

THE BERMUDA NATIONAL TRUST

Consolidated Financial Statements
(With Independent Auditor's Report Thereon)

Year Ended December 31, 2024

TO THE MEMBERS OF THE BERMUDA NATIONAL TRUST

These consolidated financial statements of The Bermuda National Trust (the "Trust") are the responsibility of the Trust's Council.

These consolidated financial statements have been prepared by management in accordance with Accounting Standards for Not-For-Profit Organizations generally accepted in Bermuda and Canada, and necessarily include some amounts that are based on management's best estimates and judgments.

Management has developed and maintains systems of internal accounting controls, policies and procedures in order to provide reasonable assurance as to the reliability of the financial records of the Trust.

The Trust Council has established a Finance Committee. Its members are volunteers drawn from the community. This Committee reviews these consolidated financial statements with management prior to submission to the Trust's Council for approval.

KPMG Audit Limited, Chartered Professional Accountants, are responsible for performing an independent audit of these consolidated financial statements in accordance with International Standards on Auditing and for expressing an opinion on the consolidated financial statements.



Andy DeGregorio, *Treasurer*



Vincent Chaves, *Head of Finance*



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INDEPENDENT AUDITOR'S REPORT

To the Members of The Bermuda National Trust

Qualified Opinion

We have audited the consolidated financial statements of The Bermuda National Trust (the "Trust"), which comprise the consolidated balance sheet as at December 31, 2024, the consolidated statement of operations, changes in fund balances and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Trust as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Accounting Standards for Not-For-Profit Organisations generally accepted in Bermuda and Canada ("ASNFPo").

Basis for qualified opinion

The Trust derives the following revenues from the general public in the form of donations, which are included as \$767,570 (2023 - \$876,524) of non-government gifts and grants and \$561,172 (2023 - \$453,573) of revenues from special events which are included in the consolidated statements of operations and changes in fund balances and cash flows, the completeness of which is not susceptible to satisfactory audit verification. We were unable to obtain sufficient appropriate audit evidence over the completeness of these donations. Accordingly, our verification of these revenues was limited to the amounts recorded by the Trust. Therefore, we were not able to determine whether any adjustments might be necessary to revenues and the excess (deficiency) of revenues over expenses reported in the consolidated statement of operations and changes in fund balances and cash flows for the years ended December 31, 2024 and 2023, and cash and cash equivalents and fund balances reported in the consolidated balance sheet as at December 31, 2024 and 2023.

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 consolidated financial statements*" section of our report. We are independent of the Trust in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

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



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Trust'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 Trust'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 consolidated 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 Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Trust as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

KPMG Audit Limited

Chartered Professional Accountants

Hamilton, Bermuda

June 12, 2025

THE BERMUDA NATIONAL TRUST

Consolidated Balance Sheet

December 31, 2024

(Expressed in Bermuda Dollars)

	2024					2023				
	<u>General</u>	<u>Capital</u>	<u>Property</u>	<u>Endowment</u>	<u>Total</u>	<u>General</u>	<u>Capital</u>	<u>Property</u>	<u>Endowment</u>	<u>Total</u>
Assets										
Current assets										
Cash and cash equivalents (Notes 3, 5, 12 and 13)	\$ 359,059	\$ 210,421	\$ -	\$ 209,036	\$ 778,516	\$ 580,763	\$ 427,723	\$ -	\$ 12,014	\$ 1,020,500
Accounts receivable (Note 13)	76,010	-	-	-	76,010	15,777	5,945	-	-	21,722
Other assets (Note 16)	-	5,020	-	-	5,020	-	-	-	-	-
Inventory	11,861	87,028	-	-	98,889	21,650	91,488	-	-	113,138
Due from (to) other funds	<u>592,300</u>	<u>(508,105)</u>	<u>484</u>	<u>(84,679)</u>	<u>-</u>	<u>384,151</u>	<u>(449,969)</u>	<u>484</u>	<u>65,334</u>	<u>-</u>
Total current assets	1,039,230	(205,636)	484	124,357	958,435	1,002,341	75,187	484	77,348	1,155,360
Non-current assets										
Investments in marketable securities and time deposits (Notes 4 and 5)	-	1,500,001	-	3,500,002	5,000,003	-	1,423,248	-	3,320,914	4,744,162
Investment in FIDNAT (Note 6)	-	-	-	-	-	-	-	7,098	-	7,098
Capital assets (Note 7)	-	-	12,333	-	12,333	-	-	16,333	-	16,333
Properties and collections (Notes 8 and 12)	<u>-</u>	<u>-</u>	<u>14,388,950</u>	<u>-</u>	<u>14,388,950</u>	<u>-</u>	<u>-</u>	<u>14,388,950</u>	<u>-</u>	<u>14,388,950</u>
Total assets	\$ 1,039,230	\$ 1,294,365	\$ 14,401,767	\$ 3,624,359	\$ 20,359,721	\$ 1,002,341	\$ 1,498,435	\$ 14,412,865	\$ 3,398,262	\$ 20,311,903

