

**THE BARBADOS AGENCY FOR
MICRO ENTERPRISE
DEVELOPMENT LTD.
(FUNDACCESS)**

Financial statements
December 31, 2013

(expressed in Barbados dollars)

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT
LTD. (FUNDACCESS)**

Statement of financial position

As at December 31, 2013


(expressed in Barbados dollars)

	Notes	2013	2012
Assets			
Current assets			
Cash and cash equivalents	4	582,677	951,065
Accounts receivable and prepayments		581,687	614,993
Receivable from government	5	488,220	620,841
		<u>1,652,584</u>	<u>2,186,899</u>
Non-current assets			
Loans receivable	6	16,796,776	16,468,417
Property, plant and equipment	7	175,330	231,025
		<u>16,972,106</u>	<u>16,699,442</u>
Total assets		<u>\$ 18,624,690</u>	<u>\$ 18,886,341</u>
Liabilities			
Current liabilities			
Accounts payable and accruals	8	195,692	260,876
Current portion of loans payable	9	1,180,020	865,884
Current taxation		2,322	3,376
		<u>1,378,034</u>	<u>1,130,136</u>
Non-current liabilities			
Loans payable	9	1,969,865	2,837,387
Deferred revenue	10	495,772	480,685
		<u>2,465,637</u>	<u>3,318,072</u>
Shareholders' equity			
Stated capital	11	10,676,700	10,676,700
Retained earnings		4,104,319	3,761,433
		<u>14,781,019</u>	<u>14,438,133</u>
Total equity and liabilities		<u>\$ 18,624,690</u>	<u>\$ 18,886,341</u>

Approved on April 22, 2015 by the Board



Hugh McClean Director



Dale Lashley Director

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

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT
LTD. (FUNDACCESS)**

Statement of financial position

As at December 31, 2013

(expressed in Barbados dollars)

	Stated capital	Retained earnings	Total
Balances – January 1, 2012	10,676,700	2,931,568	13,608,268
Net income for the year	-	829,865	829,865
Balances – December 31, 2012	10,676,700	3,761,433	14,438,133
Net income for the year	-	342,886	342,886
Balances – December 31, 2013	\$ 10,676,700	\$ 4,104,319	\$ 14,781,019

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

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT
LTD. (FUNDACCESS)**

Statement of comprehensive income

For the year ended December 31, 2013

(expressed in Barbados dollars)

	Notes	2013	2012
Revenue			
Interest subsidy	12	1,883,324	1,883,324
Interest on loans		824,982	879,413
Additional subsidies	13	-	622,319
Technical assistance grant	14	600,000	600,000
Bad debt recoveries	6	189,839	160,135
Fees	10	141,945	164,820
Interest – other	15	34,216	58,257
Other income		1,122	1,403
		<u>3,675,428</u>	<u>4,369,671</u>
Expenses			
Operating		2,399,986	2,448,554
Provision for loan losses	6	732,604	878,180
Interest and bank charges		113,066	125,010
Depreciation	7	86,886	88,062
		<u>3,332,542</u>	<u>3,539,806</u>
Income before taxation		342,886	829,865
Taxation	17	-	-
Net income being comprehensive income		\$ 342,886	\$ 829,865

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

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT
LTD. (FUNDACCESS)**

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

	2013	2012
Operating activities		
Income before taxation	342,886	829,865
Adjustments for:		
Bad debt recoveries	(189,839)	(160,135)
Provision for loan losses	732,604	878,180
Loss on disposal of property, plant and equipment	513	-
Amortisation of deferred revenue	(141,945)	(164,820)
Depreciation	86,886	88,062
<i>Operating profit before working capital changes</i>	831,105	1,471,152
Changes in non cash operating items		
Accounts receivable and prepayments	33,306	(27,492)
Receivable from government	132,621	(341,417)
Loans receivable	(871,124)	(2,499,534)
Accounts payable and accruals	(65,184)	55,734
Deferred revenue	157,032	214,752
	217,756	(1,126,805)
Taxation paid	(1,054)	(6,492)
<i>Net cash from (used in) operating activities</i>	216,702	(1,133,297)
Investing activities		
Purchase of property, plant and equipment	(33,104)	(56,034)
Proceeds from disposal of property, plant and equipment	1,400	-
<i>Net cash used in investing activities</i>	(31,704)	(56,034)
Financing activities		
Loan proceeds	-	1,000,000
Repayment of loans payable	(553,386)	(864,312)
<i>Net cash (used in) from financing activities</i>	(553,386)	135,688
Net decrease in cash and cash equivalents	(368,388)	(1,053,643)
Cash and cash equivalents – beginning of year	951,065	2,004,708
Cash and cash equivalents – end of year	\$ 582,677	\$ 951,065

