

Financial Statements of

NATIONAL ART GALLERY OF THE BAHAMAS

June 30, 2015

NATIONAL ART GALLERY OF THE BAHAMAS

Financial Statements

June 30, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
NATIONAL ART GALLERY OF THE BAHAMAS

We have audited the accompanying financial statements of National Art Gallery of The Bahamas ("NAGB") which comprise the statement of financial position as at June 30, 2015 and the statements of revenue and expenses, changes in accumulated fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT (continued)*Opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NAGB as at June 30, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.


CHARTERED ACCOUNTANTS

September 17, 2018
Nassau, Bahamas

NATIONAL ART GALLERY OF THE BAHAMAS

Statement of Financial Position

June 30, 2015

(Expressed in Bahamian dollars)

	2015	2014
ASSETS		
Current assets		
Cash and cash equivalents (Note 4)	\$ 369,107	\$ 473,319
Accounts receivable (Notes 5, 6(b))	8,062	-
Prepaid expenses	12,000	12,000
Inventory	4,547	4,547
	<u>393,716</u>	<u>489,866</u>
Fixed assets (Note 7)	729,198	730,028
Art collections	518,291	518,291
	<u>\$1,641,205</u>	<u>\$1,738,185</u>
LIABILITIES AND ACCUMULATED FUND		
Current liabilities		
Accounts payable and accrued expenses (Note 6(c))	\$ 58,419	\$ 60,174
Accumulated fund		
Accumulated fund	1,582,786	1,678,011
	<u>\$1,641,205</u>	<u>\$1,738,185</u>

See accompanying notes. See Independent Auditors' Report on pages 1 and 2.

These financial statements were approved by the Board of Directors and authorized to be issued on September 17, 2018 and signed on its behalf by the following:


Director


Director

NATIONAL ART GALLERY OF THE BAHAMAS

Statement of Revenue and Expenses

For the year ended June 30, 2015

	2015	2014
REVENUE		
Government grant (Note 6(a))	\$ 744,833	\$ 894,375
Ticket and gift shop sales	62,800	52,410
Funding and donations	28,142	17,692
Management and curatorial services (Notes 5, 6(b))	15,000	15,000
	<u>850,775</u>	<u>979,477</u>
EXPENSES		
Operating and administrative expenses (Notes 6, 8)	957,204	793,134
Excess of (expenses over revenue)/revenue over expenses before other income	<u>(106,429)</u>	<u>186,343</u>
Other income (Note 9)	11,204	27,139
Excess of (expenses over revenue)/revenue over expenses for the year	<u>\$ (95,225)</u>	<u>\$ 213,482</u>

See accompanying notes. See Independent Auditors' Report on pages 1 and 2.

NATIONAL ART GALLERY OF THE BAHAMAS

Statement of Changes in Accumulated Fund

For the year ended June 30, 2015

	2015	2014
Balance, beginning of the year	\$1,678,011	\$1,464,529
Excess of (expenses over revenue)/revenue over expenses for the year	(95,225)	213,482
Balance, end of the year	\$1,582,786	\$1,678,011

See accompanying notes. See Independent Auditors' Report on pages 1 and 2.

NATIONAL ART GALLERY OF THE BAHAMAS

Statement of Cash Flows

For the year ended June 30, 2015

	2015	2014
CASH PROVIDED BY/(USED IN):		
Cash flows from operating activities:		
Excess of (expenses over revenue)/revenue over expenses for the year	\$ (95,225)	\$213,482
Adjustment to reconcile excess of (expenses over revenue)/revenue over expenses to net cash (used in)/provided by operating activities:		
Depreciation	35,692	33,122
Interest income	(591)	(1,449)
Cash (used in)/provided by operations before changes in operating assets and liabilities	(60,124)	245,155
(Increase)/decrease in operating assets		
Account receivable	(8,062)	-
Prepaid expenses	-	(12,000)
Interest received	591	1,449
(Decrease)/increase in operating liabilities		
Accounts payable and accrued expenses	(1,755)	5,701
Net cash (used in)/provided by operating activities	(69,350)	240,305
Cash flows from investing activities:		
Additions to fixed assets	(34,862)	-
Net cash used in investing activities	(34,862)	-
Net (decrease)/increase in cash and cash equivalents	(104,212)	240,305
Cash and cash equivalents, beginning of year	473,319	233,014
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 369,107	\$473,319
Represented by:		
Cash and cash equivalents (Note 4)	\$ 369,107	\$473,319

See accompanying notes. See Independent Auditors' Report on pages 1 and 2.

