




**BritishAmerican Business, Inc.
of New York & London
(A Not-For-Profit Organization)**

**Independent Auditor's Report and Financial
Statements**

June 30, 2025 and 2024



BritishAmerican Business, Inc. of New York & London
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June 30, 2025 and 2024

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Independent Auditor's Report

The Board of Directors
BritishAmerican Business, Inc. of New York & London
New York, NY

Opinion

We have audited the financial statements of BritishAmerican Business, Inc. of New York & London ("BritishAmerican Business" or the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BritishAmerican Business as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 required to be independent of BritishAmerican Business and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Year Audited by Other Auditors

The 2024 financial statements, before they were revised for the matter discussed in Note 2, were audited by other auditors, and their report thereon, dated October 22, 2024, expressed an unmodified opinion. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about BritishAmerican Business's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 BritishAmerican Business's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BritishAmerican Business's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Forvis Mazars, LLP

**New York, New York
October 23, 2025**

BritishAmerican Business, Inc. of New York & London
Statements of Financial Position
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash	\$ 2,127,522	\$ 1,818,037
Accounts receivable, less allowances for doubtful accounts of \$21,681 and \$21,955 for 2025 and 2024, respectively	746,505	542,248
Short-term investments	949,047	1,056,354
Prepaid expenses and other assets	<u>250,428</u>	<u>178,615</u>
Total Current Assets	4,073,502	3,595,254
Property and equipment, net	23,251	21,267
Operating lease right-of-use assets	352,245	556,508
Security deposit	<u>21,106</u>	<u>21,106</u>
Total Assets	<u>\$ 4,470,104</u>	<u>\$ 4,194,135</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	\$ 470,438	\$ 554,113
Unearned income	1,686,804	1,443,141
Current portion of lease liabilities	<u>133,375</u>	<u>205,444</u>
Total Current Liabilities	2,290,617	2,202,698
Operating lease liabilities, net of current portion	<u>230,947</u>	<u>364,322</u>
Total Liabilities	2,521,564	2,567,020
Net Assets		
Without donor restrictions	<u>1,948,540</u>	<u>1,627,115</u>
Total Liabilities and Net Assets	<u>\$ 4,470,104</u>	<u>\$ 4,194,135</u>

BritishAmerican Business, Inc. of New York & London
Statements of Activities
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
	<u>Without Donor Restrictions</u>	<u>Without Donor Restrictions</u>
Program Revenue		
Membership	\$ 2,391,609	\$ 2,117,851
Fundraising (net of cost of direct benefits to donors of \$591,709 and \$563,670 for 2025 and 2024, respectively)	1,698,592	1,493,141
Contributions of nonfinancial assets	137,690	185,833
External relations (net of expenses of \$25,024 and \$26,876 for 2025 and 2024, respectively)	(18,202)	(11,701)
Other income and expenses (net of expenses of \$4,006 and \$13,478 for 2025 and 2024, respectively)	115,645	143,322
	<u>4,325,334</u>	<u>3,928,446</u>
Total Program Revenue		
Operating Expenses		
Personnel costs	3,196,287	2,908,811
Occupancy costs	251,289	261,884
Office expenses and supplies	70,202	78,055
Traveling and meeting expenses	130,341	269,027
Other memberships	15,656	9,709
Other administrative costs	215,566	228,763
Information technology	156,566	155,576
	<u>4,035,907</u>	<u>3,911,825</u>
Total Operating Expenses		
Change in Net Assets Before Gain on Foreign Currency Translation, and Realized and Unrealized Gain (Loss) on Short-Term Investments		
	289,427	16,621
(Loss) Gain on foreign currency translation	31,998	(6,113)
Realized and unrealized gain (loss) on short-term investments	-	2,569
	<u>31,998</u>	<u>(3,544)</u>
Change in Net Assets Without Donor Restrictions	321,425	13,077
Net Assets – Beginning of Year	<u>1,627,115</u>	<u>1,614,038</u>
Net Assets – End of Year	<u>\$ 1,948,540</u>	<u>\$ 1,627,115</u>

BritishAmerican Business, Inc. of New York & London
Statements of Functional Expenses
Years Ended June 30, 2025 and 2024

