Financial Statements of

CAYMAN ISLANDS AQUATIC SPORTS ASSOCIATION

August 31, 2025

CAYMAN ISLANDS AQUATIC SPORTS ASSOCIATION

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INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF CAYMAN ISLANDS AQUATIC SPORTS ASSOCIATION

Qualified Opinion

We have audited the accompanying financial statements of Cayman Islands Aquatic Sports Association (the "Association"), which comprise the statement of financial position as at August 31, 2025, and the statement of comprehensive income, statement of changes in fund balances and statement of cash flows for the year ended August 31, 2025, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effect of the matter discussed in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at August 31, 2025, and of its financial performance and its cash flows for the year ended August 31, 2025 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Qualified Opinion

The financial statements include revenue from cash receipts of various sources, over which limited controls exist prior to the cash received being recorded in the Association's accounting records. There were no practical procedures available to us to confirm the completeness of revenue, and accordingly, we were unable to obtain sufficient appropriate audit evidence in this regard. Consequently, we were unable to determine whether any adjustments might be necessary to revenue from operations or the increase in restricted or general fund balances for the year ended August 31, 2025.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the Cayman Islands Institute of Professional Accountants' *Code of Ethics for Professional Accountants ("CIIPA Code")* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code")* both the ethical requirements that are relevant to our audit of the financial statements in the Cayman Islands, and we have fulfilled our ethical responsibilities in accordance with both the CIIPA Code and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

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

INDEPENDENT AUDITOR'S REPORT (continued)
TO THE BOARD OF DIRECTORS OF CAYMAN ISLANDS AQUATIC SPORTS ASSOCIATION

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA 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 judgement and maintain professional skepticism throughout the audit. We also:

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

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

Berman Fisher Limited

Berman Fisher Limited
October 27, 2026
Grand Cayman, Cayman Islands

CAYMAN ISLANDS AQUATIC SPORTS ASSOCIATION

Statement of Financial Position

As at August 31, 2025

(stated in Cayman Islands dollars)

	Notes	2025	2024
ASSETS			
Current assets			
Cash	3	196,900	277,887
Accounts receivable	6	102,910	65,000
Prepayments		5,899	5,899
Deferred expenses		1,500	4,249
Total current assets		307,209	353,035
Non-current assets			
Property, plant and equipment	4	154,747	110,211
Total non-current assets		154,747	110,211
TOTAL ASSETS		**461,956**	**463,246**
LIABILITIES AND FUND BALANCES			
Current liabilities			
Lease payments received in advance	10	12,563	16,873
Accrued expenses		5,871	20,788
Income received in advance		-	10,000
Total current liabilities		18,434	47,661
Total liabilities		**18,434**	**47,661**
Fund balances			
Unrestricted general fund		314,052	337,622
Restricted fund - 50 metre pool	5	128,415	76,908
Hardship fund		1,055	1,055
Total fund balances		443,522	415,585
TOTAL LIABILITIES AND FUND BALANCES		**461,956**	**463,246**

See accompanying notes to the financial statements.

Approved on behalf of the Association on October 27, 2026.

Stephen Broadbelt _____ President

Martin Trott _____ Treasurer

CAYMAN ISLANDS AQUATIC SPORTS ASSOCIATION

Statement of Comprehensive Income

Year ended August 31, 2025

(stated in Cayman Islands dollars)

	Notes	2025	2024
Revenue from operations			
Overseas swim meets		125,469	59,661
Sponsorship		103,446	76,000
Membership fees		13,795	12,045
Sea swim fees		12,660	12,405
National championships		9,028	6,079
Lease income - timing equipment	10	4,310	4,310
Total revenue from operations		**268,708**	**170,500**
Other revenue			
Government grant	6	150,000	150,000
Other fundraising		31,549	45,048
Other grants		25,748	18,040
Miscellaneous income		2,683	6,199
Interest income		2,596	1,988
Aquatic complex grant		-	70,000
Total other revenue		**212,576**	**291,275**
Expenditures			
Overseas swim meets		(238,904)	(157,621)
Employee expenses		(134,790)	(94,786)
Sea swim expenses		(18,873)	(25,982)
Fundraising expenses		(15,480)	(9,679)
Miscellaneous expenses		(11,900)	(2,157)
Depreciation	4	(8,585)	(8,120)
National championships expenses		(6,802)	(8,119)
Audit fees		(5,580)	(3,734)
Insurance		(5,498)	(5,367)
Rent expenses		(2,663)	-
Bank charges		(2,263)	(3,065)
Donations		(2,009)	-
Website costs		-	(4,750)
Swimming accessories		-	(4,926)
Hardship fund		-	(315)
Total expenditures		**(453,347)**	**(328,621)**
Increase in unrestricted general fund, restricted fund - 50 metre pool, and hardship fund balances for the year		**27,937**	**133,154**

See accompanying notes to the financial statements.

