BERMUDA PUBLIC ACCOUNTABILITY BOARD

FINANCIAL STATEMENTS

MARCH 31, 2026

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Bermuda Public Accountability Board (BPAB)
The Rosebank Building, 2nd floor
12 Bermudiana Road, Hamilton HM 11
Website: http://bpab.bm
Email: info@bermudapab.com

Management's Responsibility for the Financial Statements

These financial statements have been prepared by management, who are responsible for the reliability, integrity and objectivity of the information provided. The preparation of financial statements necessarily involves using management's best estimates and judgments, where appropriate.

Management is responsible for maintaining a comprehensive system of financial management and internal controls to provide reasonable assurance that transactions are properly authorized and recorded in compliance with legislation, assets are safeguarded, and reliable financial records are properly maintained and available on a timely basis.

The Directors of the Bermuda Public Accountability Board (the 'Board') are responsible for ensuring that management fulfills its responsibility for financial reporting and internal controls. The Board meets periodically with management to discuss matters relating to financial reporting, internal control and audits. The Treasurer also reviews the financial statements before recommending approval by the Board. The financial statements have been approved by the Board and have been examined by the Office of the Auditor General.

The accompanying Independent Auditor's Report is presented herein.

Signed by:
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Michelle Seymour-Smith
Chairperson

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Wanda Mwaura
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Wanda Mwaura
Executive Director

Office of the Auditor General
Reid Hall, Penthouse
3 Reid Street
Hamilton HM 11, Bermuda

Tel: (441) 296-3148
Fax: (441) 295-3849
Email: oag@oagbermuda.bm
Website: www.oagbermuda.bm

INDEPENDENT AUDITOR'S REPORT

To the Premier and Minister of Finance

Opinion

I have audited the financial statements of the Bermuda Public Accountability Board, which comprise the statement of financial position as at March 31, 2026, and the statements of operations and accumulated surplus, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bermuda Public Accountability Board as at March 31, 2026, and the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with public sector accounting standards generally accepted in Bermuda and Canada.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in Bermuda and Canada. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Bermuda Public Accountability Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in Bermuda, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 14 of the financial statements, which explains that the Board has received a letter of comfort from the Ministry of Finance confirming the Bermuda Government has undertaken to provide strategic and financial support to the Board to ensure that it is able to meet its obligations as they fall due in the normal course of business. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Bermuda Public Accountability Board's Annual Report, but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information appears to be materially misstated. If, based on the work I have performed on the other information that I

obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with public sector accounting standards generally accepted in Bermuda and Canada, 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 Bermuda Public Accountability Board'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 Bermuda Public Accountability Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bermuda Public Accountability Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Bermuda and Canada 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 auditing standards generally accepted in Bermuda and Canada, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from 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 Bermuda Public Accountability Board'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 Bermuda Public Accountability Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Bermuda Public Accountability Board 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.

I 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 I identify during the audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, related safeguards.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the Office of the Auditor General website at: www.oagbermuda.bm. This description forms part of our auditor's report.



Hamilton, Bermuda
July 17, 2026

Heather Thomas, CPA, CFE, CGMA
Auditor General

BERMUDA PUBLIC ACCOUNTABILITY BOARD

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2026

	2026 $	2025 $
FINANCIAL ASSETS		
Cash	236,553	292,737
Contribution revenue receivable (note 3)	-	100,000
Other receivable	-	205
	236,553	392,942
LIABILITIES		
Accounts payable and accrued liabilities (notes 4 & 7)	2,969	2,633
	2,969	2,633
NET FINANCIAL ASSETS	233,584	390,309
NON-FINANCIAL ASSETS		
Prepaid expenses	1,007	1,029
	1,007	1,029
ACCUMULATED SURPLUS	234,591	391,338

CONTRACTUAL OBLIGATION (Note 8)

The accompanying notes are an integral part of these financial statements

BERMUDA PUBLIC ACCOUNTABILITY BOARD

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

MARCH 31, 2026

	2026 $ Budget (Note 12)	2026 $ Actual	2025 $ Actual
REVENUES			
Government grants (note 3)	97,416	97,416	400,000
Donated audit services	25,200	25,200	25,200
Registration fees (note 3)	25,000	25,000	25,000
Inspection fees (note 3)	-	-	52,210
	147,616	147,616	502,410
EXPENSES (note 4)			
Professional fees	498,200	286,651	337,768
General administration	23,600	17,712	18,079
	521,800	304,363	355,847
ANNUAL (DEFICIT) SURPLUS	(374,184)	(156,747)	146,563
ACCUMULATED SURPLUS, BEGINNING OF YEAR		391,338	244,775
ACCUMULATED SURPLUS, END OF YEAR		234,591	391,338

