

**THE BAHAMAS INSTITUTE OF  
CHARTERED ACCOUNTANTS**

**Financial Statements  
December 31, 2023**



## **INDEPENDENT AUDITORS' REPORT**

**To the Council of The Bahamas Institute of Chartered Accountants**

### **Our Opinion**

We have audited the financial statements of The Bahamas Institute of Chartered Accountants (the Institute), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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 Institute as of December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### **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 Institute in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in The Bahamas, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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 Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

[hlbbahamas.com](http://hlbbahamas.com)

Building 12 • Office 1 • Caves Village • P.O. Box N-3205 • Nassau, Bahamas

**TEL:** (242) 327-0689 **FAX:** (242) 327-0696 **EMAIL:** [info@hlbbahamas.com](mailto:info@hlbbahamas.com)

Building A, Unit 2 • Pyfrom Manor Corporate Plaza • West Mall Drive, Freeport, Grand Bahama • TEL:  
(242)-828-7068

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objective is 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 scepticism 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. This risk of not detecting a material misstatement resulting from fraud is higher than 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 Institute's internal control.
- Evaluate the appropriateness of accounting policies used and 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 Institute'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 auditors' report. However, future events or conditions may cause the Institute to cease to continue as a going concern.

[hlbbahamas.com](http://hlbbahamas.com)

Building 12 • Office 1 • Caves Village • P.O. Box N-3205 • Nassau, Bahamas

**TEL:** (242) 327-0689 **FAX:** (242) 327-0696 **EMAIL:** [info@hlbbahamas.com](mailto:info@hlbbahamas.com)

Building A, Unit 2 • Pyfrom Manor Corporate Plaza • West Mall Drive, Freeport, Grand Bahama • TEL: (242)-828-7068



- 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 achieve 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 identified during our audit.

*HLB Bahamas*

May 31, 2024  
Nassau, Bahamas

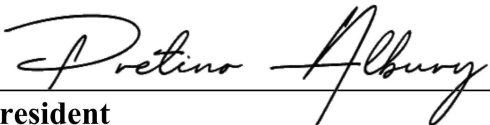


**The Bahamas Institute of Chartered Accountants**  
(Incorporated under the laws of the Commonwealth of The Bahamas)

**Statement of Financial Position**  
**As of December 31, 2023**  
**(Expressed in Bahamian dollars)**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
Cash on hand and at banks (Note 3)	1,199,673	1,172,867
Accounts receivable (Note 4)	35,641	8,957
Other assets (Note 5)	9,197	7,525
Investment securities (Note 6)	486,320	291,700
Property, plant and equipment (Note 7)	136,413	36,350
	<u>1,867,244</u>	<u>1,517,399</u>
<b>Total assets</b>	<b><u>1,867,244</u></b>	<b><u>1,517,399</u></b>
<b>LIABILITIES</b>		
Accrued expenses and other liabilities (Note 8)	174,845	69,986
Deferred income	20,325	23,475
Borrowings (Note 9)	41,856	11,801
Scholarship, building and other funds (Note 10)	40,892	38,392
	<u>277,918</u>	<u>143,654</u>
<b>Total liabilities</b>	<b><u>277,918</u></b>	<b><u>143,654</u></b>
<b>EQUITY</b>		
Capital (Note 11)	-	-
Retained earnings	1,589,326	1,373,745
	<u>1,589,326</u>	<u>1,373,745</u>
<b>Total equity</b>	<b><u>1,589,326</u></b>	<b><u>1,373,745</u></b>
<b>Total liabilities and equity</b>	<b><u>1,867,244</u></b>	<b><u>1,517,399</u></b>

**APPROVED BY THE COUNCIL AND SIGNED ON ITS BEHALF BY:**

  
\_\_\_\_\_  
**President**

  
\_\_\_\_\_  
**Treasurer**

May 31, 2024  
**Date**

The accompanying notes are an integral part of these financial statements.

## The Bahamas Institute of Chartered Accountants

### Statement of Comprehensive Income For the Year Ended December 31, 2023 (Expressed in Bahamian dollars)

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>INCOME</b>		
Continuing professional development seminar fees (Note 12)	470,508	443,375
Membership fees	106,975	107,375
Licence fees	98,950	101,325
Interest	25,099	27,748
Other	16,696	10,903
	<u>718,228</u>	<u>690,726</u>
<b>EXPENSES</b>		
Continuing professional development seminar costs (Note 12)	227,074	186,932
Professional fees	104,437	69,536
Salaries and employee benefits	57,942	139,340
Depreciation and amortisation (Note 7)	22,856	29,192
Membership dues (Note 13)	13,838	13,925
Bank charges	12,998	3,826
Occupancy costs	12,357	13,270
Annual general meeting costs	9,391	5,615
Communications	9,389	8,329
Utilities	4,747	3,295
Advertising and promotions	3,998	2,655
Interest	3,370	1,436
Provision for expected credit losses (Note 14)	2,823	5,447
Printing and stationery	2,427	8,098
Donations, scholarships, awards and grants	60	2,060
Student membership	-	5,121
Travel and entertainment	-	850
Other	14,940	7,629
	<u>502,647</u>	<u>506,556</u>
<b>Net income and total comprehensive income</b>	<u><u>215,581</u></u>	<u><u>184,170</u></u>

The accompanying notes are an integral part of these financial statements.