	2025						
	Program Services			Supporting Services			
	Membership	External Relations	Other Expenses	Total Program Services	Fundraising	Management and General	Total
Salaries and Related Costs							
Salaries	\$ 435,140	\$ 454,621	\$ 68,445	\$ 958,206	\$ 236,907	\$ 1,138,568	\$ 2,333,681
Payroll taxes and employee benefits	153,278	160,140	24,110	337,528	83,450	393,242	814,220
Total Salaries and Related Costs	588,418	614,761	92,555	1,295,734	320,357	1,531,810	3,147,901
Other Personnel costs	18,145	18,145	-	36,290	12,096	-	48,386
Occupancy costs	62,822	62,822	10,052	135,696	42,719	72,874	251,289
Office expense and supplies	17,551	17,551	2,808	37,910	11,934	20,359	70,203
Travel and meeting expenses	-	-	-	-	-	130,341	130,341
Other memberships	-	-	-	-	-	15,656	15,656
Professional fees	25,181	25,181	4,029	54,391	17,123	29,210	100,724
Catering, food and entertainment	-	31,037	-	31,037	589,702	-	620,739
Bank charges	-	-	-	-	-	56,421	56,421
Miscellaneous	-	-	-	-	-	15,034	15,034
Depreciation and amortization	2,921	2,921	467	6,309	1,986	3,388	11,683
Bad debt	1,482	-	-	1,482	1,482	-	2,964
Insurance	-	-	-	-	-	28,738	28,738
Information technology	39,142	39,142	6,263	84,547	26,616	45,404	156,567
Total Operating Expenses	755,662	811,560	116,174	1,683,396	1,024,015	1,949,235	4,656,646
Expenses attributable to revenue	-	(31,037)	-	(31,037)	(589,702)	-	(620,739)
Total Expenses Reported by Function on the Statements of Activities	\$ 755,662	\$ 780,523	\$ 116,174	\$ 1,652,359	\$ 434,313	\$ 1,949,235	\$ 4,035,907

BritishAmerican Business, Inc. of New York & London
Statements of Functional Expenses
Years Ended June 30, 2025 and 2024

(Continued)

	2024						
	Program Services			Supporting Services			
	Membership	External Relations	Other Expenses	Total Program Services	Fundraising	Management and General	Total
Salaries and Related Costs							
Salaries	\$ 297,140	\$ 324,153	\$ 54,025	\$ 675,318	\$ 189,089	\$ 1,212,521	\$ 2,076,928
Payroll taxes and employee benefits	115,788	126,315	21,053	263,156	73,684	472,493	809,333
Total Salaries and Related Costs	412,928	450,468	75,078	938,474	262,773	1,685,014	2,886,261
Other personnel costs	7,517	7,516	-	15,033	7,517	-	22,550
Occupancy costs	65,471	71,423	11,904	148,798	41,663	71,423	261,884
Office expense and supplies	19,514	21,288	3,547	44,349	12,418	21,288	78,055
Travel and meeting expenses	-	-	-	-	-	269,027	269,027
Other memberships	-	-	-	-	-	9,709	9,709
Professional fees	32,537	35,494	5,916	73,947	20,705	35,494	130,146
Catering, food, and entertainment	-	26,876	13,478	40,354	563,670	-	604,024
Bank charges	-	-	-	-	-	43,696	43,696
Miscellaneous	-	-	-	-	-	14,785	14,785
Depreciation and amortization	2,510	2,739	457	5,706	1,598	2,739	10,043
Bad debt	2,039	-	-	2,039	2,038	-	4,077
Insurance	-	-	-	-	-	26,016	26,016
Information technology	38,894	42,429	7,072	88,395	24,751	42,430	155,576
Total Operating Expenses	581,410	658,233	117,452	1,357,095	937,133	2,221,621	4,515,849
Expenses attributable to revenue	-	(26,876)	(13,478)	(40,354)	(563,670)	-	(604,024)
Total Expenses Reported by Function on the Statements of Activities	\$ 581,410	\$ 631,357	\$ 103,974	\$ 1,316,741	\$ 373,463	\$ 2,221,621	\$ 3,911,825

BritishAmerican Business, Inc. of New York & London
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 321,425	\$ 13,077
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	11,683	10,043
(Gain) loss on short-term investments	-	(2,569)
Noncash lease expense	204,263	195,091
Bad debt expense	2,964	4,077
Foreign currency transactions	(31,998)	-
Changes in operating assets and liabilities		
Accounts receivable	(207,221)	80,346
Prepaid and other assets	(71,813)	11,378
Accounts payable and accrued expenses	(83,675)	(71,997)
Unearned income	243,663	99,720
Operating lease liabilities	(205,444)	(187,436)
Net Cash Provided by Operating Activities	<u>183,847</u>	<u>151,730</u>
Cash Flows from Investing Activities		
Acquisition of equipment	(13,667)	(15,877)
Purchase of short term investments	(48,360)	-
Proceeds from sale of short term investments	155,667	243,733
Net Cash Used in Investing Activities	<u>93,640</u>	<u>227,856</u>
Effects of Exchange Rate Changes on Cash	31,998	-
Net Increase in Cash	309,485	379,586
Cash		
Beginning of year	<u>1,818,037</u>	<u>1,438,451</u>
End of year	<u>\$ 2,127,522</u>	<u>\$ 1,818,037</u>