The accompanying notes are an integral part of these financial statements

BERMUDA PUBLIC ACCOUNTABILITY BOARD

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED MARCH 31, 2026

	2026 $ Budget (Note 12)	2026 $	2025 $
ANNUAL (DEFICIT) SURPLUS	(374,184)	(156,747)	146,563
Change in prepaid expenses	-	22	(191)
Amortization of tangible capital assets	-	-	166
CHANGE IN NET FINANCIAL ASSETS	(374,184)	(156,725)	146,538
NET FINANCIAL ASSETS, BEGINNING OF YEAR	390,309	390,309	243,771
NET FINANCIAL ASSETS, END OF YEAR	16,125	233,584	390,309

The accompanying notes are an integral part of these financial statements

BERMUDA PUBLIC ACCOUNTABILITY BOARD

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
	$	$
CASH FLOW FROM OPERATING ACTIVITIES		
Annual (deficit) surplus	(156,747)	146,563
Adjustment for items not affecting cash:		
Amortization of tangible capital assets	-	166
	(156,747)	146,729
Changes in non-cash working capital:		
Decrease (increase) in contribution revenue receivable	100,000	(25,000)
Decrease in other receivable	205	5
Decrease (increase) in prepaid expense	22	(191)
Increase (decrease) in accounts payable and accrued liabilities	336	(54,920)
NET (DECREASE) INCREASE IN CASH	(56,184)	66,623
CASH, BEGINNING OF YEAR	292,737	226,114
CASH, END OF YEAR	236,553	292,737

The accompanying notes are an integral part of these financial statements

BERMUDA PUBLIC ACCOUNTABILITY BOARD

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2026

1. AUTHORITY

The Bermuda Public Accountability Board ("BPAB") was established under the Bermuda Public Accountability Act 2011 (the "Act") as a body corporate, having perpetual succession and a common seal. BPAB commenced operations on August 1, 2012.

Under the Act, BPAB was granted powers to carry out independent supervision of public accountants who perform audits of Public Interest Entities ("PIEs").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pursuant to standards established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada, BPAB is classified as an "other government organization".

Significant accounting policies are discussed below.

(a) Basis of presentation

These financial statements are prepared in accordance with public sector accounting standards generally accepted in Bermuda and Canada and have been prepared on a going concern basis (see Note 5).

(b) Cash

Cash represents cash on deposit with one financial institution that can be withdrawn without prior notice or penalty.

(c) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current period and are not intended for sale in the normal course of operations.

(d) Tangible capital assets and amortization

Tangible capital assets are initially recorded at cost, which is the amount of consideration paid to acquire the asset. A tangible capital asset is amortized over its useful life which is the estimated period over which the asset is expected to be used in the ordinary course of operations. Tangible capital assets are subsequently measured at a net carrying amount representing cost less accumulated amortization. Tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the value of future economic benefits associated with a capital asset is less than its net book value. A write-down

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Tangible capital assets and amortization (continued)

for impairment is recognized if the net carrying amount is less than the estimated net recoverable value. Impairment provisions are determined on a specific identification basis and are recognized in the statement of operations and accumulated surplus when determined.

(e) Lease

A lease for rental of office space is classified as an operating lease. Contractual lease payments are expensed, net of rental income received for sharing of office space, where applicable, evenly over the term of the lease.

(f) Financial instruments

Financial instruments consist of cash, contribution revenue receivable, other receivable and accounts payable and accrued liabilities. These financial instruments are measured at cost based on the consideration receivable or payable.

Write-downs on financial assets are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Such a write-down is recognized in the statement of operations and accumulated surplus in the period the loss arises.

(g) Management uncertainty

These financial statements are prepared in accordance with public sector accounting standards generally accepted in Bermuda and Canada. These standards require management to make estimates and assumptions that affect 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 year. Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Actual results could differ from these estimates.