NATIONAL ART GALLERY OF THE BAHAMAS

Notes to Financial Statements

June 30, 2015

1. GENERAL

National Art Gallery of The Bahamas, ("NAGB"), was established under an act passed by Parliament of the Commonwealth of The Bahamas on July 11, 2003 as a non-profit, quasi-governmental, private corporation. NAGB's primary objectives are the acquisition, preservation, maintenance and collection of works of art and the education of the public on works of art.

NAGB's place of business is located at West Hill Street, P.O. Box N-711, Nassau, Bahamas.

These financial statements were authorized to be issued by the Board of Directors on September 17, 2018.

2. ADOPTION OF STANDARDS AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

At the date of these financial statements, the following standards and amendments to the existing standards issued by the International Accounting Standards Board ("the IASB") and the International Financial Reporting Standards Interpretations Committee of the IASB have not been applied in these combined financial statements as they are not yet effective:

IFRS 2 (amendments)	- Share-based Payment - amendments for clarifications on classification and measurement of share-based payment transactions - effective from January 1, 2018
IFRS 9	- Financial Instruments - effective from January 1, 2018
IFRS 10, 12 and IAS 28 (amendments)	- Investment Entities - amendments to address issues that have arisen in the context of applying the consolidation exception for investment entities - effective from January 1, 2016
IFRS 11 (amendments)	- Joint Arrangements - amendments to clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business - effective from January 1, 2016
IFRS 14	- Regulatory Deferral Accounts - effective from January 1, 2016
IFRS 15	- Revenue from Contracts with Customers - effective from January 1, 2018
IAS 16, IAS 38 (amendments)	- Intangible Assets - amendments regarding the clarification of acceptable methods of depreciation and amortization - effective from January 1, 2016
IAS 7 (amendments)	- Statement of Cash Flows (Disclosure Initiative) - amendments to require disclosure of changes in liabilities arising from financing activities - effective from January 1, 2017
IAS 27 (amendments)	- Separate financial statements - amendments restating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements - effective from January 1, 2016

NATIONAL ART GALLERY OF THE BAHAMAS

Notes to Financial Statements

June 30, 2015

2. ADOPTION OF STANDARDS AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

- | | |
|---------------------------------|--|
| IFRS 10 and IAS 28 (amendments) | - Investments in Associates and Joint Ventures - amendments regarding the sale or contribution of assets between an investor and its associate or joint venture - effective from January 1, 2016 |
|---------------------------------|--|

The Board of Directors have concluded that the adoption of these standards and amendments is unlikely to have a significant impact on NAGB's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB. The accounting policies set out below have been applied consistently to all years presented, unless otherwise stated.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis.

(c) Functional and reporting currency

The financial statements are expressed in Bahamian dollars, which is NAGB's functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- Note 3(j) - Impairment of assets
- Note 10 - Fair value of financial instruments
- Note 11 - Risk analysis

NATIONAL ART GALLERY OF THE BAHAMAS

Notes to Financial Statements

June 30, 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial assets

NAGB classifies its financial assets as loans and receivables. The classification depends on the nature and purpose of the financial assets. Management determines the classification at the time of initial recognition.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that NAGB intends to sell in the short-term or that are designated as at fair value through profit and loss or available-for-sale. Loans and receivables are initially measured at fair value and subsequently re-measured at amortised cost, using the effective interest method less any impairment losses. Balances included in this classification are cash and cash equivalents and accounts receivable.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

(g) Inventory

Inventory is stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated selling expenses. Cost is determined using the average cost method.

(h) Art collections

Works of art comprise art collections, which when purchased are recorded at cost, and when donated are recorded at fair value at the date of the donation, as determined by NAGB's curator.

