Docusign Envelope ID: E85EA04D-C534-8657-834D-DDAEC9632BD7

The Bermuda Musical and Dramatic Society

Financial Statements and Independent Auditors' Report

May 31, 2026

Docusign Envelope ID: E85EA04D-C534-8657-834D-DDAEC9632BD7

INDEPENDENT AUDITOR'S REPORT

Docusign Envelope ID: E85EA04D-C534-8657-834D-DDAEC9632BD7

Docusign Envelope ID: E85EA04D-C534-8657-834D-DDAEC9632BD7

THE BERMUDA MUSICAL AND DRAMATIC SOCIETY
STATEMENT OF FINANCIAL POSITION
as at May 31, 2026
(expressed in Bermuda dollars)

		2026		2025
CURRENT ASSETS				
Cash	$	482,670	$	430,061
Accounts receivable (net of allowance for doubtful accounts of $nil (2024: $nil) (Note 4)		-		1,450
Inventories		13,273		12,365
Prepaid expenses		1,989		1,989
		497,932		445,865
CAPITAL ASSETS (Note 5)		502,513		480,661
TOTAL ASSETS	$	1,000,445	$	926,526
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	$	27,624	$	21,076
Deferred donations (Note 3)		-		-
		27,624		21,076
NET ASSETS				
Net assets invested in capital assets		123,420		54,329
Unrestricted net assets		849,401		851,121
		972,821		905,450
TOTAL LIABILITIES AND NET ASSETS	$	1,000,445	$	926,526

See accompanying notes to the financial statements

APPROVED BY THE EXECUTIVE COMMITTEE

.....President .....Treasurer

Docusign Envelope ID: E85EA04D-C534-8657-834D-DDAEC9632BD7

THE BERMUDA MUSICAL AND DRAMATIC SOCIETY
STATEMENT OF OPERATIONS
for the year ended May 31, 2026
(expressed in Bermuda dollars)

	2026	2025
REVENUES		
Musical and dramatic productions (net) - Schedule 2	$ 144,957	$ 89,851
Rental of premises, car park	59,956	53,347
Members' and patrons' subscriptions	45,837	42,061
Daylesford bar - Schedule 1	37,479	29,170
Donations and fundraising (Note 3 and 6)	14,284	22,910
Interest income	14	19
	302,527	237,358
EXPENSES		
Daylesford		
Repairs and maintenance - Schedule 3	36,515	37,086
Utilities	40,457	39,339
Amortization of renovations	22,055	22,590
Insurance	31,352	30,484
Land tax	24,045	24,087
Amortization of theatre building	592	739
	155,016	154,325
General		
Professional fees (Note 6)	36,034	35,873
Amortization of furniture and equipment	24,592	12,015
Internet access	6,088	5,644
Social events	1,750	2,512
Telephone	1,760	1,760
Interest and bank charges	3,693	2,131
Other	5,079	4,050
Theatre - sundry hardware and tools	1,144	1,229
	80,140	65,214
SURPLUS OF REVENUES OVER EXPENSES	$ 66,371	$ 17,819

See accompanying notes to the financial statements

Docusign Envelope ID: E85EA04D-C534-8657-834D-DDAEC9632BD7

THE BERMUDA MUSICAL AND DRAMATIC SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
for the year ended May 31, 2026
(expressed in Bermuda dollars)

	Invested in Capital Assets	Unrestricted	2026	2025
BALANCE, BEGINNING OF YEAR	$ 54,329	$ 851,121	$ 905,450	$ 887,631
Surplus of revenues over expenses	-	66,371	66,371	17,819
Investment in capital assets, net	69,091	(69,091)	-	-
BALANCE, END OF YEAR	$ 123,420	$ 849,401	$ 1,000,445	$ 905,450

See accompanying notes to the financial statements

Docusign Envelope ID: E85EA04D-C534-8657-834D-DDAEC9632BD7

THE BERMUDA MUSICAL AND DRAMATIC SOCIETY
STATEMENT OF CASH FLOWS
for the year ended May 31, 2026
(expressed in Bermuda dollars)

