENERAL INFORMATION AND NATURE OF OPERATIONS**

PIBC Management limited dba Paradise Island Beach Club (“the Club”) is a forty-four unit timeshare resort located on Paradise Island, Bahamas which was developed in 1984 by Paradise Island Development Ltd., (“PIDL” and “Founder Member”). The Founder Member is a wholly owned subsidiary of Paradise Island Beach Club Limited (“PIBCL” or “Landlord”) having its registered office at 1<sup>st</sup> Floor, Cloughton House, Shirley and Charlotte Street, Nassau, The Bahamas.

The property on which the Club was developed was conveyed by PIDL to CIBC Trust Company Bahamas Ltd to be held in trust until December 31, 2028 as assurance for purchasers of timeshare units that the property could not be encumbered. The term of the trust was extended until December 31, 2032 to accommodate a longer than anticipated sell-out. The trust was transferred from CIBC Trust Company Bahamas Ltd to Butterfield Bank (Bahamas) Ltd (formally “Thorand Bank & Trust Ltd”) on June 2, 2003. At the end of the trust period, the property will revert to the Landlord.

The Club is a non-profit making entity whose objective is to secure for the members’ joint rights of use of the timeshare units.

PIDL sold vacation certificates for each of the forty-four units which gave the purchaser/member the right to occupy a unit for a week per year (out of possible fifty (50) weeks) for a total of 40 years. Each member is obligated to pay their annual members’ fees prior to being allowed to make a reservation to occupy a unit.

Under the Constitution of the Club (“the Constitution”), the affairs of the Club shall be managed by a Management Committee of 5 individuals, 3 of whom are nominated by the Founder Member and 2 of whom shall be members of the Club. PIBC Management Limited incorporated on September 27, 2007, was formed to provide management services to the Club under an agreement dated November 14, 2007. The Club operates a mini-mart, restaurant and pool-bar, all of which are located on the premises of the Club. All relevant business and trade licenses are in the name of the Club.

## **2. STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AND BASIS OF PREPARATION**

The Club’s audited financial statements are presented in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and are expressed in Bahamian Dollars (“\$”), the functional currency of the Club.

## **3. NEW / REVISED STANDARDS / INTERPRETATIONS**

### **New and amended IFRS Accounting Standards that are effective for the current year**

Some accounting pronouncements which have become effective from 1 January 2023 and have therefore been adopted do not have a significant impact on the Club’s financial results or position.

# **PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**

Notes to Financial Statements

December 31, 2023

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### **3. NEW / REVISED STANDARDS / INTERPRETATIONS (continued)**

IAS 8.28 requires an entity to disclose detailed information on certain Standards that have been applied for the first time in the current period. Other Standards and amendments that are effective for the first time in 2023 (for an entity with a 31 December 2023 year-end) and could be applicable to the Club are:

- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)

These amendments do not have any impact on these Financial Statements and therefore the disclosures have not been made. An entity should assess the impact of these new Standards on their financial statements based on their own facts and circumstances and make appropriate disclosures.

#### **Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Club**

Other Standards and amendments that are not yet effective and have not been adopted early by the Club include:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lack of Exchangeability (Amendments to IAS 21)

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made. An entity should assess the anticipated impact of these new Standards and amendments on their financial statements based on their own facts and circumstances and make appropriate disclosures.

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Club and no Interpretations have been issued that are applicable and need to be taken into consideration by the Club at either reporting date.

# **PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**

Notes to Financial Statements

December 31, 2023

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### **3. NEW / REVISED STANDARDS / INTERPRETATIONS (continued)**

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Club's financial statements.

### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Presentation of financial statements**

The financial statements are presented in accordance with IAS 1, *Presentation of Financial Statements* (Revised 2007) and have been prepared on a historical cost basis. The Club has elected to present the statement of comprehensive operations in one statement.

#### **Management's use of judgments and estimates**

The Club uses accounting estimates and assumptions in the preparation of these financial statements. Although these estimates are based on management's best knowledge of current events and transactions, actual results may ultimately differ from those estimates. The effect of any changes in estimates will be recorded in the Club's financial statements when determinable. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### ***Taxation***

Under the current system of taxation in The Bahamas, the Club is not liable to pay income taxes as there is presently no taxation imposed on the Club's profits by the Government of the Bahamas.