## The Bahamas Institute of Chartered Accountants

### Statement of Changes in Equity For the Year Ended December 31, 2023 (Expressed in Bahamian dollars)

	Capital \$	Retained Earnings \$	Total Equity \$
As of January 1, 2023	<u>-</u>	<u>1,373,745</u>	<u>1,373,745</u>
<b>Comprehensive income</b>			
Net income	<u>-</u>	<u>215,581</u>	<u>215,581</u>
Total comprehensive income	<u>-</u>	<u>215,581</u>	<u>215,581</u>
<b>As of December 31, 2023</b>	<b><u>-</u></b>	<b><u>1,589,326</u></b>	<b><u>1,589,326</u></b>
As of January 1, 2022	<u>-</u>	<u>1,189,575</u>	<u>1,189,575</u>
<b>Comprehensive income</b>			
Net income	<u>-</u>	<u>184,170</u>	<u>184,170</u>
Total comprehensive income	<u>-</u>	<u>184,170</u>	<u>184,170</u>
<b>As of December 31, 2022</b>	<b><u>-</u></b>	<b><u>1,373,745</u></b>	<b><u>1,373,745</u></b>

The accompanying notes are an integral part of these financial statements.

## The Bahamas Institute of Chartered Accountants

### Statement of Cash Flows For the Year Ended December 31, 2023 (Expressed in Bahamian dollars)

	2023	2022
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	215,581	184,170
Adjustments for:		
Interest income	(25,099)	(27,748)
Depreciation and amortisation	22,856	29,192
Provision for expected credit losses	2,823	5,447
Interest expense	3,370	1,436
Interest received	21,026	27,682
Interest paid	(3,370)	(1,436)
<b>(Increase)/Decrease in operating assets</b>		
Accounts receivable	(26,856)	1,185
Other assets	(1,672)	830
<b>Increase/(Decrease) in operating liabilities</b>		
Accrued expenses and other liabilities	104,859	(8,368)
Deferred income	(3,150)	4,800
Scholarship, building and other funds	2,500	3,460
<b>Net cash from operating activities</b>	<b><u>312,868</u></b>	<b><u>220,650</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in term deposits with contractual maturities greater than three (3) months	(5,082)	(4,984)
Purchases of investment securities	(193,200)	(250,000)
Maturities of investment securities	-	250,000
Purchases of property, plant and equipment	(70,666)	(11,151)
<b>Net cash used in investing activities</b>	<b><u>(268,948)</u></b>	<b><u>(16,135)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(22,198)	(22,612)
<b>Net cash used in financing activities</b>	<b><u>(22,198)</u></b>	<b><u>(22,612)</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>21,722</b>	<b>181,903</b>
Cash and cash equivalents as of the beginning of the year	<u>915,257</u>	<u>733,354</u>
<b>Cash and cash equivalents as of the end of the year (Note 3)</b>	<b><u><u>936,979</u></u></b>	<b><u><u>915,257</u></u></b>

The accompanying notes are an integral part of these financial statements.

# The Bahamas Institute of Chartered Accountants

## Notes to the Financial Statements

December 31, 2023

(Expressed in Bahamian dollars)

### 1. General Information

The Bahamas Institute of Chartered Accountants (the Institute) is incorporated under the Companies Act, 1992 of the Commonwealth of The Bahamas (The Bahamas) and limited by guarantee. The Institute is the regulator of the accounting profession in The Bahamas, pursuant to the Bahamas Institute of Chartered Accountants Act, 2015 (the Act) and related Regulations:

- The Bahamas Institute of Chartered Accountants (General) Regulations, 2016.
- The Bahamas Institute of Chartered Accountants (Committees) Regulations, 2016.
- The Bahamas Institute of Chartered Accountants (Disciplinary) Regulations, 2016.

The Institute grants membership to accountants possessing the necessary academic and professional credentials; issues licenses to members to engage in public practice following the satisfaction of the public practice requirements, which principally comprise professional work experience in public accounting; and registers firms engaged in public practice, which are deemed to be providing audit or other attestation services that result in the issuance of information, audit or other attestation reports or similar certification that are reasonably expected to be relied upon by third parties.

The Institute is also charged with promoting standards and best practices in financial reporting, audit and attestation, and other accounting related matters through the provision of training, education and examination.

The Institute is a member of the International Federation of Accountants (IFAC) and the Institute of Chartered Accountants of the Caribbean (ICAC).

The registered office of the Institute is situated at 82 Dowdeswell Street, New Providence, Bahamas and its offices are situated at 33 Collins Avenue, New Providence, Bahamas.

### 2. Summary of Material Accounting Policies

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

#### (a) Basis of preparation

The financial statements are prepared in accordance with IFRS Accounting Standards (IFRS), and under the historical cost convention.