(i) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to NAGB and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of revenue and expenses.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Building and building improvements	-	20 years
Office equipment	-	3 to 5 years
Furniture & fixtures	-	5 years

Land is not depreciated. Building improvements represent architect fees and construction costs incurred during the restoration of NAGB's buildings. Gains and losses arising on the disposal of fixed assets are determined as the difference between the sales proceeds and the carrying amounts of the assets sold and are recognized in the statement of revenue and expenses.

NATIONAL ART GALLERY OF THE BAHAMAS

Notes to Financial Statements

June 30, 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Fixed assets (continued)

The useful lives of NAGB's fixed assets and the depreciation methods are reviewed at each reporting date to ensure that they are consistent with the expected pattern of economic benefits from those assets. When an asset is retired or disposed of, or is permanently withdrawn from use and no future economic benefit is expected, the cost and accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal is recognized in the statement of revenue and expenses.

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be fully recoverable. If there is an indication that the carrying values exceed the estimated recoverable amount, the assets are written down to their estimated recoverable amount.

The recoverable amount of fixed assets is the greater of the net selling price and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in the statement of revenue and expenses. Management does not believe that any such changes in circumstances have occurred which would require NAGB's fixed assets to be adjusted for impairment losses.

(j) Impairment of assets

The carrying amounts of NAGB's assets are reviewed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is impaired if its carrying amount exceeds its estimated recoverable amount. An impairment loss on an asset carried at amortized cost is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in the combined statement of comprehensive income. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

(k) Financial liabilities

Financial liabilities are classified as other financial liabilities:

- Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense being recognized on an effective yield basis. The effective interest rate is the ratio that exactly discounts estimated future cash payment through the expected life of the financial liability, or where appropriate, a shorter period. Accounts payable and accrued expenses are included in this category.

NATIONAL ART GALLERY OF THE BAHAMAS

Notes to Financial Statements

June 30, 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Recognition of financial assets and liabilities

NAGB recognizes financial assets and liabilities on the day it becomes a party to the contractual provisions of the instruments.

(m) Derecognition of financial assets and liabilities

NAGB derecognizes financial assets when the contractual rights to receive cash flows from the assets expire or have been transferred and NAGB has transferred substantially all the risks and rewards of ownership of the asset, or NAGB has transferred control of the asset. A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

(n) Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(o) Related parties

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 may be individuals or corporate entities. Related parties include all Ministries and Departments of the Government of the Bahamas (the Government"), Government Corporations, Subsidiaries and Agencies, as well as key management personnel and Directors of NAGB.

(p) Revenue and expense recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to NAGB and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Revenue and expenses are recognized on the following basis:

(i) Government grant

Government grants are recognized where there is reasonable assurance revenue will be received by NAGB.

(ii) Funding and donations

Income from funding and donations is recognized when received.

(iii) Ticket and gift shop sales

Revenue from ticket sales is recognized when tickets are issued. Revenue from store sales is recognized at the point of sale.

NATIONAL ART GALLERY OF THE BAHAMAS

Notes to Financial Statements

June 30, 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Revenue and expense recognition (continued)

(iv) Management and curatorial services

Revenue from management and curatorial services is recognized over the period services are rendered.

(v) Facility rentals

Revenue from facility rentals is recognized upon utilization of the facility.

(vi) Special tours

Revenue from special tours is recognized upon completion of the tour.

(vii) Expenses

Expenses are recognized on the accrual basis.

(q) Taxes

No income, corporation or capital gains taxes are levied on entities in The Bahamas and accordingly, no provision for such taxes is included in these financial statements.

(r) Foreign currency translations

These financial statements are expressed in Bahamian dollars. Foreign currency transactions are translated into Bahamian dollars at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in currencies other than the Bahamian dollar are retranslated at the applicable exchange rates prevailing at the reporting date. Non-monetary assets and liabilities are translated at historic rates. Exchange gains and losses are included in the statement of revenue and expenses.

4. CASH AND CASH EQUIVALENTS

As at June 30, 2015, cash and cash equivalents consist of the following:

	2015	2014
Cash at bank		
FirstCaribbean International Bank:		
Savings account	\$262,273	\$255,275
Current account	106,834	218,044
	<u>\$369,107</u>	<u>\$473,319</u>

The savings account earns interest at a rate of 0.05% (2014 - 0.25%) per annum.