(h) Revenue recognition

Revenues derived from registration fees are recognized upon issuance of the certificate of registration once the fees are received and registration process is completed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Revenue recognition (continued)

Revenues derived from inspection or investigation fees are recognized in the year in which the inspection or investigation activity occurred that gave rise to the revenues to the extent the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Revenues derived from cash contributions in the form of government grants that are unrestricted, and available to fund operations of the current and/or future periods, are recognized based on the amount of cash received or receivable.

Revenues derived from government cash contributions with externally imposed restrictions are recognized as revenue in the year the restrictions are fulfilled and deferred where such restrictions remain unfulfilled.

(i) Donated services

Donated services are recognized to the extent an estimate of the fair value of such services can be made. Fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Such amount is included within expenses with a corresponding amount included in revenues as donated services in the year in which the services are provided.

(j) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are stated at their cost. BPAB recognizes a provision if a present obligation has arisen as a result of a past event, payment is probable, and the amount can be measured reliably. Accrued liabilities are recognized based on the best estimate of the expenditure required to settle the present obligation at the statement of financial position date, representing the amount BPAB would rationally pay to settle the obligation to a third party.

(k) Prepaid expenses

Prepaid expenses represent the amounts related to subscriptions and licenses expensed in the subsequent year end.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Expenses

Expenses are recognized on an accrual basis when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration paid or payable.

Expenses are classified as either Professional fees or General administration. Professional fees primarily represent expenses incurred for services performed during the year by individuals or entities as well as professional development and membership fees. Fees paid are based on either an agreed rate per hour or a fixed amount as agreed between BPAB and the party providing the service. General administration expenses represent all other expenses incurred during the year in the ordinary course of operations.

(m) Translation of foreign currencies

Transactions denominated in foreign currencies are translated into Bermuda dollars, BPAB's functional currency, at the prevailing exchange rates on the date of the transaction. Monetary items denominated in foreign currencies are retranslated at the rates prevailing on the period-end date. Foreign exchange gains and losses arising on the settlement of such transactions are included in the statement of operations and accumulated surplus. These financial statements do not include a Statement of Remeasurement Gains and Losses as the Board has no activities that will impact the financial statements.

(n) Adoption of Public Sector Accounting Standards

There were no new accounting standards that were adopted during the year.

3. REVENUES

BPAB derives its revenue primarily from government grants as well as registration fees and reimbursement from the PIE public accountant firms of expenditures incurred in carrying out inspections or investigations.

Revenues derived from registration fees during the years ended March 31, 2026 and 2025 of $25,000 per year, represents fees of $5,000 received for annual registration from each of the five registered PIE public accountant firms.

Revenues derived from government grants for the years ended March 31, 2026 and 2025 were $97,416 and $400,000, respectively, received in cash to support ongoing activities in the normal course of operations. Contribution revenue receivable at March 31, 2025 of $100,000 represented government grant funding received in April 2025.

3. REVENUES (continued)

There were no inspections conducted during the year ended March 31, 2026. Revenues derived from inspection activity amounted to $52,210 for the year ended March 31, 2025.

4. EXPENSES BY OBJECT

BPAB is reliant on funding from the Government of Bermuda's Ministry of Finance to fund obligations as they come due for expenditures that are not covered by registration fees (see Note 5).

Expenses incurred for inspections and investigations are reimbursable from the PIE public accountant firms.

The following is a summary of expenses by object.

	2026 $	2025 $
Professional fees		
Employment costs (notes 7 & 9)	169,033	168,322
Compliance Committee members' fees	62,500	62,500
Directors' fees	28,250	28,190
Donated audit services	25,200	25,200
Website maintenance costs (note 7)	843	521
Professional development and membership fees	825	825
Inspection fees (note 7)	-	52,210
	286,651	337,768
General administration		
Office space rent (note 8)	15,000	15,000
Technology – subscriptions & license fees	1,790	1,547
Bank charges	671	672
Office supplies	251	20
Utilities – internet and phone service	-	674
Amortization of tangible capital assets	-	166
	17,712	18,079
Total Expenses	304,363	355,847

4. EXPENSES BY OBJECT (continued)

Accounts payable and accrued liabilities as at March 31, 2026 included $2,633 (2025 - $2,633) of payroll taxes due, which were settled within 15 days of year-end. Accounts payable and accrued liabilities as at March 31, 2026 also included $336 of accrued technology – subscription & license fees settled in April 2026 (2025 - $Nil).