On January 1, 2015, The Value Added Tax (VAT) Bill and Regulations became effective in The Commonwealth of the Bahamas. The Club is registered under the provision of the Value Added Tax Act 2014 on December 15, 2014.

The Club's Tax Identification Number (TIN) is 100481026.

#### ***Foreign currency transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive operations.

Non-monetary items are measured at historical cost and are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

# **PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**

Notes to Financial Statements

December 31, 2023

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## **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Club does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on financial assets at fair value through profit or loss from the fluctuations arising in the market prices of the instruments. Such fluctuations are included in net realized and unrealized gain or loss on financial asset at fair value through profit or loss.

### **Cash and cash equivalents**

Cash and cash equivalents comprises of cash at banks and short term deposits with a bank and are subject to an insignificant risk of changes in value.

### **Financial assets and financial liabilities at fair value through profit and loss (FVTPL)**

#### **Classification**

##### **Assets**

The Club classifies its financial assets based on both the Club's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis.

##### **Financial liabilities**

Financial liabilities are recognized when the Club becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of comprehensive income.

The Club's financial liabilities include accounts payable and accrued expenses and amount due to a related party, which are measured at amortized cost using the effective interest method. Discounting, however, is omitted where the effect of discounting is immaterial.

##### **Recognition, derecognition and measurement**

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Club has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the period in which they arise.

As of December 31, 2023, financial assets at FVTPL amounted to \$2,024,078 (2022: \$1,907,759).

# **PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**

Notes to Financial Statements

December 31, 2023

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## **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Financial assets and financial liabilities at fair value through profit and loss (FVTPL) (continued)**

#### **Impairment of financial assets**

The Club assesses at each financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### **Annual maintenance fee and maintenance fee in advance**

The Management Committee determines annual maintenance fee for members to contribute in order to support operations of the Club. These dues are received in advance and are recorded as maintenance fee in advance. Maintenance fee in advance is recorded as revenue in the year it relates to.

#### **Property and equipment**

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The Management Committee has taken a policy decision not to capitalize the capital expenditure of the Club. The costs of the day-to-day servicing of property and equipment are recognized in the statement of comprehensive operations as incurred.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from the disposal with the carrying amount of property and equipment, and are recognized in the statement of comprehensive income.

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amounts substituted for cost, less its residual value.

Depreciation is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful lives of the items of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

# PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB

Notes to Financial Statements

December 31, 2023

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The estimated depreciation rate of property and equipment are as follows:

	Life	Residual values
Leasehold Improvements:		
Exterior	5	\$0
Interior	3	\$30,000
Amenities	2	\$10,000
Computer Hardware & Software	3	\$10,000
Vehicles	3	\$0
Office Equipment	3	\$0

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted, if appropriate.

### **Related party transactions**

Transactions between related parties are based on terms similar to those offered to non-related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence.

Related parties include the shareholders, top management, and a related company (Parent, subsidiary or an Associate) as they have the ability to affect the financial or operating policies of the Club through the presence of control or significant influence.

### **Revenue recognition**

Revenue is comprised primarily of members' annual maintenance, maid service revenue, electricity surcharge, telephone, credit card and internet revenue. Revenue is recognized when the services are provided and the goods are delivered to guests.

Annual maintenance fees are billed in advance for the year in which they are due. Maintenance fees collected in advance are shown as maintenance fees paid in advance at the reporting date and recognized as revenue in the following year.

### ***Interest income***

Interest income is accrued on a daily basis using the effective interest rate method.



# PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB

Notes to Financial Statements

December 31, 2023

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### *Sale of re-possessed units*

Under rule 8A of the Constitution, any and every vacation certificate forfeited to the Club for non-payment of dues shall be held by the Founder Member on behalf of the Club upon trust to subsequently sell the same. The Club will be the beneficiary of the net proceeds of sale of every such vacation certificate and the Founder Member shall be entitled to pay the usual commission to any person affecting such sale. The Founder Member will be entitled to let the premises to which such vacation certificate relates, and the Club will be the beneficiary of the net proceeds of such lettings. The Club will be responsible for the annual dues in respect to all such vacation certificates.

The Club in accordance with the 1995 Amended Constitution is responsible for the payment of maintenance fees on all Defaulted Weeks.

### **Expenses**

All expenses are recognized in the statement of comprehensive income on an accrual basis.