NATIONAL ART GALLERY OF THE BAHAMAS

Notes to Financial Statements

June 30, 2015

5. MANAGEMENT AND CURATORIAL SERVICES

On January 13, 2011, NAGB entered into an agreement with Nassau Airport Development Company Limited ("NAD"), for management and curatorial services in respect of art and craft display cases at the Lynden Pindling International Airport. Under the agreement, NAGB receives a fee for management and curatorial services of \$15,000 per annum. The agreement was terminated on December 31, 2015.

As at June 30, 2015, the account receivable of \$8,062 (2014 - \$Nil) represents fee for management and curatorial services due from NAD.

6. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties include:

- (a) The Government is the ultimate controlling party of NAGB. NAGB receives annual grants from the Government.
- (b) NAD is a related party by virtue of common owner.
- (c) General operating expenses include utility charges from Bahamas Electricity Corporation ("BEC") Bahamas Telecommunication Co. ("BTC"), Water and Sewerage Corporation ("WSC"). These entities are related parties by virtue of being owned, either wholly or partially, by the Government. Amounts due to these parties are included in accounts payable and accrued expenses.
- (d) The Board of Directors and key management.

As at June 30, 2015, the related party balances are as follows:

	Notes	2015	2014
ASSETS			
Accounts receivable	5, 6(b)	\$ 8,062	\$ -
LIABILITIES			
Accounts payable and accrued expenses	6(c)	\$ 4,168	\$ 5,685

Related party transactions for the year were as follows:

	Notes	2015	2014
REVENUE			
Government grant	6(a)	\$744,833	\$894,375
Management and curatorial services	5, 6(b)	15,000	15,000
		\$759,833	\$909,375

NATIONAL ART GALLERY OF THE BAHAMAS

Notes to Financial Statements

June 30, 2015

6. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

	Notes	2015	2014
EXPENSES			
Salaries and related expenses	6(d), 8	\$ 75,000	\$ 70,000
Electricity	6(c), 8	59,758	55,657
Honoraria - board members	6(d), 8	58,525	53,175
Telephone	6(c), 8	8,185	3,857
Water and sewage	6(c), 8	3,742	3,079
		\$205,210	\$185,768

7. FIXED ASSETS

As at June 30, 2015, fixed assets consist of the following:

	Land	Building	Building improvements	Office equipment	Furniture and fixtures	Total
Cost						
Balance at June 30, 2013 and 2014	\$384,000	\$419,750	\$242,682	\$69,826	\$41,617	\$1,157,875
Additions	-	-	-	15,592	19,270	34,862
Balance at June 30, 2015	384,000	419,750	242,682	85,418	60,887	1,192,737
Accumulated depreciation						
Balance at June 30, 2013	-	167,293	115,989	69,826	41,617	394,725
Charge for the year	-	20,988	12,134	-	-	33,122
Balance at June 30, 2014	-	188,281	128,123	69,826	41,617	427,847
Charge for the year	-	20,988	12,134	643	1,927	35,692
Balance at June 30, 2015	-	209,269	140,257	70,469	43,544	463,539
Net book value at June 30, 2015	\$384,000	\$210,481	\$102,425	\$14,949	\$17,343	\$ 729,198
Net book value at June 30, 2014	\$384,000	\$231,469	\$114,559	\$ -	\$ -	\$ 730,028

NATIONAL ART GALLERY OF THE BAHAMAS

Notes to Financial Statements

June 30, 2015

8. OPERATING AND ADMINISTRATIVE EXPENSES

Operating and administrative expenses for the year were as follows:

	2015	2014
Salaries and related expenses (Note 6(d))	\$399,210	\$365,039
Repairs and maintenance	72,698	75,346
Exhibitions	70,545	55,058
Electricity (Note 6(c))	59,758	55,657
Honoraria - board members (Note 6(d))	58,525	53,175
Depreciation (Note 7)	35,692	33,122
Security	28,499	26,774
Promotion and advertising	27,546	5,575
Office supplies	24,522	13,669
Printing and office expenses	22,280	11,805
Meals and refreshments	21,078	18,580
Workshop	19,820	6,719
Travel	17,970	4,150
Insurance	15,882	13,973
Professional fees	12,105	10,754
Fumigation and pest control	11,922	15,265
Miscellaneous	11,344	9,152
Art supplies	11,295	1,820
Courier and freight	10,129	215
Telephone (Note 6(c))	8,185	3,857
Janitorial and cleaning supplies	5,047	3,639
Bank charges	4,257	1,593
Water and sewage (Note 6(c))	3,742	3,079
Cable	3,277	3,110
Gasoline	1,876	2,008
	\$957,204	\$793,134

