



Sandals Foundation
(A Company Limited by Guarantee)

Financial Statements
(Expressed in United States Dollars)
June 30, 2023

Sandals Foundation (A Company Limited by Guarantee)

June 30, 2023

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Independent auditor's report

To the Directors of
Sandals Foundation (A Company Limited by Guarantee)

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Sandals Foundation (A Company Limited by Guarantee) which comprise the statement of financial activities and retained surplus for the year ended March 31, 2023, the statement of financial position as at June 30, 2023 and the statement of cash flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at June 30, 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Jamaican Companies Act and the Charities Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS, the Jamaican Companies Act and the Charities Act, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

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Independent auditor's report (cont'd)

To the Directors of
Sandals Foundation (A Company Limited by Guarantee)

Report on the audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the preparation 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation 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 presents a true and fair view.

Independent auditor's report (cont'd)

To the Directors of
Sandals Foundation (A Company Limited by Guarantee)

Report on the audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Obtain sufficient appropriate audit evidence regarding the financial information of or business activities within the Foundation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

Report on additional matters as required by the Jamaican Companies Act and the Charities Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act and the Charities Act in the manner required.

Kingston, Jamaica

August 8, 2024

Chartered Accountants

Sandals Foundation (A Company Limited by Guarantee)

Statement of financial activities and retained surplus

Year ended June 30, 2023

	Note	Fifteen months ending June 30, 2023 US\$	2022 US\$
Incoming resources			
Cash donations			
Restricted Funds	(2c)	426,241	442,349
Unrestricted Funds	(2c)	1,905,681	1,212,644
Total cash donations	(2d)	2,331,922	1,654,993
Investment income and gains			
Interest income	(2e)	12,601	1,731
		12,601	1,731
Donated services	(3)	5,493,205	1,870,795
Gifts in kind and donated facilities	(3)	4,892,360	4,557,097
Other incoming resources – governance costs	(4)	856,516	430,612
		11,242,081	6,858,504
Total incoming resources		13,586,604	8,515,228
Resources expended			
Projects and programmes			
Education	(5a)	464,867	306,697
Community	(5b)	975,724	547,805
Environment	(5c)	579,772	318,030
		2,020,363	1,172,532
Other resources expended	(3 & 4)	11,242,081	6,858,504
Bank charges and interest		4,947	3,375
Miscellaneous expense		-	35
Depreciation		2,062	8,890
Total resources expended		13,269,453	8,043,336
Foreign exchange loss		4,123	9,492
Net (outflow)/incoming resources before transfer		321,274	462,400
Funds at beginning of year		830,977	429,209
		1,152,251	891,609
Less: Transfer to special reserve	(6)	(95,284)	(60,632)
Total funds carried forward		1,056,967	830,977

The notes on the accompanying pages form an integral part of these financial statements.

Sandals Foundation (A Company Limited by Guarantee)

Statement of financial position

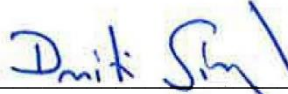
June 30, 2023

	Note	Fifteen months ending June 30, 2023 US\$	2022 US\$
Assets			
Cash and cash equivalents	(7)	1,426,868	1,177,090
Receivables	(8)	273,637	203,798
Prepayments	(9)	15,612	15,655
Withholding tax recoverable	(10)	5,857	5,063
Motorboat and equipment	(11)	285	2,353
		1,722,259	1,403,959
Liabilities			
Accounts payable	(12)	7,208	4,151
Total current liabilities		7,208	4,151
Net assets		1,715,051	1,399,808
Funds of the charity			
Special reserve	(6)	658,084	563,674
Restricted funds		1,037,622	721,505
Unrestricted funds		19,345	114,629
Total restricted and unrestricted funds		1,056,967	836,134
Total funds		1,715,051	1,399,808

The notes on the accompanying pages form an integral part of these financial statements.

Approved for issue by the Board of Directors on August 8, 2024 and signed on its behalf by:

 Director
Keith Collister

 Director
Dmitri Singh

Sandals Foundation (A Company Limited by Guarantee)

Statement of cash flows

Year ended June 30, 2023

	Note	Fifteen months ending June 30, 2023 US\$	2022 US\$
Cash flows from operating activities:			
Net surplus/loss for the year		321,274	462,400
Adjustments for:			
Foreign exchange gain on special reserve	(6)	(4,248)	4,257
Depreciation	(11)	285	8,890
Interest income		(12,601)	(1,731)
		304,710	473,816
Changes in operating assets and liabilities			
Receivables		(69,839)	(128,430)
Withholding tax recoverable		(794)	(235)
Prepayments		43	668
Accounts payable and accruals		3,057	1,599
Cash used in from operations		237,177	347,418
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(666)
Interest received		12,601	1,731
Net cash provided by/(used in) investing activities		12,601	1,065
Decrease in cash and cash equivalents		249,778	348,483
Cash and cash equivalents at beginning of year		1,177,090	828,607
Cash and cash equivalents at end of year		1,426,868	1,177,090

The notes on the accompanying pages form an integral part of these financial statements.