CAYMAN ISLANDS AQUATIC SPORTS ASSOCIATION

Statement of Changes in Fund Balances

Year ended August 31, 2025

(stated in Cayman Islands dollars)

	Unrestricted general fund	Restricted fund - 50 metre pool	Hardship fund	Total
Balance at August 31, 2023	**223,271**	**57,790**	**1,370**	**282,431**
Increase/(decrease) in unrestricted general fund and restricted fund - 50 metre pool balances for the year	114,351	19,118	(315)	133,154
Balance at August 31, 2024	337,622	76,908	1,055	415,585
Increase/(decrease) in unrestricted general fund, restricted fund - 50 metre pool and hardship fund balances for the year	(23,570)	51,507	-	27,937
Balance at August 31, 2025	**314,052**	**128,415**	**1,055**	**443,522**

See accompanying notes to the financial statements.

CAYMAN ISLANDS AQUATIC SPORTS ASSOCIATION

Statement of Cash Flows

Year ended August 31, 2025

(stated in Cayman Islands dollars)

	Note		2025	2024
Cash flows from operating activities				
Increase in unrestricted general fund, restricted fund - 50 metre pool and hardship fund balances for the year			27,937	133,154
Items not involving the movement of cash				
Depreciation			8,585	8,120
Add/(deduct) net changes in non-cash operating balances:				
Accounts recievables			(37,910)	75,000
Prepayments			-	5,094
Deferred expenses			2,749	(4,249.00)
Lease payments received in advance			(4,310)	(4,310)
Accrued expenses			(14,917)	17,207
Income received in advance			(10,000)	5,000
Net cash (used in)/provided by operating activities			**(27,866)**	**235,016**
Cash flows from investing activities				
Proceeds from short-term investments			-	50,500
Purchase of fixed assets	4		(53,121)	(23,089)
Net cash (used in)/provided by investing activities			**(53,121)**	**27,411**
Movements in cash during the year			**(80,987)**	**262,427**
Cash at beginning of the year			277,887	15,460
Cash at end of the year			**196,900**	**277,887**
Supplementary information on cash flows from operating activities				
Interest received		**CI$**	2,596	1,988

See accompanying notes to the financial statements.

1. Background information

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

Effective May 4, 2018, the Association changed its name to be known as Cayman Islands Aquatic Sports Association (the "Association"). The Association adopted amended and restated Articles of Association on November 30, 2017. The amended Articles of Association state that the Association's year shall be deemed to begin on the first day of September and to expire on the thirty-first day of August in the following calendar year.

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

As at August 31, 2025, the Association has two employees (2024: two employees). The operations of the Association are conducted based upon decisions made by the Board of Directors and carried out by members on a voluntary basis. The registered office of the Association is located at The Lions Pool, P.O. Box 10376, Grand Cayman KY1-1004, Cayman Islands.

2. Significant accounting policies

(a) Statement of compliance

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

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

IFRS 18 Presentation and Disclosure in Financial Statements is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively, subject to specific transition requirements. The Association is currently assessing the impact of IFRS 18 on its financial statements and disclosures. The Association does not expect the adoption of IFRS 18 to have a material effect on the measurement or recognition of its assets, liabilities, income, or expenses; however, the presentation and disclosure of certain amounts in the financial statements, including the introduction of new mandatory subtotals and disclosure of management-defined performance measures, may change as a result of the new requirements.

2. Significant accounting policies *(continued)*

(b) Basis of preparation

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

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'), this is the Cayman Islands dollar.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Foreign currency translation

The Association may conduct transactions or hold financial instruments in either Cayman Islands dollars ("CI$") or U.S. dollars ("US$"). As the Cayman Islands dollar is fixed to the U.S. dollar, no significant currency gains or losses arise . The Cayman Islands dollar to U.S. dollar exchange rate adopted by the Association is CI$0.84: US$1.00.

(d) Donated services

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

(e) Revenue

Fees, inclusive of sponsorship revenues are recorded as revenue, on an accrual basis.

(f) Government and other grants

Grants are awarded annually to support the Association's various swimming programmes. These grants are accounted for as other revenue in the Statement of Comprehensive Income.

Grants are recognised only when there is reasonable assurance that the Association will comply with any conditions attached to the grant and that the grant will be received. Income from government is recorded when received as that is when it becomes quantifiable and probable.

2. Significant accounting policies *(continued)*

(g) Interest income

Interest income is recorded on an accrual basis.

(h) Taxation

There is currently no taxation imposed on income or capital gains on the Association by the Government of the Cayman Islands.