# The Bahamas Institute of Chartered Accountants

## Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

### 2. Summary of Material Accounting Policies (Continued)

#### (a) Basis of preparation (continued)

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Institute's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Notes 2(d), 2(e), 2(i) and 2(j).

#### *New standards, amendments and interpretations adopted by the Institute*

Standards and amendments and interpretations to published standards that became effective for the Institute's financial year beginning on January 1, 2023 were either not relevant or not significant to the Institute's operations and accordingly did not have a material impact on the Institute's accounting policies or financial statements.

#### *New standards, amendments and interpretations not yet adopted by the Institute*

The application of new standards and amendments and interpretations to existing standards that have been published but are not yet effective are not expected to have a material impact on the Institute's accounting policies or financial statements in the financial period of initial application.

#### (b) Foreign currency translation

The financial statements are presented in Bahamian dollars (B\$), which is the Institute's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the 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 recognised in the statement of comprehensive income as a part of net income. Translation differences on monetary financial assets measured at fair value through profit or loss are included as a part of the fair value gains and losses.

# The Bahamas Institute of Chartered Accountants

## Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

### 2. Summary of Material Accounting Policies (Continued)

#### (c) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, current accounts and term deposits that have original contractual maturities of three (3) months or less.

#### (d) Financial assets

The Institute classifies its financial assets as at amortised cost. Management determines the classification of its financial assets at initial recognition, and subsequently, financial assets are reclassified only when the business model for the relevant class of financial assets, as a whole, changes. Such reclassification is prospective and is effective from the first financial period subsequent to the change in business model.

Financial assets at amortised cost are those held within a business model whose objective is to collect the contractual cash flows, and those contractual terms give rise to cash flows that are solely payments of principal and interest.

Accounts receivable represent amounts due from debtors for services performed in the ordinary course of business, with short terms to settlement, and are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value.

Financial assets at amortised cost are recognised on the trade date – the date on which the Institute commits to originate, purchase or sell the asset – and are initially recognised at fair value plus transaction costs, except financial assets carried at fair value through profit or loss where such costs are expensed as incurred.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when the Institute has transferred substantially all risks and rewards of ownership. If the Institute has neither transferred nor retained substantially all the risks and rewards of ownership, an assessment is made whether the Institute has retained control of the financial assets. Where the Institute has not retained control, financial assets are derecognised and any rights or obligations retained or created as part of the transaction are recognised as separate assets or liabilities. Alternatively, where the Institute has retained control, the Institute continues to recognise the financial assets to the extent of its continuing involvement in the financial assets.

# The Bahamas Institute of Chartered Accountants

## Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

### 2. Summary of Material Accounting Policies (Continued)

#### (d) Financial assets (continued)

Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method, less provisions for impairment.

Gains or losses arising from sales are recognised in the statement of comprehensive income as a part of net income in the financial period in which they arise.

#### (e) Impairment of financial assets at amortised cost

The Institute assesses, taking into consideration forward looking factors, the expected credit losses for financial assets at amortised cost. The Institute measures expected credit losses and recognises an allowance for expected credit losses at each reporting date. The measurement of expected credit losses reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes; (ii) time value of money; and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The Institute applies a three (3) stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their expected credit losses measured at an amount equal to the portion of lifetime expected credit losses that results from default events possible within the next twelve (12) months (12-month ECL) or until contractual maturity, if shorter. If the Institute identifies a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2 and its expected credit loss is measured based on expected credit losses on a lifetime basis (lifetime ECL), that is, up until contractual maturity but considering expected prepayments.

If the Institute determines that a financial asset is credit-impaired, the financial asset is transferred to Stage 3 and its ECL is measured as a lifetime ECL. The Institute's definition of credit-impaired financial assets and definition of default are disclosed in Note 17. For financial assets that are purchased or originated credit-impaired (POCI Assets), the expected credit loss is always measured as a lifetime ECL.

The Institute applies the simplified approach to measuring expected credit losses for all accounts receivable and other short-term financial assets at amortised cost, which uses a lifetime ECL.



# The Bahamas Institute of Chartered Accountants

## Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

### 2. Summary of Material Accounting Policies (Continued)

#### (e) Impairment of financial assets at amortised cost (continued)

To measure the expected credit losses, accounts receivable and other short-term financial assets at amortised cost are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles over a period of two (2) prior years and the relevant historical credit losses experienced within that period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the financial assets. The Institute has identified the gross domestic product (GDP) growth rate experienced in The Bahamas to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

The carrying amount of the financial asset is reduced through the use of an allowance account, which is also referred to as provision for doubtful accounts in relation to accounts receivable and allowance for expected credit losses in relation to investment securities, and the amounts of the expected credit losses are recognised in the statement of comprehensive income as a part of net income. Decreases in previously recognised expected credit losses are recognised against the same financial statement line item.

Financial assets at amortised cost are written off against the related allowance account when all necessary procedures have been completed and there is no reasonable expectation of recovery, typically evidenced by, amongst other factors, the failure of a debtor to engage in a repayment plan with the Institute, and a failure to make contractual payments for a period greater than ninety (90) days.