Note 1. Organization and Nature of Business

BritishAmerican Business, Inc. of New York & London ("BritishAmerican Business" or the "Organization") has grown to become the leading transatlantic business organization dedicated to helping companies connect and build their businesses on both sides of the Atlantic.

In support of its mission, BritishAmerican Business provides its members with a comprehensive offering of events, publications, data, and networking opportunities. BritishAmerican Business employs a staff of 24 and maintains offices in New York and London.

BritishAmerican Business is incorporated in Delaware and is a nonprofit organization under Section 501(c)(6) of the Internal Revenue Code and is exempt from U.S. federal income tax. Additionally, the Organization has been confirmed as a nonprofit entity by His Majesty's Revenue and Customs in the United Kingdom.

BritishAmerican Business' assets held in the London office totaled \$1,654,247 and \$1,355,800 at June 30, 2025 and 2024, respectively, and net program revenues earned by the London office were \$1,620,519 and \$1,375,732 the for years ended June 30, 2025 and 2024, respectively. The organization's primary sources of revenues are membership fees and special events.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Foreign Currency Translation

BritishAmerican Business' financial statements include the United States and United Kingdom offices. The United States Dollar and the British Pound Sterling are the functional currencies for the respective offices.

The financial statements of the United Kingdom office are maintained in British Pound Sterling and are translated into the United States Dollar for these financial statements using exchange rates as follows:

1. Statements of financial position accounts at period end rate;
2. Statements of activities accounts using a weighted-average rate.

Resulting gains or (losses) from translating the financial statements of the United Kingdom are recorded on the statements of activities and change in net assets and amounted to \$31,998 and \$(6,113) for the years ended June 30, 2025 and 2024, respectively.

BritishAmerican Business, Inc. of New York & London
Notes to Financial Statements
June 30, 2025 and 2024

Cash

BritishAmerican Business considers all highly liquid debt instruments with maturities of less than three months to be cash. At June 30, 2025 and 2024, \$1,009,285 and \$1,022,946, respectively, are in deposit accounts in its primary bank in New York and \$1,118,237 and \$795,091, respectively, are in deposit accounts in its primary bank in London. As of January 1, 2013, the U.S. Federal Deposit Insurance Corporation (“FDIC”) provides insurance coverage of all U.S. bank accounts up to \$250,000. The uninsured balances at June 30, 2025 and 2024 were \$800,000 and \$1,565,212, respectively.

Net Investment Return

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Accounts Receivable

Accounts receivable are stated at the amount of consideration from members of which the organization has an unconditional right to receive. The organization provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the member. The allowance for credit losses was \$21,681 and \$21,955 as of June 30, 2025 and 2024, respectively.

Property and Equipment

Property and equipment over \$1,000 are carried at cost less accumulated depreciation and amortization. Depreciation and amortization of property and equipment is provided by a straight-line method over their estimated useful lives as indicated in Note 5. Leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

Leases

The Organization accounts for its leases pursuant to Accounting Standards Codification (“ASC”) 842, *Leases*, which requires the recognition of right-of-use (“ROU”) assets and lease liabilities on the statement of financial position for operating leases. Under the standard, the disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization elected the available practical expedients to account for the existing operating lease as an operating lease under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether the classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

The Organization also elected another available practical expedient. The Organization elected to use a risk-free discount rate for the initial and subsequent measurement of the lease liability when the rate implicit in the lease is not readily available.

The lease term may include options to extend or to terminate the lease that the organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Organization has elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

The Organization leases office space (see Note 8). The Organization determines if an arrangement is a lease at the lease’s inception. The operating leases are included in operating lease ROU assets and operating lease liabilities on the statements of financial position at June 30, 2025 and 2024.

BritishAmerican Business, Inc. of New York & London
Notes to Financial Statements
June 30, 2025 and 2024

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. As of June 30, 2025 and 2024, there were no donor restrictions on the Organization's net assets.

Fundraising and Special Events

The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. All proceeds are recorded as special events revenues in the accompanying statement of activities. Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. All contributions received at the special events were without restrictions.