5. ECONOMIC DEPENDENCE

BPAB is economically dependent upon legislated funds provided by the Ministry of Finance of the Government to fund its daily operations, cash flow and capital acquisitions. BPAB issued a consultation paper dated September 16, 2024 to seek feedback with respect to its purpose, scoping and funding. Comments were due by November 30, 2024. BPAB considered feedback received and provided a summary of the results of the consultation process to the Government of Bermuda's Ministry of Finance in December 2025, which included options and recommendations regarding the future of independent audit oversight in Bermuda. BPAB's ability to continue as a going concern and discharge its liabilities in the normal course of business is dependent upon the continued support of the Government (see Note 14) with respect to its purpose, scoping and funding. BPAB is awaiting a decision from the Ministry of Finance with respect to the future of BPAB.

6. TANGIBLE CAPITAL ASSETS

Tangible capital assets held for use in the ordinary course of operations, or for administrative purposes, represented computer hardware purchased in 2020 at a cost of $1,462 and in 2022 at a cost of $996, amortized over their estimated useful life of three years. The accumulated amortization as at March 31, 2026 and 2025 amounted to $2,458 for each year. See Note 4 for amortization expense recorded during the year ended March 31, 2025.

7. RELATED PARTY TRANSACTIONS

BPAB is related to all Government of Bermuda ministries ("Government"), departments, agencies, funds and quasi-autonomous non-governmental organizations under the common control of the Government. BPAB is also related to organizations that the Government jointly controls or significantly influences. BPAB enters into transactions with the Ministry of Finance for funding of BPAB's activities in the normal course of operations. Such transactions are measured at the amount of consideration established and agreed in advance as government funding.

7. RELATED PARTY TRANSACTIONS (continued)

BPAB as a government entity is exempt from employer portion payroll tax in Bermuda; however, BPAB is obligated to ensure payroll tax is paid on the employee portion of payroll tax related to compensation paid to its executive and non-executive directors and compliance committee members. In this respect, BPAB withholds payroll tax from each of its executive and non-executive directors and compliance committee members and submits such payments to the Government's payroll tax department when filing payroll tax returns on a quarterly basis. Payroll tax withheld from payments to executive and non-executive directors and compliance committee members in the amount of $2,633 was included in Accounts payable and accrued liabilities at March 31, 2026 and 2025 (see Note 4).

BPAB funds 50% of social insurance premiums to match contributions paid by its employee under the Government's social insurance program. As a result, for the years ended March 31, 2026 and 2025, BPAB paid and expensed $1,868 and $1,904, respectively, in employment costs (see note 4) representing the employer portion of social insurance required to be paid per year.

BPAB did not have any other significant related party transactions for the years ended March 31, 2026 and 2025.

8. CONTRACTUAL OBLIGATION

Contractual obligations are commitments entered into under contracts or agreements representing amounts that will become liabilities in the future. BPAB entered into a contractual obligation with respect to a three-year sublease agreement that commenced March 1, 2024 whereby BPAB agreed to share the office space, including utilities, at 14 Bermudiana Road, 2nd floor, Hamilton HM 11 for an expense of $1,250 per month. The remaining obligation as at March 31, 2026 is $13,750.

9. POST EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES

During the years ended March 31, 2026 and 2025, BPAB contributed $7,500 per year, representing 5% of salary to match the contribution paid by the employee to a defined contribution pension plan (see note 4).

The terms of the Employment Agreement entered into between BPAB and the Executive Director provides for sick leave and annual vacation leave. At March 31, 2026 and 2025, there was no liability for sick leave or annual vacation requiring accrual.

10. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of its risk management framework. BPAB manages its risks and risk exposures through sound business practices. The risks that BPAB is exposed to through its financial instruments at the reporting date of March 31, 2026 are as follows:

(a) Credit risk

Concentration of credit risk arises from cash held with one bank in Bermuda. The maximum exposure to such credit risk is equal to the carrying value of these financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. It is the Board's opinion that BPAB is not exposed to significant credit risk. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods to measure credit risk.