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

THE BERMUDA NATIONAL TRUST

Consolidated Balance Sheet (continued)

December 31, 2024

(Expressed in Bermuda Dollars)

	2024					2023				
	General	Capital	Property	Endowment	Total	General	Capital	Property	Endowment	Total
Liabilities and fund balances										
Current liabilities										
Accounts payable (Note 15)	\$ 100,900	\$ 9,928	\$ -	\$ -	\$ 110,828	\$ 122,802	\$ 160,536	\$ -	\$ -	\$ 283,338
Deferred rental income	12,000	-	-	-	12,000	14,400	-	-	-	14,400
Deferred gifts and grants (Note 5)	133,899	-	-	-	133,899	114,349	-	-	-	114,349
Deposits	<u>119,792</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,792</u>	<u>113,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,538</u>
Total current liabilities	366,591	9,928	-	-	376,519	365,089	160,536	-	-	525,625
Non-current liabilities										
Deferred rental income	<u>54,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,000</u>	<u>74,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,400</u>
Total liabilities	420,591	9,928	-	-	430,519	439,489	160,536	-	-	600,025
Fund balances										
Invested in capital assets, properties and collections	-	-	14,401,767	-	14,401,767	-	-	14,412,865	-	14,412,865
Externally restricted (Note 10)	-	1,042,454	-	1,316,309	2,358,763	-	951,789	-	1,316,309	2,268,098
Internally restricted (Note 10)	-	241,983	-	2,308,050	2,550,033	-	386,110	-	2,081,953	2,468,063
Unrestricted	<u>618,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>618,639</u>	<u>562,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>562,852</u>
Total fund balances	618,639	1,284,437	14,401,767	3,624,359	19,929,202	562,852	1,337,899	14,412,865	3,398,262	19,711,878
Total liabilities and fund balances	\$ 1,039,230	\$ 1,294,365	\$ 14,401,767	\$ 3,624,359	\$ 20,359,721	\$ 1,002,341	\$ 1,498,435	\$ 14,412,865	\$ 3,398,262	\$ 20,311,903

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

Approved by Trust Council

Andy DeGregorio, Treasurer

Vincent Chaves, Head of Finance

THE BERMUDA NATIONAL TRUST

Consolidated Statement of Operations

Year Ended December 31, 2024

(Expressed in Bermuda Dollars)