Revenue Recognition

Membership dues are recorded as unearned income when received and are recognized as income over the period of membership (12 months). Revenue received from BritishAmerican Business events is recognized in the period the event is held.

BritishAmerican Business records an allowance for credit losses for all receivables not expected to be collected. BritishAmerican Business generally does not require collateral. BritishAmerican Business evaluates the collectibility of its accounts receivable based on a combination of factors. When BritishAmerican Business is aware of a member's inability to meet its financial obligations (e.g., bankruptcy filings), BritishAmerican Business records a specific reserve for credit losses against amounts due.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized by natural classification in the statements of activities. The disclosure of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance and other, which are allocated on the basis of estimates and effort.

Income Taxes

The Organization follows Financial Accounting Standards Board ("FASB") ASC Topic 740, which provides standards for establishing and classifying any tax provisions for uncertain tax positions. The Organization has determined that it has no uncertain tax positions that require either recognition or disclosure in the financial statements. The Organization has not incurred any expenses related to income tax penalties or interest charges. It is management's policy to charge these expenses to operations when assessed. The Organization is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. The Organization files tax returns in the U.S. federal jurisdiction.

Revisions

Certain immaterial revisions have been made to the 2024 financial statements to separate contributed nonfinancial assets from membership and fundraising revenue. These revisions did not have a significant impact on the financial statement line items impacted.

Note 3. Investments and Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Recurring Measurements

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2025 or 2024.

Money Market Funds:

Money market funds are valued at the daily closing price as reported by the fund. Money market funds held by BritishAmerican Business are open-end money market funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value and to transact at that price. The mutual funds held by BritishAmerican Business are deemed to be actively traded.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

The balance of \$949,047 and \$1,056,354 as of June 30, 2025 and 2024, respectively, was a Level 1 investment.

There was no appreciation or depreciation on the money market account as June 30, 2025. Net appreciation from the Organization's investments in mutual funds for the year ended June 30, 2024 was \$2,569. BritishAmerican Business' investments earned interest and dividends of \$48,360 and \$64,079 for the years ended June 30, 2025 and 2024, respectively. These amounts are reported in other income and expenses.

BritishAmerican Business, Inc. of New York & London
Notes to Financial Statements
June 30, 2025 and 2024

Note 4. Accounts Receivable

Accounts receivable, net of an allowance for doubtful accounts consisted of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Membership	\$ 627,398	\$ 409,591
Events	138,900	114,899
Other	1,888	39,713
	<u>768,186</u>	<u>564,203</u>
Less allowance for doubtful accounts	<u>21,681</u>	<u>21,955</u>
	<u>\$ 746,505</u>	<u>\$ 542,248</u>

Note 5. Property and Equipment

Property and equipment, net consisted of the following as of June 30:

	<u>2025</u>	<u>2024</u>	<u>Estimated Lives</u>
Computer/copier equipment	\$ 25,813	\$ 368,361	2 to 5 years
Computer software	-	140,377	3 years
Association management system	-	37,116	5 years
Office equipment	27,447	470,181	3 to 5 years
Furniture and fixtures	-	96,791	5 to 7 years
Leasehold improvements	67,218	67,218	Life of lease
	<u>120,478</u>	<u>1,180,044</u>	
Less accumulated depreciation and amortization	<u>97,227</u>	<u>1,158,777</u>	
	<u>\$ 23,251</u>	<u>\$ 21,267</u>	

Depreciation and amortization expense amounted to \$11,684 and \$10,043 for the fiscal years ended June 30, 2025 and 2024, respectively. During the year ended June 30, 2025 the Organization disposed of fully depreciated fixed assets with an original cost of \$1,059,566.

Note 6. Revenue from Contracts with Members

Membership Dues Revenue

Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing the membership. Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term (12 months). Generally, the Organization bills members annually. Revenue received from BritishAmerican Business events is recognized in the period the event is held.

BritishAmerican Business, Inc. of New York & London
Notes to Financial Statements
June 30, 2025 and 2024

Transaction Price and Recognition

The Organization determines the transaction price based on standard charges for goods and services provided. The Organization determines its estimate of implicit price concessions based on its historical collection experience with this class of members. Payment for membership is due in advance. There are three membership tiers for which a member can select.

As of June 30, 2025 and 2024, the Organization does not have a liability for refunds or overpayments to members.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change. For the years ended June 30, 2025 and 2024, no additional revenue was recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments for performance obligations satisfied in prior years. Subsequent changes that are determined to be the result of an adverse change in the member's ability to pay are recorded as bad debt expense.