Recoveries of amounts previously written off are recognised directly in the statement of comprehensive income as a part of the impairment loss expense included in net income.

#### (f) Property, plant and equipment

Property, plant and equipment are carried at historical cost less accumulated depreciation and amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of an item.

## The Bahamas Institute of Chartered Accountants

### Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

#### 2. Summary of Material Accounting Policies (Continued)

##### (f) Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of comprehensive income as a part of net income during the financial period in which they are incurred.

Right-of-use assets, determined in accordance with note 2(j) are included in leasehold assets and improvements.

Depreciation and amortisation are calculated using the straight-line method to allocate costs (net of residual values) over estimated useful lives as follows:

##### Estimated Useful Life

Computers and equipment	5 years
Furniture and fixtures	3 – 5 years
Leasehold assets and improvements	The shorter of the lease term, including renewals, and 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each date of the statement of financial position. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised in the statement of comprehensive income as a part of net income.

##### (g) Accounts payable

Accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

# The Bahamas Institute of Chartered Accountants

## Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

### 2. Summary of Material Accounting Policies (Continued)

#### (h) Borrowings

Borrowings, which include lease liabilities, are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently recognised at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in the statement of comprehensive income over the period of the borrowings using the effective interest method.

#### (i) Income and expense recognition

Revenue is measured at the fair value of the consideration received or receivable, which represents the transaction price for the services identified as distinct performance obligations, and is recognised when it is probable that future economic benefits will flow to the Institute.

Revenue from continuing professional development seminars is recognised at a point in time when the Institute satisfies its performance obligation, which is at the time that the respective seminar is held. Amounts collected in relation to seminars to be held in future financial periods are deferred in the statement of financial position until the Institute satisfies the applicable performance obligations.

Revenue from membership and licence fees, where the member simultaneously receives and consumes the benefits provided by the Institute, is recognised rateably over the period of the applicable membership or licence, generally on a straight-line basis. Amounts collected in relation to future financial periods are deferred in the statement of financial position and recognised over the applicable membership or licence period to which the fees relate. Membership and licence application fees are recognised upon completion of the application evaluation process. All membership and licence fees are for fixed amounts.

Specific contributions from members received to subsidise specific initiatives of the Institute, including but not limited to scholarships and building funds, are deferred and recognised 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 Institute recognises as expenses the related costs that such contributions are intended to defray. These amounts are presented gross in the statement of comprehensive income.

# The Bahamas Institute of Chartered Accountants

## Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

### 2. Summary of Material Accounting Policies (Continued)

#### (i) Income and expense recognition (continued)

Interest income and expense are recognised using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the: gross carrying amount of the financial asset (that is, its amortised cost before any allowance for expected credit losses), except for financial assets that are credit impaired, which in such cases use the net carrying amount (that is, amortised cost after allowance for credit losses); or net carrying amount of the financial liability.

When calculating the effective interest rate, the Institute estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options). The calculation includes all fees and commissions paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

All other income and expenses are recognised on the accrual basis of accounting.

#### (j) Leases

The Institute is lessee in lease agreements. Except for leases with terms of twelve (12) months or less, defined as short term leases, leases result in the recognition of right-of-use assets and lease liabilities. Lease liabilities are measured as the present value of expected lease payments over the terms of the leases using the relevant interest rate, and are subsequently measured at amortised cost using the effective interest method. Right-of-use assets are measured as the related initial lease liability, plus any lease payments (net of lease incentives) paid at or prior to commencement, and direct costs incurred in entering the lease. Right-of-use assets, hereafter referred to as leasehold assets, are subsequently classified and accounted for in accordance with the accounting policies for property, plant and equipment. For short term leases, payments made under these leases are recognised in the statement of comprehensive income as a part of net income on a straight-line basis over the terms of the leases.

## The Bahamas Institute of Chartered Accountants

### Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

#### 2. Summary of Material Accounting Policies (Continued)

##### (k) Taxation

Under the current laws of The Bahamas, the country of domicile of the Institute, there are no income, capital gains or other corporate taxes. The Institute's operations do not subject it to taxation in any other jurisdiction.

##### (l) Fiduciary activities

The Institute acts in certain fiduciary capacities that result in the holding or placing of assets on behalf of other entities. These assets are excluded from these financial statements, as they do not belong to the Institute.

##### (m) Corresponding figures

Where necessary, corresponding figures are adjusted to conform with changes in presentation in the current year.

#### 3. Cash on Hand and at Banks

	2023	2022
	\$	\$
Cash on hand	600	600
Current accounts at banks	716,900	695,727
Term deposits	478,773	473,142
	<u>1,196,273</u>	<u>1,169,469</u>
Accrued interest	3,400	3,398
<b>Total</b>	<b><u>1,199,673</u></b>	<b><u>1,172,867</u></b>

Deposits with banks earn interest at rates ranging from 0.00% to 1.25% (2022: 0.00% to 1.25%) per annum.