	2024					2023				
	<u>General</u>	<u>Capital</u>	<u>Property</u>	<u>Endowment</u>	<u>Total</u>	<u>General</u>	<u>Capital</u>	<u>Property</u>	<u>Endowment</u>	<u>Total</u>
Revenues										
Rental income	\$1,100,280	\$ -	\$ -	\$ -	\$ 1,100,280	\$1,068,129	\$ -	\$ -	\$ -	\$ 1,068,129
Gifts and grants										
Non-government (Note 12)	548,116	219,454	-	-	767,570	473,050	403,474	-	-	876,524
Bermuda government	-	-	-	-	-	4,805	-	-	-	4,805
Special events	561,172	-	-	-	561,172	453,573	-	-	-	453,573
Other income	101,602	3,000	-	-	104,602	88,651	11,544	-	-	100,195
Membership fees	59,516	-	-	-	59,516	67,860	-	-	-	67,860
Interest and dividend income (Note 12)	-	27,267	-	63,617	90,884	-	29,964	-	69,838	99,802
Sales – Trustworthy and publications	64,340	7,425	-	-	71,765	58,458	13,461	-	-	71,919
Admissions	6,685	-	-	-	6,685	6,360	-	-	-	6,360
Net realised gain on sale of marketable securities	-	36,914	-	86,133	123,047	-	5,690	-	13,278	18,968
Change in fair value of marketable securities (Note 4)	-	54,271	-	126,632	180,903	-	71,173	-	166,069	237,242
Total revenues	2,441,711	348,331	-	276,382	3,066,424	2,220,886	535,306	-	249,185	3,005,377
Expenses										
Preservation (Notes 12 and 16)	976,180	332,994	-	-	1,309,174	919,969	519,030	-	-	1,438,999
Administrative (Notes 11 and 12)	628,320	20,991	-	-	649,311	609,003	27,520	-	-	636,523
Development	448,598	10,000	-	-	458,598	384,370	-	-	-	384,370
Education and museums	337,871	30,697	-	-	368,568	310,878	43,872	-	-	354,750
Depreciation (Note 7)	-	-	4,000	-	4,000	-	-	12,109	-	12,109
Loss on FIDNAT investment (Note 6)	-	-	7,098	-	7,098	-	-	-	-	-
Trustworthy and publications	45,240	7,111	-	-	52,351	22,474	19,027	-	-	41,501
Total expenses	2,436,209	401,793	11,098	-	2,849,100	2,246,694	609,449	12,109	-	2,868,252
Excess (deficiency) of revenues over expenses	\$ 5,502	\$ (53,462)	\$ (11,098)	\$ 276,382	\$ 217,324	\$ (25,808)	\$ (74,143)	\$ (12,109)	\$ 249,185	\$ 137,125

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

THE BERMUDA NATIONAL TRUST

Consolidated Statement of Changes in Fund Balances

Year Ended December 31, 2024

(Expressed in Bermuda Dollars)

	2024					<u>Total</u>	2023					<u>Total</u>
	<u>General</u>	<u>Capital</u>	<u>Property</u>	<u>Endowment</u>	<u>Total</u>		<u>General</u>	<u>Capital</u>	<u>Property</u>	<u>Endowment</u>	<u>Total</u>	
Fund balances, beginning of year	\$ 562,852	\$ 1,337,899	\$ 14,412,865	\$ 3,398,262	\$ 19,711,878	\$ 528,756	\$ 1,412,042	\$ 14,424,974	\$ 3,208,981	\$ 19,574,753		
Excess (deficiency) of revenues over expenses	5,502	(53,462)	(11,098)	276,382	217,324	(25,808)	(74,143)	(12,109)	249,185	137,125		
Interfund transfers (Note 9)	<u>50,285</u>	<u>-</u>	<u>-</u>	<u>(50,285)</u>	<u>-</u>	<u>59,904</u>	<u>-</u>	<u>-</u>	<u>(59,904)</u>	<u>-</u>		
Fund balances, end of year	\$ 618,639	\$ 1,284,437	\$ 14,401,767	\$ 3,624,359	\$ 19,929,202	\$ 562,852	\$ 1,337,899	\$ 14,412,865	\$ 3,398,262	\$ 19,711,878		
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>		

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

THE BERMUDA NATIONAL TRUST

Consolidated Statement of Cash Flows

Year Ended December 31, 2024
(Expressed in Bermuda Dollars)