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2023 are comprised of the following:

	<b>2023</b>	<b>2022</b>
	\$	\$
Cash at banks – Current accounts	1,001,739	969,901
Short-term deposits – Certificate of deposits	1,060,311	1,054,177
Cash in hand	9,600	9,600
Undeposited funds	6,960	1,413
	<b>2,078,610</b>	<b>2,035,091</b>

Cash at banks is maintained at different leading banks in the Bahamas and is non-interest bearing.

Certificate of deposits having maturities less than 3 months have been classified as cash and cash equivalents and earn interest at the rate of 1.25%pa (2022: 1.25%pa)

**PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

	<u>Note</u>	<u>2023</u> \$	<u>2022</u> \$
		<u>2023</u> \$	<u>2022</u> \$
<b>6. ACCOUNTS RECEIVABLES</b>			
Account receivables - members		197,994	184,198
<u>Less: Provision for doubtful debts</u>		<u>(40,000)</u>	<u>(88,480)</u>
		<b><u>157,994</u></b>	<b><u>95,718</u></b>
The aging of accounts receivables - members is as follows:			
Past due but not impaired		157,994	95,718
Past due and impaired		40,000	88,480
		<b><u>197,994</u></b>	<b><u>184,198</u></b>
The movement in the provision for doubtful debts is as follows:			
Balance at beginning		88,480	145,308
Provision made during the year		40,000	88,480
Provision reversed during the year		<u>(88,480)</u>	<u>(145,308)</u>
Balance at year-end		<b><u>40,000</u></b>	<b><u>88,480</u></b>
<b>7. INVENTORIES</b>			
Food		12,836	13,738
Beverages		30,970	32,548
		43,806	46,286
<u>Less: Provision for inventories</u>		<u>(10,000)</u>	<u>(7,000)</u>
		<b><u>33,806</u></b>	<b><u>39,286</u></b>
<b>8. OTHER ASSETS</b>			
Prepayments		147,131	141,594
Staff loans		-	52
		<b><u>147,131</u></b>	<b><u>141,646</u></b>
<b>9. AMOUNT DUE FROM A RELATED PARTY</b>			
Due from a related party as at December 31, 2023 amounted to Nil (2022: \$323).			

**PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**10. Property and equipment**

	<b>Leasehold improvements</b>			<b>Computers</b>	<b>Motor</b>	<b>Equipment</b>	<b>Total</b>
	<b>Exterior</b>	<b>Interior</b>	<b>Amenities</b>	<b>HW and SW</b>	<b>Vehicles</b>		
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b><u>Cost</u></b>							
Balances at January 1, 2022	660,555	2,476,993	606,473	176,100	9,200	92,026	4,021,347
Additions	-	-	-	-	-	-	-
Balances at December 31, 2022	660,555	2,476,993	606,473	176,100	9,200	92,026	4,021,347
Additions/write off	-	-	-	-	(9,200)	-	(9,200)
<b>Balances at December 31, 2023</b>	<b>660,555</b>	<b>2,476,993</b>	<b>606,473</b>	<b>176,100</b>	<b>-</b>	<b>92,026</b>	<b>4,012,147</b>
<b><u>Accumulated Depreciation</u></b>							
Balances at January 1, 2022	470,723	1,902,278	500,774	93,615	9,200	71,942	3,048,532
Charge for the year	8,403	70,493	13,470	3,572	-	4,058	99,996
Balances at December 31, 2022	479,126	1,972,771	514,244	97,187	9,200	76,000	3,148,528
Write off	-	-	-	-	(9,200)	-	(9,200)
Charge for the year	8,403	70,493	13,470	3,572	-	4,058	99,996
<b>Balances at December 31, 2023</b>	<b>487,529</b>	<b>2,043,264</b>	<b>527,714</b>	<b>100,759</b>	<b>-</b>	<b>80,058</b>	<b>3,239,324</b>
<b>Carrying value</b>							
<b>At December 31, 2023</b>	<b>173,026</b>	<b>433,729</b>	<b>78,759</b>	<b>75,341</b>	<b>-</b>	<b>11,968</b>	<b>772,823</b>
<b>At December 31, 2022</b>	<b>181,429</b>	<b>504,222</b>	<b>92,229</b>	<b>78,913</b>	<b>-</b>	<b>16,026</b>	<b>872,819</b>

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**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**11. MAINTENANCE FEES RECEIVED IN ADVANCE**

Maintenance fees received in advance as at December 31, 2023 amounted \$2,123,562 (2022: \$2,019,880).