(b) Liquidity risk

Liquidity risk is the risk that BPAB will not be able to meet its financial obligations as they fall due. BPAB's objective in managing liquidity risk is to ensure that it will have sufficient funds to operate and meet its commitments to service providers, including in the conduct of inspection or investigation activity. In being able to meets its obligations as they come due, BPAB is able to avoid suffering damage to its reputation.

BPAB manages exposure to liquidity risk by collecting timely from PIE public accountant firms' registration fees and reimbursement for inspection costs incurred. BPAB closely monitors cash flow needs related to accounts payable and accrued liabilities for obligations to service providers ensuring government grant funding is in place to fund obligations as they come due. The expected cash flow required to settle accounts payable and accrued liabilities are current. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods to measure liquidity risk.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the carrying value of recognized assets and liabilities or future cash flow of BPAB's results of operations. BPAB has no significant exposure to market risk or currency risk and is currently not exposed to interest rate risk arising from financial instruments.

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods to measure market risk.

11. CAPITAL MANAGEMENT

BPAB's objective when managing capital is to hold sufficient accumulated surplus to enable it to withstand negative unexpected financial events. BPAB seeks to achieve this objective through the receipt of inspection fees, registration fees, and government grants enabling it to maintain an accumulated surplus. In doing so, BPAB maintains sufficient liquidity to meet its short-term obligations as they come due. BPAB is not subject to externally imposed capital requirements for general funds received to fund operations.

12. BUDGET

The final budget for the year ending March 31, 2026 was approved by the Bermuda Government's Ministry of Finance on May 30, 2025, including a grant funding in the amount of $97,416. This reduction in funding from $400,000 for the fiscal year ended March 31, 2025 is to enable BPAB to continue its operations and reduce its accumulated surplus over the subsequent year.

13. FUTURE CHANGES IN ACCOUNTING STANDARDS

The Public Sector Accounting Board issued the following pronouncements:

(a) Effective for fiscal years beginning on or after April 1, 2026

<u>The Conceptual Framework for Financial Reporting in the Public Sector</u>
This revised framework replaces the existing conceptual framework (currently Section PS 1000, Financial Statement Concepts) and Section PS 1100, Financial Statement Objectives. Earlier adoption is permitted and is to be applied prospectively.

<u>Financial Statement Presentation, Section PS 1202</u>
In connection with PSAB's issuance of the revised Conceptual Framework, the Board released Section PS 1202, Financial Statement Presentation, a new reporting model which builds on existing Section PS 1201 of the same name to better support the preparation of understandable financial statements.

13. FUTURE CHANGES IN ACCOUNTING STANDARDS (continued)

Financial Statement Presentation, Section PS 1202 (continued)

Early adoption was permitted if the entity adopted the revised Conceptual Framework

(b) Effective for fiscal years beginning on or after April 1, 2029

Employee Benefits, Section PS 3251

Section PS 3251, Employee Benefits, replaces Sections PS 3250, Retirement Benefits, and PS 3255, Post-employment Benefits, Compensated Absences and Termination Benefits. The new standard introduces revised requirements for the recognition, measurement, presentation and disclosure of employee benefit obligations, including immediate recognition of remeasurements, updated discount rate guidance based on a plan's funding status, and enhanced disclosure requirements. Early adoption is permitted.

(c) Effective for fiscal years beginning on or after April 1, 2030

Amendments to Tangible Capital Assets, Section PS 3150

The amendments to Section PS 3150, Tangible Capital Assets, provide additional guidance on the recognition, measurement, presentation and disclosure of tangible capital assets, including collections. The amendments were developed as part of PSAB's Government Not-for-Profit Organization Strategy and are intended to improve consistency in accounting for capital assets across public sector entities. Earlier adoption is permitted.

BPAB has not earlier adopted the above pronouncements and is in the process of evaluating the impact to the financial statements upon adoption of these pronouncements.

14. SUBSEQUENT EVENTS

On July 3, 2026, the Board received a letter of comfort from the Ministry of Finance with an undertaking that the Bermuda Government will provide strategic and financial support to the Board to ensure it can meet its obligations as they fall due in the normal course of business for a period of at least 12 months from that date and that there are no plans to discontinue the operations of the Board within 12 months from the date of the letter. Accordingly, management has determined that the use of the going concern basis in preparing the financial statements remains appropriate.