	Operating activities		Financing and investing activities					Total	
	2024		2023		2024			2023	
	General	General	Capital	Property	Endowment	Total	General	General	
Sources of cash									
Admissions and membership fees	\$ 66,201	\$ 74,220	\$ -	\$ -	\$ -	\$ -	\$ 66,201	\$ 74,220	
Gifts and grants	508,422	509,300	219,454	-	-	219,454	403,474	727,876	912,774
Interest and dividends	-	-	27,267	-	63,617	90,884	99,802	90,884	99,802
Sale of marketable securities and interfund settlement	-	-	516,284	-	1,204,666	1,720,950	1,402,818	1,720,950	1,402,818
Rent	1,096,707	1,078,915	5,945	-	-	5,945	(4,656)	1,102,652	1,074,259
Sales - Trustworthy and publications	62,149	58,458	7,425	-	-	7,425	13,461	69,574	71,919
Special events, tours and other	660,134	542,224	3,000	-	-	3,000	11,544	663,134	553,768
Uses of cash									
Administrative	(651,603)	(681,410)	(21,060)	-	-	(21,060)	(28,721)	(672,663)	(710,131)
Development	(434,132)	(392,087)	-	-	-	-	-	(434,132)	(392,087)
Education and museums	(337,871)	(310,878)	(30,697)	-	-	(30,697)	(43,872)	(368,568)	(354,750)
Purchase of marketable securities and interfund settlement	(998,396)	(949,719)	(501,852)	-	(1,170,989)	(1,672,841)	(1,284,485)	(1,672,841)	(1,284,485)
Preservation	(35,451)	(34,860)	(498,555)	-	-	(498,555)	(358,491)	(1,496,951)	(1,308,210)
Trustworthy and publications			(2,649)	-	-	(2,649)	(28,027)	(38,100)	(62,887)
Net increase (decrease) in cash and cash equivalents	(63,840)	(105,837)	(275,438)	-	97,294	(178,144)	182,847	(241,984)	77,010
Cash and cash equivalents, beginning of year	580,763	682,799	427,723	-	12,014	439,737	260,691	1,020,500	943,490
Interfund cash transfers	(157,864)	3,801	58,136	-	99,728	157,864	(3,801)	-	-
Cash and cash equivalents, end of year	\$ 359,059	\$ 580,763	\$ 210,421	\$ -	\$ 209,036	\$ 419,457	\$ 439,737	\$ 778,516	\$ 1,020,500

The accompanying notes are an integral part of these consolidated financial statement

THE BERMUDA NATIONAL TRUST

Notes to Consolidated Financial Statements

December 31, 2024

1. Incorporation and organisation

The Bermuda National Trust (the "Trust") was established by the Bermuda National Trust Act, 1969 (as amended by the Bermuda National Trust Amendment Acts, 1970, 1982, 1984, 1989 and 2021).

The principal objectives of the Trust are to promote, for the benefit of Bermuda, the permanent preservation of buildings of beauty, historical interest or public interest and their surroundings, as well as lands with regard to their natural features and animal and plant life, furniture, pictures, documents and chattels of any description having national, historical or artistic interest, to maintain and manage lands acquired by the Trust as open spaces and buildings acquired for public use, and to promote the enjoyment of these properties by the public.

2. Summary of significant accounting policies

These consolidated financial statements have been prepared in accordance with Accounting Standards for Not-for-Profit Organizations ("ASNFPO") contained in Part III of the Chartered Professional Accountants of Canada Handbook - Accounting and include the following significant accounting policies:

(a) Basis of consolidation

These consolidated financial statements include the accounts of the Trust and its wholly-owned subsidiary, the Bermuda National Trust Endowment Company Limited (the "Endowment Company"). All intercompany accounts and transactions have been eliminated upon consolidation.

Interests in jointly controlled assets and related fund-raising projects are accounted for using the proportionate consolidation method. This results in the Trust recognising in its consolidated balance sheet its share of jointly controlled assets as well as its share of liabilities incurred jointly with other venturers, and in its consolidated statement of operations its proportionate share of any related revenues earned and expenses incurred (Note 12).

(b) Fund accounting

The Trust maintains its consolidated financial statements in accordance with the restricted fund method of accounting. Resources are classified for accounting and reporting purposes into funds according to the activity or objective specified.

The General Fund accounts for the Trust's operating activities.

The Capital Fund accounts for the Trust's capital related fund-raising activities.