The Management Committee determines annual maintenance fee for members to contribute in order to support operations of the Club. These dues are received in advance and are recorded as maintenance fees received in advance under current liabilities in the statement of financial position.

	<u>2023</u>	<u>2022</u>
	\$	\$
<b>12. ACCOUNTS PAYABLE AND ACCRUED EXPENSES</b>		
Accounts payable	286,039	258,034
Accrued expenses	154,930	165,081
	<u>440,969</u>	<u>423,115</u>

**13. MAINTENANCE FEES REVENUE**

Income from maintenance fees for the year amounted to \$2,382,430 (2022: \$2,489,290).

The Management Committee determines annual maintenance fee for members to contribute in order to support operations of the Club.

**14. ENERGY SURCHARGE AND CREDIT CARD FEE REVENUES**

The Club charges its members an energy charge of \$125 (2022: \$125) per week when members stay at the Club. The Club also charges a credit card fee of 2.75% (2022: 2.75%) for each credit card payment.

Energy surcharge and credit card fee revenues for the year amounted to \$233,991 and \$39,051, respectively (2022: \$189,639 and \$22,912, respectively).

	<u>2023</u>	<u>2022</u>
	\$	\$
<b>15. SALARY AND BENEFITS BY DEPARTMENT FOR THE YEAR</b>		
Housekeeping	309,539	269,006
Maintenance	235,896	234,148
Administration	262,702	231,283
Pool bar	185,449	144,998
Vacation experience	42,189	40,910
Sales bonus and commission	24,620	22,550
	<u>1,060,395</u>	<u>942,895</u>

Salary and benefits by expense for the year are as follows:

Salary	975,926	876,114
National insurance	42,004	36,240
Group insurance	24,965	15,341
Bonuses	17,500	15,200
	<u>1,060,395</u>	<u>942,895</u>

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**December 31, 2023**

	<u>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</u>
<b>16. UTILITIES</b>		
Total utilities for the year are as follows:		
Electricity	333,181	218,186
Water	135,490	88,315
CATV and internet	22,770	52,544
Telephone	30,815	45,341
	<u>522,256</u>	<u>404,386</u>
<b>17. MAINTENANCE MATERIALS</b>		
Total maintenance materials for the year are as follows:		
Exterior	257,329	186,176
Interior	247,188	85,911
Maintenance at shut down	314,268	275,048
	<u>818,785</u>	<u>547,135</u>
<b>18. CONTRACTED SERVICES</b>		
Total contracted services for the year are as follows:		
Security personnel	63,470	63,500
Fire fighting and security equipment	15,349	20,579
Garbage removal	20,410	16,311
Pest control	7,288	7,168
	<u>106,517</u>	<u>107,558</u>
<b>19. OTHER SUPPLIES AND MATERIALS</b>		
Total other supplies and materials for the year are as follows:		
Cleaning supplies	40,277	37,538
Laundry supplies	18,612	9,745
Inventory replacement - linen, towels, kitchen items	36,620	32,449
Consumables	33,236	34,531
Decorations	5,736	3,311
Other	4,535	4,830
	<u>139,016</u>	<u>122,404</u>
<b>20. MANAGEMENT COMPENSATION</b>		
Total management compensation for the year are as follows:		
Management salaries	<u>204,398</u>	<u>170,065</u>

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**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

		<u>2023</u>	<u>2022</u>
		\$	\$
<b>21. RELATED PARTY BALANCES AND TRANSACTIONS</b>			
Related party balances and transactions are as follows:			
<b><u>Balances</u></b>	<b><u>Relationship</u></b>		
Accrued expenses - NI Contributions	Management	21,064	-
Amount due from a related party	Management	-	323
Amount due to a related party	Management	-	2,760
		<u>          </u>	<u>          </u>
<b><u>Transactions</u></b>			
Management compensation	Management	204,398	170,065
Management committee expenses	Management	15,511	9,667
		<u>          </u>	<u>          </u>

**22. LEASE COMMITMENTS**

On April 17, 2003, PIDL entered into a lease agreement with Marriot Ownership Resorts (Bahamas) Ltd., in its capacity as the Founder Member of the Club for and on behalf of the Club and its members effective January 1, 2003 for a period of 23 years. The leased property is to be used for the benefit of the members of the Club which now serves as the Welcome Centre. The Club's commitments on this operating lease are as follows:

	<u>2023</u>	<u>2022</u>
	\$	\$
Less than one year	39,130	39,130
2 - 5 years	78,260	117,390
	<u>117,390</u>	<u>156,520</u>

A portion of the above property has been sub-leased to other tenants on month-to-month lease basis on October 1, 2019 at a monthly rental of \$3,000. The Club earned rental income of \$36,000 during the year (2022: \$36,000) which was shown as Minimart Income in the statement of comprehensive operations.