(i) IFRS 9: Financial instruments

The Association adopted IFRS 9 for the preparation of these financial statements during the year ended August 31, 2018. This standard replaces IAS 39: Financial Instruments: Recognition and Measurement. Key changes to the Association's accounting policies as a result of this change are summarised below:

Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, available for sale and loans and receivables.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. Under IAS 39, all fair value changes of liabilities designated under the fair value option were recognised in the statement of comprehensive income. Under IFRS 9 fair value changes are generally presented as follows:

- The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- The remaining amount of change in the fair value is presented in the statement of comprehensive income.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The determination of the business model within which a financial asset is held has been made on the basis of the facts and circumstances that existed at the date of initial application.

Financial instruments - Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2. Significant accounting policies *(continued)*

(i) IFRS 9: Financial instruments (continued)

Financial asset - Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured as financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- the Association's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

The Association does not hold any financial assets that are classified as at FVOCI or FVTPL.

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost are measured at amortised cost using the effective interest method.

Derecognition of financial assets

The Association derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Association neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. The Association does not hold any financial liabilities that are classified as at FVTPL.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Comprehensive Income. Any gain or loss on derecognition is also recognised in the Statement of Comprehensive Income.

The Association's financial liabilities include accounts payable and accrued expenses. This is measured at amortised cost. The Association considers the carrying value to be a reasonable approximation of fair value.

The Association derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Association also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of comprehensive income.

2. Significant accounting policies *(continued)*

(i) IFRS 9: Financial instruments (continued)

Impairment of financial assets

The Association recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. The Association measures loss allowances at an amount equal to lifetime ECLs, except for financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs.

The Association assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The Association will utilise an ECL model internally developed and updated by management when and if it holds affected financial assets. Inputs into the model will be based upon management's assessment of the probability of default and loss given default. At August 31, 2025 and 2024, the Association has not recognised any loss allowances.

Non-financial instruments

At each reporting date, the Association reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

(j) Cash

Cash include savings and current accounts.

(k) Short-term investments

Short-term investments are measured in accordance with IFRS 9 at amortised cost. The Association considers the carrying value to be a reasonable approximation of fair value.

(l) Accounts receivable

Accounts receivable are measured in accordance with IFRS 9 at amortised cost. The Association considers the carrying value to be a reasonable approximation of fair value.

2. Significant accounting policies *(continued)*

(m) Property, plant and equipment

Property, plant and equipment are reflected at cost to the Association, less accumulated depreciation and accumulated impairment losses. Depreciation is provided for on the straight-line basis over the estimated useful lives of the property, plant and equipment to anticipated residual values. Useful lives have been estimated as follows:

Timing equipment - 5 years

Other equipment – 5 years

Computer equipment – 5 years

Water buoy – 5 years

Capital work in progress is only depreciated once the asset is available for use.

(n) Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease.

A lessor recognises operating lease payments as income on a straight-line basis.

3. Cash and cash equivalents

	2025	**2024**
Savings accounts	195,115	276,101
Current accounts	1,785	1,786
Total cash	**196,900**	**277,887**

4. Property, Plant and Equipment

		Aquatic complex/50metre pool	Timing equipment	Other equipment	Computer equipment	Water buoys	Total
Cost							
Balance at August 31, 2023		**57,790**	**38,087**	-	-	-	**95,877**
Additions during the year		19,118	648	591	951	1,781	23,089
Balance at August 31, 2024		**76,908**	**38,735**	**591**	**951**	**1,781**	**118,966**
Additions during the year		51,508	-	-	1,613	-	53,121
Balance at August 31, 2025		**128,416**	**38,735**	**591**	**2,564**	**1,781**	**172,087**
Accumulated depreciation							
Balance at August 31, 2023		-	(635)	-	-	-	(635)
Depreciation for the year		-	(7,698)	(99)	(115)	(208)	(8,120)
Balance at August 31, 2024		-	**(8,333)**	**(99)**	**(115)**	**(208)**	**(8,755)**
Depreciation for the year		-	(7,747)	(120)	(362)	(356)	(8,585)
Balance at August 31, 2025		-	**(16,080)**	**(219)**	**(477)**	**(564)**	**(17,340)**
NET BOOK VALUE	**CI$**	**128,416**	**22,655**	**372**	**2,087**	**1,217**	**154,747**

Costs relating to the construction of the aquatic centre/50 metre pool have been capitalised starting from the year ended August 31, 2023 (date from which the aquatic complex project is considered to be feasible). During the year ended August 31, 2025, the Cayman Islands Government did not grant any funds (2024: CI$70,000).

5. Restricted fund – 50 metre pool

At August 31, 2025, the restricted fund represents funds of CI$128,415 (2024: CI$76,908). As at August 31, 2025 and 2024, the restricted fund will match the capital work in progress for the new aquatics complex. The Capital Work-in Progress represents invoices paid and capitalised for the years ended August 31, 2023, 2024 and 2025 only. All invoices paid before September 1, 2022 were not capitalised. Once the spend on the new aquatic complex is complete and has been commissioned, the restricted fund will be amortised annually and released to the unrestricted general fund at an amount equal to the depreciation expense on the aquatic complex asset.