The Property Fund accounts for the Trust's collections and capital assets.

The Endowment Fund accounts for gifts which are permanently restricted as to principal. Income on endowments may be used for maintenance of specified properties, nature reserves, or in support of general operations.

THE BERMUDA NATIONAL TRUST

Notes to Consolidated Financial Statements

December 31, 2024

2. Summary of significant accounting policies (continued)

(c) *Revenue recognition*

Restricted contributions related to general operations are recognised as revenue of the General Fund in the period received or receivable, or if made for future periods' operating expenses, are deferred and included in revenue in the periods when applicable expenses are incurred. All other restricted contributions are recognised as revenue of the appropriate restricted fund in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognised as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognised as revenue in the Endowment Fund.

Investment income is recognised as revenue of the appropriate fund when earned.

Net realised gains and losses on the sale of investments and changes in fair value of investments are recorded in the Capital and Endowment Funds in the consolidated statement of operations.

Rental income is recognised as revenue of the General Fund on a straight-line basis over the period of the lease.

(d) *Inventory*

Inventory is carried at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis. Provision is made where necessary for slow-moving or obsolete inventory.

(e) *Investment in FIDNAT*

The investment in the FIDNAT partnership is stated at cost.

(f) *Capital assets*

Purchased capital assets are recorded at cost less accumulated depreciation. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets are separated into their significant component parts when practicable and when estimates can be made of the lives of the separate components. Depreciation is provided on a straight-line basis over the assets' estimated useful lives as follows:

Computer equipment and software	3 years
Office equipment	5 years
Vehicles and other equipment	7 years
Park improvements	20 years

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When a capital asset no longer has any long-term service potential to the Trust, the excess of its net carrying value over any residual value is recognised as an impairment expense in the consolidated statement of operations.

THE BERMUDA NATIONAL TRUST

Notes to Consolidated Financial Statements

December 31, 2024

2. Summary of significant accounting policies (continued)

(g) *Properties and collections*

The Trust's properties and collections represent purchased historic buildings and surrounding land, nature reserves, museum artifacts, and works of art and are recorded at cost. Donated properties and collections are recognised when legal title passes to the Trust and are recorded at management's estimate of fair market value using independent appraisals where available. Proceeds from the sale of properties and collections are restricted to the purchase, restoration and maintenance of properties and collections, respectively. Properties and collections are not amortised.

(h) *Cash and cash equivalents*

For purposes of the consolidated statement of cash flows, the Trust considers all money market instruments and short-term deposits with an original maturity of ninety days or less as equivalent to cash.

(i) *Donated services*

Donated services, other than volunteer services, are included in the consolidated financial statements at fair value on the date of the donation. Professional fees donated with a fair value of \$25,700 (2023 - \$29,344) have been recorded in non-government gifts and grants in the consolidated statement of operations. The Trust is dependent on the efforts of its volunteers for the continuing operations of the Trust. Because of the difficulty in establishing the fair value of volunteer services, they are not recorded in these consolidated financial statements.

(j) *Financial instruments*

Financial instruments consist of cash and cash equivalents, investment in marketable securities, accounts receivable and accounts payable.

Marketable securities quoted in an active market are carried at fair value, with the related net change in fair value included in the consolidated statement of operations. The fair value of the marketable securities is based on quoted market values. Transaction costs are recognised in the consolidated statement of operations in the period incurred.

Purchases and sales of marketable securities are accounted for at the transaction date.

Accounts receivable are measured at amortised cost using the effective interest method, less any adjustment for impairment.

Accounts payable are measured at amortised cost using the effective interest method.

Financial assets are tested for impairment when there are indicators of impairment. The amount of the write-down is recognised in the consolidated statement of operations. Any previously recognised impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognised previously. The amount of the reversal is recognised in the consolidated statement of operations.

THE BERMUDA NATIONAL TRUST

Notes to Consolidated Financial Statements

December 31, 2024

3. Cash and cash equivalents

Cash and cash equivalents in the Capital and Endowment Funds include money market funds in the amount of \$213,709 (2023 - \$221,359). Interest earned on cash and cash equivalents during the year was at an average effective interest rate of 2.12% (2023 – 1.45%).