**23. FINANCE RISK MANAGEMENT**

**Overview**

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

1. Credit risk
2. Liquidity risk
3. Market risk

The Club's financial risk management policies are established and reviewed regularly to identify and analyze the risks faced by the Club, to set appropriate risk limits and controls, and monitor risks and adherence to limits. The Club presents qualitative information about its exposure to risk and the objectives, policies and processes for measuring and managing these risks. Further, quantitative disclosures are included throughout this note.

**PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**23. FINANCE RISK MANAGEMENT (continued)**

**Credit risk**

Credit risk is the risk of financial loss to the Club if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Club's cash held with banks and receivables from customers.

**Exposure to credit risk**

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

-	<u>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</u>
<b><u>As at December 31</u></b>		
Cash at banks - Current accounts	1,001,739	969,901
Short term deposits - Certificate of deposits	1,060,311	1,054,177
Accounts receivables, net	157,994	95,718
	<u>2,220,044</u>	<u>2,119,796</u>

Cash at banks was deposited with regulated financial institutions. Accordingly, management considers this to bear minimal credit risk.

Management actively monitors the aging of receivables and establishes a provision as circumstances warrant. The Club does not anticipate any losses in excess of the provision for doubtful accounts as a result of this exposure.

**Liquidity risk**

Liquidity risk' is the risk that the Club will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Club's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meets its liabilities and other commitments when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Club's operations.

A maturity analysis of the financial liabilities is as follows

	Contractual cash flows			
	Carrying amount	1-12 months	1-5 years	More than 5 years
<b><u>At December 31, 2023</u></b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>Financial liabilities</b>				
Accounts payables	286,039	286,039	-	-
Accrued expenses	154,930	154,930	-	-
	<u>440,969</u>	<u>440,969</u>	-	-



**PIBC MANAGEMENT LIMITED dba PARADISE ISLAND BEACH CLUB**  
**NOTES TO FINANCIAL STATEMENTS**  
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**23. FINANCE RISK MANAGEMENT (continued)**

	Contractual cash flows			
	Carrying amount	1-12 months	1-5 years	More than 5 years
<u>At December 31, 2022</u>	\$	\$	\$	\$
<b>Financial liabilities</b>				
Accounts payables	258,034	258,034	-	-
Accrued expenses	165,081	165,081	-	-
	<b>423,115</b>	<b>423,115</b>	-	-

**Market risk**

Market risk is the risk that future changes in market conditions such as foreign exchange rates and interest rates will impact the Club's income or the value of holding its financial instruments. The objective of market risk management is to manage and control its market risk within acceptable parameters whilst optimizing the return on risk.

The Club is not exposed to significant price risk as it does not invest in any equities and has minimum exposure to currency and interest rate risks.

**Currency risk**

All of the Club's financial assets and liabilities are denominated in Bahamian dollars or in US dollars, and therefore, the Club is not exposed to any significant currency risk.

**Interest rate risk**

Interest rate risk refers to the risk of loss due to adverse movement in interest rates. The Club's interest rate risk arises from its cash held with banks including term deposits. The interest rate exposure at the reporting date is \$1,060,311 (2022: \$1,054,177). As at December 31, 2023, interest rates on the cash held with banks are 0% - 1.25% (2022: 0% - 1.25%).

The Club believes that interest rate risk is minimal and a hypothetical 1% increase/decrease in the interest rate would have an impact of \$10,603 (2022: \$10,542) on the financial position and results of comprehensive income.

**24. CAPITAL MANAGEMENT POLICY**

The Club's main objectives when managing its capital are to safeguard its ability to continue as a going concern, to maintain adequate liquidity to meet obligations and to keep the property in an acceptable state of repair.

**25. LITIGATION AND CLAIMS**

There were no litigations and claims against the Club as at the reporting date.

**26. POST-REPORTING DATE EVENTS**

The Club evaluated the impact of all subsequent events through May 10, 2024, which is the date the financial statements are available to be issued. There were no adjusting or non-adjusting events that need to be disclosed or reflected in the financial statements.