Sandals Foundation (A Company Limited by Guarantee)

Notes to the financial statements

Year ended June 30, 2023

1. General information and nature of operation

The Foundation was established as a charitable organisation on April 16, 2008 and commenced operation in January 2009. It is an Approved Charity under the Charities Act 2013 (Jamaica). Its principal activity is to provide support in the areas of education, community development and environmental protection, in the countries where the Sandals hotel brands operate. The Foundation is a company limited by guarantee and not having a share capital.

The Foundation operates from offices located at 38-42 Lady Musgrave Rd, Kingston 10 and 5 Kent Avenue, Montego Bay.

2. Summary of significant accounting policies

a Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Except where otherwise stated, these financial statements are expressed in United States Dollars.

b Incoming resources

All incoming resources are recognised in the statement of comprehensive income once the foundation has entitlement to the resources, it is certain that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

c Restricted and unrestricted funds

Restricted funds are funds with restrictions imposed by the donor. These funds are donated towards specific or general programs under the following headings:

- Education
- Community
- Environment

Unrestricted funds comprise funds received which the management is free to use for any purpose in furtherance of approved charitable projects.

d Cash donations

Cash donations for the year were as follows:

	Fifteen months ending June 30, 2023 US\$	2022 US\$
Restricted funds		
Education	106,226	258,961
Community	209,481	115,283
Environment	110,534	68,105
Total restricted funds	426,241	442,349
Total unrestricted funds	1,905,681	1,212,644
Total cash donations	2,331,922	1,654,993

Sandals Foundation (A Company Limited by Guarantee)

Notes to the Financial Statements

Year ended June 30, 2023

2. Summary of significant accounting policies (cont'd)

e Interest income

This represents interest earned on bank and investment accounts and is recognised on the accrual basis.

f Foreign currency translation

Functional and presentation currency

The financial statements are prepared and presented in United States dollars; the functional currency of the Foundation is the Jamaican dollars.

Foreign currency translations and balances

Foreign currency transactions are translated to United States dollar, using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of financial activities.

g Resource expended

Liabilities and grants payable are recognised as resources expended as soon as there is a legal or constructive obligation committing the Foundation to the expenditure. These are accounted for on an accrual basis and have been classified under headings that aggregate all costs related to the relevant fund.

h Transfers

The Board approves transfers of funds from unrestricted funds to fund various projects that are not otherwise funded.

Sandals Foundation (A Company Limited by Guarantee)

Notes to the Financial Statements

Year ended June 30, 2023

3. Gifts in kind, donated services and facilities (and resources expended)

Gifts in kind, donated services and facilities

These are included in incoming resources (with an equivalent amount in resources expended) where the benefit is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value of the services, gifts or facility received.

Other resources expended

Donated services amounted to US\$5,493,205 (2022 - US\$1,870,795) and comprise:

- Medical
- Dental
- Waste reduction training

Gifts in kind and donated facilities amounted to US\$4,892,360 (2022 - US\$4,557,097) and comprise:

- Rooms, food and beverage gifted by Sandals Resorts
- School supplies
- Medical supplies
- Books and computers
- Airline tickets, media coverage and linens

Governance costs paid by Sandals Resorts amounted to US\$856,516 (2022 - US\$430,612 (See note 4).

4. Other incoming resources - governance costs

Sandals Resorts International Limited has agreed to underwrite all governance costs of the Foundation. Governance costs include all operational costs for the charity. These costs relate to statutory audit, legal fees, bank charges together with salaries and support costs.

5. Projects and programmes

Projects and programs amounted to US\$2,022,363 (2022 - US\$1,172,532) and comprise:

	Fifteen months ending June 30, 2023 US\$	2022 US\$
Education projects	466,867	306,697
Community projects	975,724	547,805
Environmental projects	579,772	318,030
Total	2,022,363	1,172,532

Sandals Foundation (A Company Limited by Guarantee)