4. Investments in marketable securities

Investments in marketable securities are as follows:

	2024											
	Capital			Endowment			Total					
	<u>Cost</u>	<u>Net unrealised gain</u>	<u>Fair value</u>	<u>Cost</u>	<u>Net unrealised gain (loss)</u>	<u>Fair value</u>	<u>Cost</u>	<u>Net unrealised gain</u>	<u>Fair value</u>	<u>Cost</u>	<u>Net unrealised gain</u>	<u>Fair value</u>
Bermuda equities	\$ 42,791	\$ 77,014	\$ 119,805	\$ -	\$ -	\$ -	\$ 42,791	\$ 77,014	\$ 119,805			
Debt securities	1,297,510	82,686	1,380,196	1,669,019	(9,445)	1,659,574	2,966,529	73,241	3,039,770			
Mutual funds	-	-	-	1,458,347	382,081	1,840,428	1,458,347	382,081	1,840,428			
	\$ 1,340,301	\$ 159,700	\$ 1,500,001	\$ 3,127,366	\$ 372,636	\$ 3,500,002	\$ 4,467,667	\$ 532,336	\$ 5,000,003			
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2023												
	Capital			Endowment			Total					
	<u>Cost</u>	<u>Net unrealised gain</u>	<u>Fair value</u>	<u>Cost</u>	<u>Net unrealised gain (loss)</u>	<u>Fair value</u>	<u>Cost</u>	<u>Net unrealised gain</u>	<u>Fair value</u>	<u>Cost</u>	<u>Net unrealised gain</u>	<u>Fair value</u>
	\$ 42,791	\$ 49,972	\$ 92,763	\$ -	\$ -	\$ -	\$ 42,791	\$ 49,972	\$ 92,763			
Bermuda equities	1,275,028	55,457	1,330,485	1,619,843	(10,904)	1,608,939	2,894,871	44,553	2,939,424			
Debt securities	-	-	-	1,455,068	256,907	1,711,975	1,455,068	256,907	1,711,975			
	\$ 1,317,819	\$ 105,429	\$ 1,423,248	\$ 3,074,911	\$ 246,003	\$ 3,320,914	\$ 4,392,730	\$ 351,432	\$ 4,744,162			
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The fair value of investments is based on year-end quoted market values.

THE BERMUDA NATIONAL TRUST

Notes to Consolidated Financial Statements

December 31, 2024

5. Restricted amounts

General Fund cash and cash equivalents of \$133,899 (2023 - \$114,349) relate to gifts and grants received to fund certain of the Trust's activities in future years such as archaeological and environmental projects, maintenance of government cemeteries, and restoration of government house furnishings. The Trust has recorded a liability for deferred gifts and grants of an equivalent amount.

Capital Fund cash and cash equivalents of \$210,421 (2023 - \$427,723) and investments in marketable securities of \$1,500,001 (2023 - \$1,423,248) are restricted for restoration of specific properties, the acquisition and restoration of museum collections, and the acquisition of open space (Note 10).

Endowment Fund cash and cash equivalents of \$209,036 (2023 - \$12,014) and investments in marketable securities of \$3,500,002 (2023 - \$3,320,914) are restricted for the purposes set out in Note 10.

6. Investment in FIDNAT

The Bermuda National Trust Endowment Company Limited ("Endowment Company") was a corporate general partner in the Fidelity National Trust Partnership ("FIDNAT") with a capital contribution equal to 0.5% of initial partnership capital up to a maximum of \$8,334. The Endowment Company and the individual general partner, on behalf of FIDNAT, own a property which is leased to the Bermuda Underwater Exploration Institute, for a nominal amount until the year 2051, at which time the assets will revert to the Endowment Company.

The Endowment Company's cost of its investment in FIDNAT as at December 31, 2023 was \$7,098. The FIDNAT partnership ended on December 31, 2023 and was subsequently wound up with the investment written down to nil during the year ended December 31, 2024.