## The Bahamas Institute of Chartered Accountants

### Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

#### 3. Cash on Hand and at Banks (Continued)

For the purposes of the statement of cash flows, cash and cash equivalents comprise:

	2023	2022
	\$	\$
Cash on hand	600	600
Current accounts at banks	716,900	695,727
Term deposits	<u>478,773</u>	<u>473,142</u>
	1,196,273	1,169,469
Term deposits with contractual maturities greater than three (3) months	<u>(259,294)</u>	<u>(254,212)</u>
<b>Total</b>	<b><u><u>936,979</u></u></b>	<b><u><u>915,257</u></u></b>

#### 4. Accounts Receivable

	2023	2022
	\$	\$
Continuing professional development seminar fees	37,522	8,666
Membership and licence fees	<u>-</u>	<u>2,000</u>
	37,522	10,666
Provision for doubtful accounts	<u>(1,881)</u>	<u>(1,709)</u>
<b>Total</b>	<b><u><u>35,641</u></u></b>	<b><u><u>8,957</u></u></b>

## The Bahamas Institute of Chartered Accountants

### Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

#### 4. Accounts Receivable (Continued)

Movements in provision for doubtful accounts comprise:

	2023	2022
	\$	\$
Balance as of the beginning of the year	1,709	1,709
Provision for doubtful accounts (Note 14)	172	-
Bad debts written off	-	-
	<u>-</u>	<u>-</u>
<b>Balance as of the end of the year</b>	<b><u>1,881</u></b>	<b><u>1,709</u></b>

#### 5. Other Assets

	2023	2022
	\$	\$
Security deposits	7,165	7,065
Prepaid expenses	2,032	460
	<u>2,032</u>	<u>460</u>
<b>Total</b>	<b><u>9,197</u></b>	<b><u>7,525</u></b>

#### 6. Investment Securities

	2023	2022
	\$	\$
<u>Stage 2 – ECL</u>		
<i>Level 2</i>		
Government debt securities	<u>193,200</u>	<u>-</u>
<u>Stage 2 – ECL</u>		
<i>Level 2</i>		
Government debt securities	<u>300,000</u>	<u>300,000</u>
	493,200	300,000
Accrued interest	6,979	2,908
Allowance for expected credit losses	<u>(13,859)</u>	<u>(11,208)</u>
	<b><u>486,320</u></b>	<b><u>291,700</u></b>

## The Bahamas Institute of Chartered Accountants

### Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

#### 6. Investment Securities (Continued)

Investment securities comprise Bahamas Government Registered Stock with maturities ranging from 2024 to 2040 and with fixed interest rates ranging from 3.20% to 5.60% per annum.

Movements in allowance for expected credit losses comprise:

	2023 \$	2022 \$
Balance as of the beginning of the year	11,208	5,761
Allowance for expected credit losses (Note 14)	2,651	5,447
Bad debts written off	-	-
<b>Balance as of the end of the year</b>	<b><u>13,859</u></b>	<b><u>11,208</u></b>

#### 7. Property, Plant and Equipment

	Leasehold Assets & Improve- ments \$	Furniture & Fixtures \$	Computers & Equipment \$	Computer Software \$	Total \$
<b>Year ended</b>					
<b>December 31, 2023</b>					
Opening net book value	10,698	263	1	25,388	36,350
Additions	52,253	11,705	2,147	56,814	122,919
Disposals					
Cost	(95,233)	-	-	-	(95,233)
Accumulated depreciation	95,233	-	-	-	95,233
Depreciation	<u>(21,583)</u>	<u>(1,237)</u>	<u>(36)</u>	<u>-</u>	<u>(22,856)</u>
<b>Closing net book value</b>	<b><u>41,368</u></b>	<b><u>10,731</u></b>	<b><u>2,112</u></b>	<b><u>82,202</u></b>	<b><u>136,413</u></b>
<b>As of December 31, 2023</b>					
Cost	62,193	30,626	34,032	82,202	209,053
Accumulated depreciation	<u>(20,825)</u>	<u>(19,895)</u>	<u>(31,920)</u>	<u>-</u>	<u>(72,640)</u>
<b>Net book value</b>	<b><u>41,368</u></b>	<b><u>10,731</u></b>	<b><u>2,112</u></b>	<b><u>82,202</u></b>	<b><u>136,413</u></b>



## The Bahamas Institute of Chartered Accountants

### Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

#### 7. Property, Plant and Equipment (Continued)

	Leasehold Assets & Improve- ments \$	Furniture & Fixtures \$	Computers & Equipment \$	Computer Software \$	Total \$
<b>Year ended</b>					
<b>December 31, 2022</b>					
Opening net book value	33,279	4,047	2,828	14,237	54,391
Additions	-	-	-	11,151	11,151
Disposals					
Cost	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
Depreciation	<u>(22,581)</u>	<u>(3,784)</u>	<u>(2,827)</u>	<u>-</u>	<u>(29,192)</u>
<b>Closing net book value</b>	<b><u>10,698</u></b>	<b><u>263</u></b>	<b><u>1</u></b>	<b><u>25,388</u></b>	<b><u>36,350</u></b>
<b>As of December 31, 2022</b>					
Cost	105,173	18,921	31,885	25,388	181,367
Accumulated depreciation	<u>(94,475)</u>	<u>(18,658)</u>	<u>(31,884)</u>	<u>-</u>	<u>(145,017)</u>
<b>Net book value</b>	<b><u>10,698</u></b>	<b><u>263</u></b>	<b><u>1</u></b>	<b><u>25,388</u></b>	<b><u>36,350</u></b>

During the year, the Institute entered into a lease agreement for its offices, which include a term of one (1) year, with the option to renew for one (1) year, and consequently a leasehold asset totalling \$52,253 and corresponding borrowings have been recognised.