6. Government grant

During the year ended August 31, 2025, the Association was granted CI$150,000 (2024: CI$150,000) from the Cayman Islands Government. The amount granted is used to fund the Association's activities and is subject to the provisions of the Purchase Agreement between the Association and the Cayman Islands Government. As at August 31, 2025 an amount of CI$62,500 (2024: CI$25,000) was included in accounts receivable at that date.

For the year ended August 31, 2025, there were no additional grants (2024: CI$70,000) awarded to the association to fund costs relating to the construction of the aquatic center.

There are no unfulfilled conditions and other contingencies attached to government grants that have been recognised.

7. Reimbursement of expenses

Certain expenses are borne by members and Directors and are reimbursed by the Association. During the year ended August 31, 2025 CI$49,347 (2024: CI$88,229) was incurred and reimbursed for overseas swim meets expenditures.

8. Financial risk management

The most important types of financial risk to which the Association is exposed are credit risk and liquidity risk and interest rate risk. This note presents information about the Association's exposure to each of these risks and the Association's objectives, policies and processes for measuring and managing risk, and the Association's management of capital.

Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Association. Financial assets which potentially expose the Association to concentrations of credit risk comprise cash and accounts receivable. Specific factors which impact the concentration of credit risk are:

- The concentration of cash and short term investments are held in one financial institution based in the Cayman Islands. The majority of the accounts receivable are due from the Cayman Islands Government.

The nature of the Association's exposures to credit risk and its objectives, policies and processes for managing credit risk have not changed significantly from the prior year.

Factors which mitigate credit risk are:

- The Association transacts with a well-established, high credit quality financial institution, and the management does not anticipate any material losses as a result of the concentration of cash. The Association also does not anticipate any material losses as a result of the concentration of accounts receivable with the Cayman Islands Government.

The maximum exposure to credit risk for financial assets at the reporting date without taking account of any collateral held or other credit related enhancements and based on the net carrying amounts are reported in the Statement of Financial Position, is CI$299,810 (2024:CI$342,887).

Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The liquidity risk management process ensures that the Association is able to honour all of its financial commitments when due.

The Association manages liquidity risk by ensuring that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations.

At August 31, 2025 and 2024, all financial assets were available by notice and all financial liabilities were due within one year.

8. Financial risk management *(continued)*

Market risk

The emergence of macro-economic events has resulted in supply chain disruptions, inflationary pressures and general market uncertainty; as a result, global financial markets have experienced and may continue to experience significant disruption and volatility.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Association's cash and short term investments are subject to interest rate risk. This financial instrument generally attracts variable interest rates based on market rates. The nature of the Association's exposures to interest rate risk and its objectives, policies and processes for managing interest rate risk have not changed significantly from the prior year.

As at August 31, 2025, the only interest bearing financial instruments were cash. At August 31, 2025, if interest rates had been 1% higher or lower with all other variables held constant, net income for the year would have increased by CI$3,413 (2024: CI$638) or decreased by CI$1,969 (2024: CI$228).

Foreign exchange risk

It is the current monetary policy of the Cayman Islands Government to maintain parity between US$ and CI$ on a CI$0.84:US$1.00 basis. Accordingly, there is currently no foreign exchange risk faced by the Association.

9. Revenue from contracts with customers

The Association accounts for contracts with customers that fall within the scope of *IFRS 15: Revenue from Contracts with Customers* only when all of the following criteria are met:

- the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- the Association can identify each party's rights regarding the goods or services to be transferred;
- the Association can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance (i.e. the risk, timing or amount of the Association's future cash flows is expected to change as a result of the contract); and
- it is probable that the Association will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

10. Leasing arrangements (Lessor)

The Association leases Timing Equipment (note 4) to various non-profit swim clubs. Risks and rewards of ownership of the Timing Equipment remain with the Association.

Timing Equipment is leased to the non-profit swim clubs under operating leases with rentals paid in advance. Lease income from operating leases where the Association is the lessor is recognised as income in the Statement of Comprehensive Income on a straight line basis over the lease term of 5 years.

During the year ended August 31, 2025, lease income amounted to CI$4,310 (2024: CI$4,310). As at August 31, 2025, the Association had lease payments received in advance of CI$12,563 (2024: CI$16,873).

11. Contingent liabilities

The Association had no contingent liabilities as at August 31, 2025 and 2024.

12. Capital commitments

The Association had no contractual capital or other commitments as at August 31, 2025 and 2024.

13. Subsequent Events

In preparing these financial statements, management has evaluated subsequent events up to October 27, 2026 which is the date that the financial statements were approved and available to be issued and noted nothing that required disclosure.