7. Capital assets

	2024			2023	
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>	<u>Net book value</u>	<u>Net book value</u>
Park improvements	\$ 354,665	\$ 354,665	\$ -	\$ -	\$ -
Computer equipment					
and software	259,432	259,432	-	-	-
Office equipment	126,002	126,002	-	-	-
Vehicles and other equipment	<u>205,547</u>	<u>193,214</u>	<u>12,333</u>	<u>16,333</u>	
	\$ 945,646	\$ 933,313	\$ 12,333	\$ 16,333	
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

The cost and accumulated depreciation of capital assets at December 31, 2023 were \$945,646 and \$929,313 respectively.

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Notes to Consolidated Financial Statements

December 31, 2024

8. Property and collections

	<u>2024</u>	<u>2023</u>
Museum collections	\$ 90,528	\$ 90,528
Buildings and land	6,360,534	6,360,534
Nature reserves (Note 12)	<u>7,937,888</u>	<u>7,937,888</u>
	\$ 14,388,950	\$ 14,388,950
	<u>=====</u>	<u>=====</u>

9. Interfund transfers

Interfund transfers to (from) the following funds occurred during the year:

	2024			
	<u>General</u>	<u>Capital</u>	<u>Property</u>	<u>Endowment</u>
Appropriation from Dennis Sherwin Environment Fund for expenses	\$ 7,200	\$ -	\$ -	\$ (7,200)
Appropriation from Endowment Fund for operations	<u>43,085</u>	<u>-</u>	<u>-</u>	<u>(43,085)</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
	\$ 50,285	\$ -	\$ -	\$ 50,285
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
	2023			
	<u>General</u>	<u>Capital</u>	<u>Property</u>	<u>Endowment</u>
Appropriation from Dennis Sherwin Environment Fund for expenses	7,200	-	-	(7,200)
Appropriation from Endowment Fund for operations	<u>52,704</u>	<u>-</u>	<u>-</u>	<u>(52,704)</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
	\$ 59,904	\$ -	\$ -	\$ (59,904)
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

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December 31, 2024

10. Restricted fund balances

(a) Externally imposed restrictions on fund balances consist of the following:

	2024		2023	
	Capital	Endowment	Capital	Endowment
Open spaces				
Buy Back Bermuda Fund (Note 12)	\$ 187,308	\$ -	\$ 196,518	\$ -
Dennis Sherwin Environmental Fund	-	161,560	-	161,560
Nature Reserves Fund	499,894	-	446,264	-
Collections	119,494	-	117,724	-
Built Heritage	235,758	134,884	191,283	134,884
Unspecified	<u>-</u>	<u>1,019,865</u>	<u>-</u>	<u>1,019,865</u>
	\$ 1,042,454	\$ 1,316,309	\$ 951,789	\$ 1,316,309
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

(b) Internal restrictions on fund balances imposed by the Trust consist of the following:

	2024		2023	
	Capital	Endowment	Capital	Endowment
Publications	\$ 50,314	\$ -	\$ 50,000	\$ -
Built Heritage	167,557	108,277	312,001	108,277
Mary G. Williams Endowment Fund	-	1,149,091	-	1,149,091
Unspecified	<u>24,112</u>	<u>1,050,682</u>	<u>24,109</u>	<u>824,585</u>
	\$ 241,983	\$ 2,308,050	\$ 386,110	\$ 2,081,953
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

11. Pension plan

The Trust operates a defined contribution pension plan whereby the Trust contributes 5% of each employee's gross salary. The pension expense for the year ended December 31, 2024 was \$52,000 (2023 - \$49,927) and is included in administrative expenses in the consolidated statement of operations. Contributions payable to the pension plan at December 31, 2024 were \$nil (2023 - \$nil).