For the years ended June 30, 2025 and 2024, The Organization recognized revenue of \$2,391,609 and \$2,117,851, respectively, from goods and services that transfer to the member over time and \$180,695 and \$158,365, respectively, from goods and services that transfer to the member at a point in time.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors:

- Geography of the service location
- Organization's line of business that provided the service

Contract Balances

The following table provides information about the Organization's receivables and contract liabilities from contracts with members:

	<u>2025</u>	<u>2024</u>
Accounts receivable, beginning of the year	\$ 564,203	\$ 626,671
Accounts receivable, end of the year	\$ 768,186	\$ 564,203
Contract liabilities, beginning of the year	\$ 1,443,141	\$ 1,343,421
Contract liabilities, end of the year	\$ 1,686,804	\$ 1,443,141

Special Events

Revenue from special events is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for the direct cost of the benefits received by the participant at the event. These revenues are recognized at a point in time, and included in fundraising revenue.

Note 7. Pension Plan

BritishAmerican Business' United States office has a 401(k) Defined Contribution Plan, which covers all eligible employees. Contributions to the plan are both employer and employee funded. Employees may contribute to the plan, up to the maximum permitted by law. Additionally, the employer makes contributions based on a formula approved by the Board, which is 3% of eligible earnings for each of the years ended June 30, 2025 and 2024. Employer contributions to the plan were \$35,299 and \$31,513 for the years ended June 30, 2025 and 2024, respectively.

BritishAmerican Business, Inc. of New York & London
Notes to Financial Statements
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BritishAmerican Business' United Kingdom office offers a personal stakeholder pension to all employees. Employees may contribute to the plan up to the maximum permitted by law. During the years ended June 30, 2025 and 2024, the employer contributed 7.5% to 15% of the eligible earnings, amounting to \$47,371 and \$46,293, respectively.

These expenses are included in payroll taxes and employee benefits in the Classification of Expenses schedules.

Note 8. Leases

BritishAmerican Business' office in New York leases office space under an operating lease agreement which is set to expire on June 30, 2028. As of June 30, 2023, BritishAmerican Business' office in London leased two office spaces, which expired in the year ended June 30, 2024. In October 2023, BritishAmerican Business' office in London entered into a new operating lease for office space which is set to expire on September 30, 2025. As disclosed in Note 2, the Organization accounts for operating leases under FASB ASC 842.

The Organization has no material related-party releases.

	<u>2025</u>	<u>2024</u>
Other information		
Cash paid for amounts included in the measurement of lease liabilities	\$ 221,140	\$ 220,347
Weighted-average remaining lease term	2.71 years	3.35 years
Weighted-average discount rate	3.06%	3.41%

Future approximate minimum lease payments under noncancellable operating leases as of June 30, 2025 were as follows:

2026	\$ 141,936
2027	117,289
2028	120,740
2029	-
2030	-
Total minimum lease payments	<u>379,965</u>
Less imputed interest	<u>15,643</u>
Present value of lease liabilities	364,322
Less current portion of lease liabilities	<u>133,375</u>
Long-term portion of lease liabilities	<u>\$ 230,947</u>

Lease expense is included in occupancy costs in the functional expenses for the years ended June 30, 2025 and 2024, and amounted to \$227,128 and \$228,002, respectively.

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Note 9. Contributed Nonfinancial Assets

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized as revenue within the statements of activities included items donated for the airline credits and software services in the amount of \$137,690 and \$185,833, respectively. The Organization estimated the fair market value of the items donated based on the estimated value that would be received for selling similar products in the United States.

Note 10. Related Parties

The Organization's board of directors is comprised of individuals who are also members of the organization. Each board member is required to complete an annual conflict of interest disclosure statement to identify any potential or actual conflicts. In addition, the board has adopted a formal policy that requires members to recuse themselves from any board discussions or votes involving a conflict of interest.

Note 11. Liquidity and Availability

The Organization's financial assets available within one year of the statements of financial position date for general expenditure are:

	<u>2025</u>	<u>2024</u>
Cash	\$ 2,127,522	\$ 1,818,037
Accounts receivable, net	746,505	542,248
Short-term investments	<u>949,047</u>	<u>1,056,354</u>
	<u>\$ 3,823,074</u>	<u>\$ 3,416,639</u>

As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in short-term investments, CDs, and money market funds.

Note 12. Significant Estimates

U.S. GAAP requires disclosure of certain significant estimates. Those matters include the following:

Investments

The Organization invests in investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

Note 13. Subsequent Events

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through October 23, 2025, the date the financial statements were available to be issued.