	2026	2025
OPERATING ACTIVITIES:		
Surplus of revenues over expenses	$ 67,371	$ 17,819
Add items not affecting cash:		
Amortization	47,239	35,345
Changes in assets and liabilities:		
Accounts receivable	1,450	2,500
Inventories	(908)	(2,851)
Prepaid expenses	-	43
Other receivables	-	9,360
Accounts payable and accrued liabilities	6,548	7,736
Deferred donations	-	(1,010)
Net cash provided by operating activities	121,700	68,942
INVESTING ACTIVITIES:		
Purchase of capital assets, being net cash used in investing activities	(69,091)	(5,804)
NET INCREASE (DECREASE) IN CASH	52,609	63,138
CASH, BEGINNING OF YEAR	430,061	366,923
CASH, END OF YEAR	$ 482,670	$ 430,061

See accompanying notes to the financial statements

Docusign Envelope ID: E85EA04D-C534-8657-834D-DDAEC9632BD7

THE BERMUDA MUSICAL AND DRAMATIC SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2026
(expressed in Bermuda dollars)

1. DESCRIPTION OF BUSINESS

The Bermuda Musical and Dramatic Society (the "Society") was formed under the laws of Bermuda by The Bermuda Musical and Dramatic Society Act 1950. The purposes of the Society are the stimulation of interest in and the appreciation of music, drama and the related arts and, for the furtherance of these purposes:

(a) to engage in musical and dramatic activities;
(b) to sponsor concerts, dramatic productions and lectures;
(c) to establish and maintain suitable facilities for such activities; and,
(d) to establish and maintain educational facilities in the said arts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with accounting standards for not-for-profit organizations generally accepted in Bermuda and Canada, Part III of the CPA Canada Handbook and include the following significant accounting policies:

Use of estimates
The preparation of financial statements in accordance with accounting standards for not-for-profit organizations generally accepted in Bermuda and Canada requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

Revenue recognition
The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets in the year.

Musical and dramatic productions are recognized as revenue when the shows are held. Income from Daylesford bar is recognized as beverage products are sold. Member fees are recognized as revenue proportionately over the fiscal year to which they relate and rental income is recognized ratably over the term of the lease.

Inventories
Inventories are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis. Bar inventory is accounted for as consumed once opened.

Docusign Envelope ID: E85EA04D-C534-8657-834D-DDAEC9632BD7

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Prepaid expenses
In addition to insurance and land taxes, prepaid expenses include certain costs of future dramatic productions deferred until such time as these productions are shown.

Capital assets
Capital assets are recorded at cost and amortized over their estimated useful lives at the following annual rates. Land is not amortized.

Theatre building	2.5% declining balance
Daylesford renovations	10% declining balance
Lighting and sound equipment	10% declining balance
Pianos	10% declining balance
Furniture and fittings	10% straight-line
Electronic equipment and computers	25% straight-line
Air conditioners	25% straight-line
Water system and ice machine	25% declining balance
Drops, banner and binder	25% straight-line

Donated services
The Society records the value of donated services at fair value when the fair value can be reasonably estimated, and the services are normally purchased and would be paid for if not donated.

Financial instruments
The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets and liabilities measured at amortized cost include cash, accounts receivable and accounts payable and accrued liabilities.

3. DEFERRED DONATIONS

Deferred donations include the unamortized portions of externally restricted contributions received towards the purchase of specific assets. The changes for the year in the deferred donations balance reported are as follows:

	2026	2025
Balance, beginning of year	$ -	$ 1,010
Amounts recognized as revenue in the year	-	(1,010)
Balance, end of year	$ -	$ -

Docusign Envelope ID: E85EA04D-C534-8657-834D-DDAEC9632BD7

4. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Accounts receivable represents cash owed from a third party for the collection of membership fees on the Society's behalf as of May 31, 2026.