12. Buy Back Bermuda Campaign

In 2004, the Trust and Bermuda Audubon Society entered a joint venture initiative, the Buy Back Bermuda Campaign, to acquire and preserve public open space for the benefit of future generations. The Trust has recorded 50% of all balances and transactions relating to this campaign in its consolidated financial statements. As at December 31, 2024, included within the consolidated financial statements are the following amounts:

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Notes to Consolidated Financial Statements

December 31, 2024

12. Buy Back Bermuda Campaign (continued)

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 188,058	\$ 197,093
Property and collections	3,500,058	3,500,058
Gifts and grants (non-government)	15,160	17,016
Interest income	18	18
Preservation expenses	23,505	27,232
Administrative expenses	884	8,354

13. Financial instruments

The Trust is exposed to the following financial risks arising from its financial assets and liabilities:

Market price risk

Market price risk is the risk that future changes in market prices may render financial instruments less valuable or increase the liability associated with such instruments. Exposure to market price risk is determined by a number of factors, including the size, duration, composition and diversification of positions held, the absolute and relative levels of interest rates and foreign exchange rates, as well as market volatility and liquidity.

Exposure to market price risk associated with investments in marketable securities is equal to the carrying value of the instruments as recorded in the consolidated balance sheet.

The Trust is exposed to the investment activities of the underlying investment portfolios which may not be transparent to investors and could be affected by the actions of other investors. The Trust's exposure to market price risk in respect of investments is limited to the on-balance sheet carrying value of the investments. Management engages in initial and on-going assessments of all sources of risk presented to the portfolio.

Currency risk

Currency risk arises from changes in the prevailing foreign currency rates. Assets and liabilities are predominantly held in the functional currency of the Trust, which is the Bermuda dollar. The Trust is not exposed to significant foreign currency risk.

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to meet its contractual obligations to the Trust, and arises principally from cash and cash equivalents and accounts receivable.

The Trust deposits the majority of its cash surpluses with two Bermuda-based banks, HSBC Bank Bermuda Limited which has an A- credit rating and Bank of N.T. Butterfield and Son Ltd., which has a BBB+ credit rating according to S&P.

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Notes to Consolidated Financial Statements

December 31, 2024

13. **Financial instruments** (continued)

Accounts receivable

The Trust's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Trust's receivables are with multiple Bermuda based customers and are subject to normal industry credit risks.

The maximum exposure to credit risk for receivables at the reporting date is represented by the carrying value on the consolidated balance sheet.

At December 31, 2024, 46% of receivables were current and 54% of the receivables were 31 to 90 days past due. The receivables past due for more than 30 days are considered collectible for services rendered and as such no provision for impairment has been established (2023 - \$nil).

Interest rate risk

Interest rate risk arises from changes in the prevailing levels of market interest rates. The Trust is exposed to interest rate risk on its cash and cash equivalents which earn interest at variable market rates.

Liquidity risk

Liquidity risk is the risk the Trust will encounter difficulties meeting its financial obligations as they become due. Management does not believe that the Trust is exposed to significant liquidity risk.

14. **Capital management**

The Trust defines capital, for its own purpose, as cumulative fund balances. During the fiscal year 2024, the Trust's objective when managing capital, which was unchanged from the prior year, was to hold sufficient funds to enable it to withstand negative unexpected financial events and continue as a going concern. The Trust seeks to achieve this objective by minimising its exposure to financial leverage and variable financial obligations and by holding cash and term deposits to maintain liquidity to enable it to meet its obligations as they become due. As at December 31, 2024, the Trust's consolidated total fund balances amounted to \$19,929,202 (2023 - \$19,711,878). A significant portion of the fund balance is subject to both internally and externally imposed restrictions (Note 10).

15. **Government remittances payable**

Included in accounts payable are government remittances payable of \$13,926 (2023 - \$14,176).

16. **Related Party Transaction**

During the year the Trust paid a ten percent deposit (\$5,020) from its Capital Fund to secure a contract to install solar panels over its Waterville car park. One of the Trust's Council members is affiliated with the contract holder and was recused from the tendering and selection process while an independent expert provided the final recommendation. The transaction was negotiated at arm's length and installation will begin after the building permit has been approved.

17. **Subsequent Event**

Subsequent to year end, an unrestricted bequest in the amount of \$700,000 was received in the Capital Fund for the Trust's capital related activities.