#### 8. Accrued Expenses and Other Liabilities

	2023 \$	2022 \$
Accounts payable and accrued expenses	143,978	40,351
Value Added Tax payable	18,800	21,502
Other	<u>12,067</u>	<u>8,133</u>
<b>Total</b>	<b><u>174,845</u></b>	<b><u>69,986</u></b>

## The Bahamas Institute of Chartered Accountants

### Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

#### 9. Borrowings

Borrowings comprise lease liabilities, on which interest is incurred at a rate of 5.75% per annum and have the following future minimum rental payments required under a non-cancellable lease:

	2023	2022
	\$	\$
2023	-	11,801
2024	27,720	
2025 and beyond	18,480	-
	<u>46,200</u>	<u>11,801</u>
<b>Total</b>	<b><u>46,200</u></b>	<b><u>11,801</u></b>

The current lease has an option to renew for a further period.

#### 10. Scholarship, Building and Other Funds

	2023	2022
	\$	\$
Building fund	18,800	17,950
Scholarship fund	22,092	20,442
	<u>40,892</u>	<u>38,392</u>
<b>Total</b>	<b><u>40,892</u></b>	<b><u>38,392</u></b>

Movements in scholarship, building and other funds comprise:

	2023	2022
	\$	\$
Balance as of the beginning of the year	38,392	34,932
Contributions	2,500	3,460
Recognised in the statement of comprehensive income	-	-
	<u>40,892</u>	<u>38,392</u>
<b>Balance as of the end of the year</b>	<b><u>40,892</u></b>	<b><u>38,392</u></b>

#### 11. Capital

The Institute is incorporated as a company without capital and limited by guarantee. Further, the Institute is registered as a non-profit association under the Companies Act, 1992.

## The Bahamas Institute of Chartered Accountants

### Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

#### 12. Continuing Professional Development Seminar Fees and Costs

	2023	2022
	\$	\$
<i>New Providence</i>		
Continuing professional development seminar fees	470,508	443,375
Continuing professional development seminar costs	<u>(227,074)</u>	<u>(186,932)</u>
	<u>243,434</u>	<u>256,443</u>
<i>Grand Bahama</i>		
Continuing professional development seminar fees	-	-
Continuing professional development seminar costs	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Gross profit</b>	<b><u><u>243,434</u></u></b>	<b><u><u>256,443</u></u></b>

#### 13. Membership Dues

	2023	2022
	\$	\$
Institute of Chartered Accountants of the Caribbean	8,838	8,925
International Federation of Accountants	<u>5,000</u>	<u>5,000</u>
<b>Total</b>	<b><u><u>13,838</u></u></b>	<b><u><u>13,925</u></u></b>

#### 14. Provision For Expected Credit Losses

The provision for expected credit losses carried in the statement of comprehensive income comprises:

	2023	2022
	\$	\$
Accounts receivable (Note 4)	172	-
Investment securities (Note 6)	<u>2,651</u>	<u>5,447</u>
<b>Total</b>	<b><u><u>2,823</u></u></b>	<b><u><u>5,447</u></u></b>

## The Bahamas Institute of Chartered Accountants

### Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

#### 15. Related Party Balances and Transactions

Related parties include key management personnel (including Council Members); entities that have the ability to control or exercise significant influence over the Institute in making financial or operational decisions; and entities that are controlled, jointly controlled or significantly influenced by key management personnel and entities noted earlier. Related party balances and transactions, not disclosed elsewhere in these financial statements, are as follows:

	2023	2022
	\$	\$
<b>ASSETS</b>		
Cash on hand and at banks		
Key management personnel	259,296	254,212
Accounts receivable		
Key management personnel	1,682	1,757

There are no provisions for doubtful accounts in respect of accounts receivable.

	2023	2022
	\$	\$
<b>LIABILITIES</b>		
Accrued expenses and other liabilities		
Key management personnel	6,992	8,444

Amounts included in accrued expenses and other liabilities are unsecured, interest-free and have no set terms of repayment.

	2023	2022
	\$	\$
<b>INCOME</b>		
Membership fees		
Key management personnel	2,400	2,600
Licence fees		
Key management personnel	3,000	3,250
Interest		
Other related parties	5,084	3,398

## **The Bahamas Institute of Chartered Accountants**

### **Notes to the Financial Statements**

**December 31, 2023**

**(Continued)**

**(Expressed in Bahamian dollars)**

#### **16. Capital Management**

The Institute's objectives when managing capital, which comprises total equity on the face of the statement of financial position, are:

- To safeguard the Institute's ability to continue as a going concern so that it can continue to provide benefits for its members and other stakeholders; and
- To maintain a strong capital base to support the development of its activities.