Notes to the Financial Statements

Year ended June 30, 2023

5. Projects and programmes (cont'd)

a Education projects

	Fifteen months ending June 30, 2023 US\$	2022 US\$
Adopted Schools - Small Projects	16,901	44,394
Back to School	7,439	-
Barbados Community College Agri Square	-	5,021
Care for Kids Scholarship	70,162	34,741
CHTAEF Professional Development Program	9,980	-
C.C Sweeting Hospitality Training Program	-	12,544
Cove Primary Walkway	-	11,360
Build A Better Education - Bricks	403	62
Digital Curriculum	20,504	-
Gordon Butch Stewart Scholarship	19,475	4,725
Great Shape Superkids	6,383	15,440
Great Shape – Teach the Teachers	5,215	-
Gros Islet Primary School Playground and Gazebo	33,571	-
Hands Across the Sea	35,786	5,701
Ianthe Pratt School Kitchen	3,769	10,270
Irene B Williams Secondary School	12,734	-
Lessons Alive Tablet Initiative	-	11,585
Let it Grow	23,637	-
Lindamood Bell Learning Program	-	26,420
LN Coakley High Music, Hospitality & Agricultural Programs	28,260	-
MacAndrew Scholarships	30,704	13,292
Montgava Foundation	2,558	-
New Life Hospitality Arts Program	8,059	-
Other Educational Programs	47,481	20,053
Playgrounds for Jacks River, Tree Hill and Hall Basic Schools	-	6,908
St. John Christian Secondary Audio-Visual Room Upgrade	-	8,447
TARRS – St. Lucia- Balata Primary Digital Learning	-	10,696
TARRS – St. Lucia- Back to School	4,607	-
Village Academy Agricultural School	-	7,997
Water in Schools-Coca- cola	62,219	57,041
West End Infant School Roof Repairs	6,655	-
Youth Skills Training/Spot Valley High Hospitality Training	8,365	-
Total Education expenses	464,867	306,697

Sandals Foundation (A Company Limited by Guarantee)

Notes to the Financial Statements

Year ended June 30, 2023

5. Projects and programmes (cont'd)

b Community projects

	Fifteen months ending June 30, 2023 US\$	2022 US\$
Artisan Program	8,129	32,831
Breast Cancer Awareness and Mammograms	4,408	4,552
Bustamante Hospital for Children	-	3,396
Care for Kids Golf Program	7,656	8,338
Christmas Toy Drive and Care Packages	41,187	36,285
CDEMA Regional Disaster Relief Training	50,071	-
Covid-19 Relief	-	20,327
YEAC Disaster Preparedness Training	39,936	-
Disaster relief	-	37,860
Exuma Animal Clinic	16,066	-
Exuma Marching Band	33,646	-
Falmouth General Hospital A & E Equipment	8,827	-
Farm Like a Bajan	7,253	-
Flankers Pathway USAID	38,429	7,247
Freedom Skateboard Park Homework & Girls Program	22,486	7,766
Future Goals Youth in Sports	-	7,610
GARD Center-Pares Community Farming	19,973	-
Great Shape Dental & iCare Clinics	43,581	30,334
Grenada Youth Adventures Learn to Swim	16,316	16,138
Grow Well Golf Program	15,365	26,173
Hurricane Dorian Relief	-	65,847
Lend a Hand Bahamas	89,618	-
Marlins Learn to Swim	26,470	8,321
Mt. Olivet Boys Home Woodworking Program	98,666	-
Nelson Ranger Summer/Golf Camp	369	479
Oistin's Programmes	4,794	-
Other Community Program	20,417	12,874
PACE-Development Cosmetology Lab	18,475	-
Pineapple Craft Market Upgrades	6,707	-
Port Maria Hospital	3,616	-
Prince's Trust Program	16,765	15,235
Balance c/f	659,226	341,631

Sandals Foundation (A Company Limited by Guarantee)

Notes to the Financial Statements

Year ended June 30, 2023

5. Projects and programmes (cont'd)

b Community projects

	Fifteen months ending June 30, 2023 US\$	2022 US\$
Balance b/f	659,226	341,614
Project Star-Community Intervention	32,626	-
Sick Kids Caribbean Initiative	74,064	73,581
Stand Up for Jamaica	25,637	15,302
Steer Town Youth Intervention	10,499	-
Tiger Tennis in School Program	27,460	8,127
UN Human Settlements Programme	110,350	-
Volunteer Outreach	13,362	14,161
Women Helping Others Achieve Programs	22,500	95,020
Total Community expenses	975,724	547,805