5. CAPITAL ASSETS

Capital assets and related accumulated amortization are as follows:

	Cost	Accumulated amortization	Net book value 2026	Net book value 2025
Daylesford				
- land	$ 59,315	$ -	$ 59,315	$ 59,315
- adjacent land	95,928	-	95,928	95,928
- theatre	162,376	(134,129)	28,247	28,839
- renovations	1,533,764	(1,340,438)	195,326	216,721
Lighting and sound equipment	263,262	(191,353)	71,909	59,528
Pianos	9,280	(8,112)	1,168	1,298
Furniture and fittings	63,170	(53,479)	9,690	11,269
Electronic equipment and computers	213,996	(211,729)	3,606	4,053
Air conditioners	172,557	(143,049)	29,509	-
Water system and ice machine	35,054	(32,271)	2,783	3,710
Drops, banner and binder	31,276	(34,244)	7,032	-
	$ 2,641,318	$ (2,090,226)	$ 502,513	$ 480,661

There were no sales of capital assets during the years ended May 31, 2026 and 2025, respectively.

6. DONATED SERVICES

Audit fees for the year ended May 31, 2026, are recorded at their fair value of $23,820 (2025: $23,335). The actual amount charged for the audit is $4,670 (2025: $4,670), with the difference of $19,060 (2025: $18,865) being recorded as donations and fundraising revenue.

Docusign Envelope ID: E85EA04D-C534-8657-834D-DDAEC9632BD7

7. FINANCIAL INSTRUMENTS RISK

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposure as at May 31, 2026. Reference should be made to the statement of financial position and related notes for the quantitative values of the financial statement items referred to herein.

Credit risk
The Society is exposed to credit risk with respect to accounts receivables.

Liquidity risk
The Society is exposed to liquidity risk mainly with respect to its accounts payable and accrued liabilities, and its ability to provide the activities related to its deferred revenue.

Changes in risk
There have been no significant changes in the Society's risk exposure from the prior fiscal year.

8. SUBSEQUENT EVENTS

The Society has evaluated the impact of all subsequent events through the date that these Financial Statements were available to be issued. There were no subsequent events identified that would result in adjustment or disclosure to these financial statements.

Docusign Envelope ID: E85EA04D-C534-8657-834D-DDAEC9632BD7

THE BERMUDA MUSICAL AND DRAMATIC SOCIETY
SCHEDULES TO THE FINANCIAL STATEMENTS
May 31, 2026
(expressed in Bermuda dollars)

SCHEDULE 1

	2026	2025
Daylesford Bar:		
Liquor and food sales	$ 108,304	$ 109,026
Cost of sales	(70,825)	(79,856)
	$ 37,479	$ 29,170

SCHEDULE 2

Musical and Dramatic Productions 2026:	Revenues	Expenses	Net
Panto	$ 149,649	$ (75,188)	$ 74,461
Boeing Boeing	46,120	(8,131)	37,988
Donna Orbits The Moon	15,257	(2,286)	12,970
Ordinary Days	17,430	(2,369)	15,061
Daylesford Singers	6,596	(1,690)	4,907
Other	3,276	(3,707)	(431)
	$ 238,327	$ (93,371)	$ 144,957

Musical and Dramatic Productions 2025:	Revenues	Expenses	Net
Pillowman	$ 16,315	$ (2,288)	$ 14,027
Sounds of the Season	12,604	(439)	12,165
Mousetrap	40,780	(7,090)	33,690
Death by Dessert	19,745	(3,588)	16,157
A Funny Taste 1 & 2	9,094	(16)	9,078
Moments Musicaux	3,802	(876)	2,926
Other	5,471	(3,661)	1808
	$ 107,811	$ (17,960)	$ 89,851

Docusign Envelope ID: E85EA04D-C534-8657-834D-DDAEC9632BD7

THE BERMUDA MUSICAL AND DRAMATIC SOCIETY
SCHEDULES TO THE FINANCIAL STATEMENTS
May 31, 2025
(expressed in Bermuda dollars)

SCHEDULE 3

	2026	2025
Repairs and maintenance:		
Cleaning	$ 11,499	$ 9,748
Air conditioning maintenance	11,020	4,845
Computer support	6,158	3,827
Landscaping and pest control	1,620	14,745
Plumbing	-	2,513
Lighting/electrical	4,127	214
Other repairs and maintenance	315	1,194
Painting	954	-
Reimbursement for storm damage	823	-
	$ 36,515	$ 37,086

Landscaping and pest control in 2025 included $12,995 for the "tenting" of Daylesford theatre. This expense was not repeated in 2026.