9. OTHER INCOME

Other income for the year were as follows:

	2015	2014
Facility rentals and special tours	\$ 10,613	\$ 25,690
Interest income	591	1,449
	\$ 11,204	\$ 27,139

NATIONAL ART GALLERY OF THE BAHAMAS

Notes to Financial Statements

June 30, 2015

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

Management estimates that the carrying value of the financial assets and liabilities disclosed in the statement of financial position approximate their fair values at the reporting date for one or both of the following reasons:

- (i) Short-term maturities;
- (ii) Interest rate approximates market rate;
- (iii) Carrying values approximate fair value.

11. RISK ANALYSIS

NAGB's activities may expose it to a variety of financial risks; market risk (including interest rate risk, foreign currency and other price risk), credit risk and liquidity risk, in its use of financial instruments as follows:

(a) Credit risk

Credit risk is the possibility that one party to a financial instrument fails to discharge an obligation and causes the other party to incur a financial loss. NAGB is exposed to credit risk in the event that counterparties are unable or unwilling to meet commitments they entered into with NAGB.

It is management's opinion that NAGB is not subject to significant credit risk related to cash at bank due to regular monitoring of the financial institution where the cash is deposited. No financial assets carried at amortized cost were past due or impaired at the reporting date. As at June 30, 2015, the maximum exposure to credit risk for NAGB equals the carrying value of its financial assets in the statement of financial position as set out below:

	2015	2014
Financial assets		
Cash and cash equivalents	\$369,107	\$473,319
Accounts receivable	8,062	-
	<u>\$377,169</u>	<u>\$473,319</u>

(b) Liquidity risk

Liquidity risk is the possibility that NAGB will encounter difficulty in meeting obligations associated with its financial liabilities. NAGB manages liquidity risk by ensuring, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to NAGB's reputation.

NATIONAL ART GALLERY OF THE BAHAMAS

Notes to Financial Statements

June 30, 2015

11. RISK ANALYSIS (continued)

(b) Liquidity risk

The following table details NAGB's expected contractual maturities for its financial liabilities as at June 30, 2015 and indicates the undiscounted cash flows of such financial liabilities based on the earliest date on which NAGB can be required to pay. The table includes only principal cash flows.

	2015		
	1 - 30 days	Over 30 Days	Total
Financial liabilities			
Accounts payable and accrued expenses	\$ 58,419	\$ -	\$ 58,419

	2014		
	1 - 30 Days	Over 30 Days	Total
Financial liabilities			
Accounts payable and accrued expenses	\$ 60,174	\$ -	\$ 60,174

(c) Market risk

Market risk is the possibility that the fair value or future cash flows of NAGB's financial instruments could vary due to changes in market variables such as interest rates, exchange rates and price, and will result in losses being realized by NAGB. The objective of market risk management is to manage and control market risk exposures within parameters, while optimizing return on risk. Market risk comprises the following risks:

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The majority of NAGB's transactions and balances are denominated in Bahamian dollars. Accordingly, NAGB has no significant exposure to currency risk.

(ii) Interest rate risk

Interest rate risk is the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. NAGB is subject to interest rate risk related to its savings account. If interest rates had been 1% higher/lower, the excess of expenses over revenue for the year would have decreased/increased by \$2,623 (2014 - \$2,553) as a result of the change in interest rates, with all other variables remaining constant.

(iii) Other price risk

NAGB is not exposed to other price risk as it does not hold financial instruments subject to market conditions.

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Notes to Financial Statements

June 30, 2015

12. CAPITAL MANAGEMENT

NAGB manages its capital to ensure that the entity will be able to continue as a going concern through the optimization of the accumulated fund balance. There were no changes in NAGB's approach to capital management during the year. NAGB is not subject to externally imposed capital requirements.

See Independent Auditors' Report on pages 1 and 2.