Capital adequacy is monitored by the Institute's Council Members.

#### **17. Financial Risk Management**

The Institute engages in transactions that expose it to credit risk, liquidity risk and market risk (including interest rate, price and currency risk) in the normal course of business. The Institute's financial performance is affected by its capability to understand and effectively manage these risks, and its challenge is not only to measure and monitor these risks but also to manage them as profit opportunities.

##### *Concentration of risks*

Concentration of risk indicates the relative sensitivity of the Institute's performance to developments affecting a particular industry or geographical location, and arises: when a significant proportion of financial instruments or contracts are entered into with the same counterparty; or where a significant proportion of counterparties are engaged in similar business activities, or activities in the same geographical region, or that have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of liquidity risk arises from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realise liquid assets. Concentration of currency risk arises when the Institute has a significant net open position in a single foreign currency, or aggregate net open positions in several currencies that are historically positively correlated.

To mitigate excessive concentration of risk, the Institute's policies and procedures include specific guidelines to maintain appropriate diversification.

## The Bahamas Institute of Chartered Accountants

### Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

#### 17. Financial Risk Management (Continued)

##### *Credit risk*

Credit risk arises from the potential failure of a counterparty to perform according to the terms of the contract. The Institute's exposure to credit risk is primarily concentrated in its cash at banks, investment securities and accounts receivable. The Institute seeks to mitigate such risk by placing its cash with financial institutions in good standing with the Central Bank of The Bahamas, and by monitoring the payment history of its members and other parties before continuing to extend credit to them. Investment securities with credit risk comprise debt securities issued by the Government of The Bahamas, which were downgraded to non-investment grade credit ratings during 2020 and further downgraded during the prior and current years, resulting in all securities acquired prior to the downgrades being classified to Stage 2 for purposes of assessing expected credit losses.

The Institute assesses the probability of default of financial assets upon recognition, and continually assesses whether there has been a significant increase in credit risk for the purposes of recognising expected credit losses. A significant increase in credit risk is presumed if contractual payments from a counterparty are more than thirty (30) days past due. Further, financial assets are classified as in default, which is consistent with the definition of credit-impaired, if contractual payments from a counterparty are more than ninety (90) days past due. Other qualitative factors specific to a counterparty's ability and intent to make contractual payments when due are evaluated in determining whether a financial asset is in default.

The ageing of accounts receivable is as follows:

	2023	2022
	\$	\$
30 days or less	37,082	10,250
31 to 90 days	440	416
91 to 180 days	-	-
181 days or more	-	-

##### Geographical concentrations of financial assets

The Institute has a concentration of credit risk in respect of geographical area, as its financial assets are all based in The Bahamas.

## **The Bahamas Institute of Chartered Accountants**

### **Notes to the Financial Statements**

**December 31, 2023**

**(Continued)**

**(Expressed in Bahamian dollars)**

#### **17. Financial Risk Management (Continued)**

##### *Liquidity risk*

Liquidity risk is the risk that the Institute might not have the necessary funds to honour all of its financial commitments. The Institute relies on the realisation of its accounts receivable, membership and licence fee collections and net proceeds from continuing professional development seminars to settle its financial obligations. Further, the Institute has the ability to dispose of investment securities and/or obtain borrowing facilities, as and when required.

The table below analyses financial assets and liabilities into relevant maturity groupings based on the remaining period to the contractual maturity dates as of the date of the statement of financial position and represent undiscounted cash flows.

## The Bahamas Institute of Chartered Accountants

### Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

### 17. Financial Risk Management (Continued)

#### *Liquidity risk (continued)*

December 31, 2023

#### ASSETS

Cash on hand and at banks	717,501									
Accounts receivable	35,641									
Other assets	-	9,197								
Investment securities	-	7,698			203,989	61,584	377,999			651,270
<b>Total financial assets</b>	<b>753,142</b>	<b>232,353</b>	<b>470,580</b>	<b>61,584</b>	<b>377,999</b>	<b>1,895,658</b>				

#### LIABILITIES

Accrued expenses and other liabilities	-	174,845								174,845
Borrowings	-	6,930	20,790	18,480						46,200
Scholarship, building and other funds	-	40,892								40,892
<b>Total financial liabilities</b>	<b>-</b>	<b>222,667</b>	<b>20,790</b>	<b>18,480</b>	<b>-</b>	<b>261,937</b>				
<b>Net liquidity gap</b>	<b>753,142</b>	<b>9,686</b>	<b>449,790</b>	<b>43,104</b>	<b>377,999</b>					