c Environmental projects

	Fifteen months ending June 30, 2023 US\$	2022 US\$
Andromeda Botanical Gardens- Ethnobotanical Gardens	-	22,184
Barbados Trailway Project	5,332	-
Bluefields Turtle Conservation	26,408	-
BNT Curriculum Development	-	15,655
BNT – Lucayan National Park Interpretative Signs	-	24,450
BNT Sand Dune Restoration Project	-	24,462
Boscobel Marine Sanctuary	69,694	45,351
Caribbean Tree Planting	28,440	27,239
Carmabi Trail App Development Project	13,646	-
CLEAR Caribbean-coral restoration programme	23,213	-
Compost & Grow Recycling Program	26,963	-
Coral Cleaning Dives	4,029	1,626
EAG-Making Education Accessible to All	31,570	-
Earth Day 2023 – Trees of Life	7,946	-
Grenada Coral Reef Foundation	34,825	-
Grenada Fund for Conservation	9,954	31,132
Hermitage United Farmers Group Food Security	18,213	-
International Coastal Clean-up and lessons	1,065	590
Mangrove Conservation Project	3,542	-
Negril Area Environmental Protection Trust (NEPT)	14,825	-
NEPA Salt Marsh Project	7,489	-
Oracabessa Turtle Conservation	88,360	-
Other Environmental Projects	3,745	1,246
Research on Agricultural Pesticides	-	10,059
Salt Marsh-Oceanic Global	7,500	-
Sea Turtle Conservation – Oracabessa Foundation	7,820	36,429
Sharks4Kids	15,821	-
Smith's Reef Snorkel Trail	-	5,263
Balance c/f	450,400	265,686

Sandals Foundation (A Company Limited by Guarantee)

Notes to the Financial Statements

Year ended June 30, 2023

5. Projects and programmes (cont'd)

c Environmental projects (cont'd)

	Fifteen months ending June 30, 2023 US\$	2022 US\$
Balance b/f	450,400	265,686
St Lucia Animal Protection Society (SLAPS)	4,643	-
Trash Free Waters Project	-	14,911
Wallings Nature Reserve	20,718	-
White River Fish Sanctuary	31,043	-
Whitehouse Marine Sanctuary	72,968	37,433
Total Environment expenses	579,772	318,030

6. Special reserve

	Fifteen months ending June 30, 2023 US\$	2022 US\$
Opening balance	563,674	504,451
Add: Transfers for the year	95,284	60,632
Foreign exchange adjustment on special reserve	(874)	(1,409)
Balance at end of year	658,084	563,674

The Foundation has established a special reserve facility equivalent to 5% of unrestricted cash donations. This is to be used for disaster relief and to sustain projects of the Foundation in the event of a natural disaster or at the discretion of the Directors.

7. Cash and cash equivalents

	Fifteen months ending June 30, 2023 US\$	2022 US\$
Cash at bank – (US\$ current account)	938,040	692,505
Cash at bank – Sagicor Investment USD	259,481	-
Cash at bank – (JMD\$ current account)	140,065	226,383
Cash at bank – (CDN\$ current account)	3,716	3,899
Cash at bank – Special reserve	85,566	254,302
Total	1,426,868	1,177,090

8. Receivables

These are donations made by guests at the various Sandals and Beaches resorts. Funds are subsequently transferred within one month of collection. The balance represents the amounts due at year-end.

Sandals Foundation (A Company Limited by Guarantee)

Notes to the Financial Statements

Year ended June 30, 2023

9. Prepayments

Prepaid expenses are deposits made for goods and services on various/respective projects.

10. Withholding tax recoverable

This represents tax deducted on interest earned on bank deposits.

11. Motor boat and equipment

The carrying amounts for equipment for the years included in these financial statements as at June 30, 2023 can be analysed as follows:

	Motorboat and Equipment US\$
Gross carrying amount	
Balance as at March 31, 2022	69,002
Exchange differences	(13,645)
Balance at June 30, 2023	55,357
Depreciation	
Balance as at March 31, 2022	(66,649)
Exchange differences	13,639
Depreciation	(2,062)
Balance at June 30, 2023	55,072
Carrying amount at June 30, 2023	285

	Motorboat and Equipment US\$
Gross carrying amount	
Balance as at March 31, 2021	68,336
Addition	666
Balance at March 31, 2022	69,002
Depreciation	
Balance as at March 31, 2021	(57,250)
Exchange differences	509
Depreciation	(8,890)
Balance at March 31, 2022	(66,649)
Carrying amount at March 31, 2022	2,353

12. Accounts payable

Accounts payable relates to un-paid invoices at the report date, scholarships, forest preservation, agricultural supplies, shipping and handling, school supplies and transportation.

Sandals Foundation (A Company Limited by Guarantee)

Notes to the Financial Statements

Year ended June 30, 2023

13. Commitments

At the end of the financial year the Foundation had funds committed to various projects as follows:

	Fifteen months ending June 30, 2023 US\$
Community	83,068
Education	36,784
Environment	8,196
Total	128,048