## The Bahamas Institute of Chartered Accountants

### Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

### 17. Financial Risk Management (Continued)

#### *Liquidity risk (continued)*

December 31, 2022

#### ASSETS

Cash on hand and at banks	696,327	214,894	268,296	-	-	1,179,517
Accounts receivable	8,957	-	-	-	-	8,957
Other assets	-	7,525	-	-	-	7,525
Investment securities	-	7,698	7,698	61,584	393,395	470,375
<b>Total financial assets</b>	<b>705,284</b>	<b>230,117</b>	<b>275,994</b>	<b>61,584</b>	<b>393,395</b>	<b>1,666,374</b>

#### LIABILITIES

Accrued expenses and other liabilities	-	69,986	-	-	-	69,986
Borrowings	-	6,000	6,000	-	-	12,000
Scholarship, building and other funds	-	38,392	-	-	-	38,392
<b>Total financial liabilities</b>	<b>-</b>	<b>114,378</b>	<b>6,000</b>	<b>-</b>	<b>-</b>	<b>120,378</b>
<b>Net liquidity gap</b>	<b>705,284</b>	<b>115,739</b>	<b>269,994</b>	<b>61,584</b>	<b>393,395</b>	

## The Bahamas Institute of Chartered Accountants

### Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

#### 17. Financial Risk Management (Continued)

##### *Market risk*

(a) Interest rate risk

Interest rate risk is the risk that the future cash flows or the fair values of financial instruments may fluctuate significantly as a result of changes in market interest rates. The Institute's exposure to fair value interest rate risk is concentrated in its term deposits, investment securities and borrowings, which have fixed interest rates. However, this risk is not considered significant as prior to January 1, 2017, the Bahamian dollar Prime rate had not experienced any changes since the year ended December 31, 2011. Accordingly, the Institute does not seek to hedge this risk.

The Institute has no significant exposure to cash flow interest rate risk.

(b) Price risk

Price risk is the risk that the fair values and/or amounts realised on sales of financial instruments may fluctuate significantly as a result of changes in market prices. Price risk principally arises from the Institute's investment securities, in the event that these are required to be sold to meet liquidity needs. The Institute has significant concentration risk because all of its investment securities are issued by the Government of The Bahamas or its related entities. Trading levels in The Bahamas, whether on the Bahamas International Securities Exchange or over-the-counter markets, are generally low and therefore, the ability of the Institute to liquidate large portions may be difficult and prices received may be severely impacted. The Central Bank of The Bahamas has created a secondary market for certain debt securities issued by the Government of The Bahamas, and prices currently being observed in this market and over-the-counter approximate the face value of such securities.

(c) Currency risk

Currency risk is the risk that the fair values and/or amounts realised on settlement of financial instruments, and settlements of foreign currency transactions, will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised monetary assets and liabilities are denominated in currencies other than the Institute's functional currency. The Institute is not subject to significant currency risk as its foreign currency transactions and monetary assets and liabilities are denominated in currencies with foreign exchange rates currently fixed against the Institute's functional currency.

## The Bahamas Institute of Chartered Accountants

### Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

#### 18. Fiduciary Risk Management

The Institute is susceptible to fiduciary risk, which is the risk that the Institute may fail in carrying out certain mandates in accordance with the wishes of its members or other parties. To manage this exposure, the Institute generally takes a conservative approach in its undertakings.

#### 19. Fair Values of Financial Instruments

##### *Fair value hierarchy*

The Institute ranks its financial instruments based on the hierarchy of valuation techniques required by IFRS, which is determined based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Institute's market assumptions. These two (2) types of inputs lead to the following fair value hierarchy:

*Level 1* – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

*Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

*Level 3* – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available. The Institute considers relevant and observable market prices in its valuations where possible.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the financial instrument.

The determination of what constitutes 'observable' requires significant judgment by the Institute. The Institute considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

## The Bahamas Institute of Chartered Accountants

### Notes to the Financial Statements

December 31, 2023

(Continued)

(Expressed in Bahamian dollars)

#### 19. Fair Values of Financial Instruments (Continued)

##### *Fair value hierarchy (continued)*

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from the exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Financial instruments classified within Level 3 have significant unobservable inputs, as they trade infrequently.

##### *Fair values*

Financial instruments utilised by the Institute comprise the recorded financial assets and liabilities disclosed in the financial statements. The Institute's financial instruments are principally short term in nature or have interest rates that reset to market rates; accordingly, their fair values approximate their carrying values. For the remaining financial instruments with fixed interest rates, despite a change in market rates since the issuance of the financial instruments, there has been no observable change in fair values; accordingly, the carrying values approximate fair values.

Financial instruments of the Institute are principally Level 2 in the fair value hierarchy. The fair values of the financial assets and financial liabilities disclosed under that category have been determined considering, amongst other factors, discounted cash flows, with the most significant inputs being the Bahamian dollar Prime rate (B\$ Prime rate). B\$ Prime rate was reduced by 0.50% effective January 2017, and prior to this change B\$ Prime rate had not experienced any changes since the year ended 31 December 2011.

#### 20. Subsequent Events

Subsequent to December 31, 2023, the Institute subscribed for investment securities totalling \$391,400 with a maturity of March 26, 2025 and with a fixed interest rate of 3.25% per annum.