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

THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD. (FUNDACCESS)

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

1. Corporate status and principal activity

The Barbados Agency for Micro Enterprise Development Ltd. (FundAccess) (the Company) is incorporated in Barbados as a company authorised to issue an unlimited number of Class A common shares and an unlimited number of Class B common shares, both without par value.

The principal activity of the Company is to provide financial and technical assistance by way of loans to micro enterprise businesses located in Barbados.

2. Adoption of new and revised International Financial Reporting Standards

The accounting policies adopted are consistent with those of the previous financial year. There are no IFRSs or IFRIC interpretations that are effective for the financial year beginning on or after January 1, 2013 that would be expected to have a material impact on the Company.

New standards, amendments and interpretations mandatory for the first time for the financial year beginning January 1, 2013.

IFRS 7(amendment)	Financial instruments – disclosures on assets and liabilities
IFRS 13 (amendment)	Fair value measurement (effective January 1, 2013)

New standards, amendments and interpretations issued but not yet effective for the financial year beginning January 1, 2013 that have not been early adopted are listed below. The standards and interpretations issued are those which the Company reasonably expects to have an impact on disclosures when applied at a future date. The Company intends to adopt the new standards when they become effective.

IAS 1	Presentation of items of Other Comprehensive Income- Amendment IAS 1
IAS 32 (amendment)	Financial instruments: presentation on assets and liabilities offsetting (effective January 1, 2014)

IAS 1 Presentation of items of Other Comprehensive Income – Amendments to IAS 1

The amendment affects presentation only and has no impact on the Company's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1July, 2012 and will therefore be applied in the Company's first annual report after becoming effective.

THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD. (FUNDACCESS)

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

2. Adoption of new and revised International Financial Reporting Standards (continued)

IAS 32 Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32

These amendments clarify the meaning of “currently has a legally enforceable right to set-off” and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting.

3. Significant accounting policies

Basis of preparation

The financial statements are expressed in Barbados dollars on the historic cost basis in accordance with International Financial Reporting Standards (“IFRS”) promulgated by the International Accounting Standards Board.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company’s accounting policies, management is required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and liabilities are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Other than the establishment of routine provisions for receivables and provision for accounts payable, the following are the key estimates or judgements which are required in applying policies which may have a material impact on the Company’s reported assets, liabilities, revenue and expenses.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year.

THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD. (FUNDACCESS)

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

3. Significant accounting policies (continued)

Key sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment

The Company reviews the estimated lives of property, plant and equipment at the end of each annual reporting period. There have been no changes to the estimates of the useful lives of property, plant and equipment for the current year.

Provision for loan losses

Provision for loan losses comprises specific provisions and a general provision. Specific provisions are made, on an individual basis, where management is of the opinion that collection is doubtful. The provision made during the year is charged against income. Recoveries of loan losses previously provided for are credited to income.

Provision for loan losses (continued)

A provision for loan losses is established if there is objective evidence that the company will not be able to collect all amounts due according to the original contractual terms of the loans. The amount of the provision is the difference between the carrying amount of the estimated recoverable amount being the present value of expected future cash flows including amounts recoverable from guarantees and collateral.

Financial instruments

Financial assets and liabilities are recognised in the financial statements when the Company becomes a party to the contractual provisions of the instruments.

Financial assets are assessed for impairment at each balance sheet date.

The Company has classified its other financial assets as “loans and receivables”. These consist of accounts receivable and prepayments, technical assistance grant receivable, interest subsidy receivable and loans receivable. These have been measured at amortised cost using the effective interest rate method, less any provision for impairment.

THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD. (FUNDACCESS)

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

3. Significant accounting policies (continued)

Financial instruments (continued)

Government grants and subsidies

The technical assistance grants which are reimbursements of specific expenses, are recorded in the statement of income in the period when due. The interest subsidy which is allocated to cover the shortfall in interest income resulting from the reduction in the interest rate is also recorded in the statement of income when due. Additional subsidies which are for onward lending and general purpose are recorded as income when received.

Loans receivable

Loans are stated net of unearned interest and provisions for loan losses.

Income from loans is recognised as it accrues. Accrual of interest ceases when instalments are unpaid for ninety days and at such time all accrued interest is reversed against income of the current period. In subsequent periods, interest received on non-accrual loans is recorded as income only if management has determined that the loans do not require specific provisions, otherwise all amounts received are credited to the principal concerned.

Impairment

The carrying amounts of financial assets are reduced by the impairment loss directly for all financial assets with the exception of accounts receivable and loans receivable, where the carrying amount is reduced through the use of an allowance account. When a receivable balance is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of comprehensive income.

Classification as debt or equity

Debt and equity instruments are classified as either “other financial liabilities” or as “equity” in accordance with the substance of the contractual arrangement.

THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD. (FUNDACCESS)

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

3. Significant accounting policies (continued)

Financial instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

The Company's principal financial liabilities are measured at cost being fair value of the consideration received and include accounts payable and accruals, technical assistance grant, deferred revenue and loans payable.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided on the straight line basis at rates designed to write off the cost of the asset over its estimated useful life. The rates applied are:

Furniture and fixtures	10% to 20%
Computer equipment	25 %
Motor vehicles	20%

Deferred revenue

Deferred revenue represents fees and other income chargeable on loans and is amortised over the periods of repayment of the loans. Deferred revenue is derived based on an average loan period.

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimate future cash receipt through the expected life of the financial asset to the asset's net carrying amount.

THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD. (FUNDACCESS)

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

3. Significant accounting policies (continued)

Borrowing costs

Borrowing costs include interest and finance charges which arise as a result of bank and other loans and the bank overdraft, and are recognised in the statement of comprehensive income in the year in which they are incurred.

Taxation

Current taxation is provided on the basis of the income before taxation for financial reporting purposes, adjusted for income and expense items, which are not assessable or deductible for tax purposes. Deferred taxation is provided under the balance sheet liability method whereby significant temporary differences arising between the carrying values of the asset and liability for financial reporting purposes and for income tax purposes are provided for at rates that have been enacted or substantially enacted at year end date, and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences can be utilised.

4. Cash and cash equivalents

	2013	2012
Short term deposits (maturing in six (6) months)	-	500,000
Cash at bank	<u>582,677</u>	<u>451,065</u>
	\$ <u>582,677</u>	\$ <u>951,065</u>

5. Receivable from government

	2013	2012
Interest subsidy receivable (see note 12)	160,127	434,128
Technical assistance grant (see note 14)	<u>328,093</u>	<u>186,713</u>
	\$ <u>488,220</u>	\$ <u>620,841</u>

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT
LTD. (FUNDACCESS)**

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

6. Loans receivable

Sectoral analysis of gross loans receivable

	2013	2012
Service	12,582,648	11,450,761
Retail and distribution	5,420,496	5,683,820
Home accommodation	1,157,908	1,228,979
Manufacturing	779,724	845,322
Agriculture	1,502,796	1,476,995
Tourism	192,515	184,360
	\$ 21,636,087	\$ 20,870,237
Provision for loan losses		
Balances – beginning of year	4,401,820	3,862,202
Recoveries	(189,839)	(160,135)
Loans written-off	(105,274)	(178,427)
Increase in provision	732,604	878,180
Balances – end of year	\$ 4,839,311	\$ 4,401,820
	\$ 16,796,776	\$ 16,468,417

Maturity profile of gross loans receivable

Repayment due:		
On demand or within one year	2,915,737	2,228,093
In the second year	1,265,249	784,626
In the third to fifth year, inclusive	5,671,258	2,745,623
After five years	11,783,843	15,111,895
	\$ 21,636,087	\$ 20,870,237
Average interest rate	6 %	6%

Effective May 19, 2005, the Government of Barbados through the Ministry of Finance advanced the sum of \$5,000,000 for the Bed and Breakfast Home Accommodation Project (See Note 9). As of December 31, Home Accommodation loans amounted to \$1,157,908 (2012 - \$1,228,979).

THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD. (FUNDACCESS)

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

6. Loans receivable (continued)

Loans include non-accrual loans of \$4,999,236 (2012 - \$4,311,319).

As part of its risk management policy, the Company uses an external referencing system to assist in assessing the potential client's credit quality. The Company also uses historical experience and other factors that are judged to be relevant in advancing loans to different sectors.

Included in the Company's loan receivable balance are debtors with a carrying amount of \$494,630 (2012 - \$349,468) which are due at the reporting date for which the Company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The collateral over these balances is a mixture of personal guarantees and bills of sale over equipment.

	2013	2012
Aging of past due but not impaired:		
90 – 120 days	106,047	85,864
120 days – 1 year	104,646	100,726
> 1 year	283,937	162,878
Total	\$ <u>494,630</u>	\$ <u>349,468</u>
Aging of non-accrual loans:		
90 – 120 days	460,230	1,080,584
120 days – 1 year	1,459,314	1,298,146
> 1 year	3,079,692	1,932,589
Total	\$ <u>4,999,236</u>	\$ <u>4,311,319</u>

In determining the recoverability of a loan receivable, the Company considers any change in the credit quality of the loan receivable from the date the loan was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the provision for loan losses.

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT
LTD. (FUNDACCESS)**

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

7. Property, plant and equipment

	Furniture and fixtures	Computer equipment	Motor vehicles	Total
Cost				
Balances – beginning of year	328,252	441,109	77,202	846,563
Additions	12,373	20,731	-	33,104
Disposals	(3,130)	-	-	(3,130)
Balances – end of year	337,495	461,840	77,202	876,537
Accumulated depreciation				
Balances – beginning of year	187,647	381,571	46,320	615,538
Charge for the year	43,241	28,205	15,440	86,886
Disposal	(1,217)	-	-	(1,217)
Balances – end of year	229,671	409,776	61,760	701,207
Net book value				
Beginning of year	140,605	59,538	30,882	231,025
End of year	\$ 107,824	52,064	15,442	175,330

8. Accounts payable and accruals

	2013	2012
Accounts payables	54,324	49,078
Accrued expenses	141,368	211,798
	\$ 195,692	\$ 260,876

The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. No interest is charged on trade payables.

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT
LTD. (FUNDACCESS)**

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

9. Loans payable

	2013	2012
Opening balance	3,703,271	3,567,583
Proceeds of loan payable	-	1,000,000
Repayments	(553,386)	(864,312)
Ending balance	3,149,885	3,703,271
Current Portion	1,180,020	865,884
Long term portion	\$ 1,969,865	\$ 2,837,387
Loan – National Insurance Board	87,385	128,271
Loan – Ministry of Finance	1,562,500	1,875,000
Loan – Central Bank of Barbados	1,500,000	1,700,000
	\$ 3,149,885	\$ 3,703,271

Loan – National Insurance Board

On September 29, 2001, the Company received a loan of \$500,000 from the National Insurance Board. The loan bears interest at a rate of 4% per annum and is repayable by semi-annual instalments totalling \$45,989 due in June and December, on account of principal and interest which commenced in June 2002. The loan is secured by a letter of comfort from the Ministry of Finance and matures in 2015.

Loan – Ministry of Finance

On 19 May 2005, the Company received the sum of \$5,000,000 as a loan from the Government of Barbados to establish the Bed and Breakfast Home Accommodation Loan Fund, an initiative of the Ministry of Tourism (See note 6).

The loan bears interest at a rate of 2.5% per annum on the reducing balance and is for a period of 10 years with a 2 year moratorium on principal and interest. Repayments were to commence on June 30, 2007 and consist of 16 semi-annual instalments of principal and interest. On October 17, 2007 the Company sought and received approval from the Ministry of Finance to a waiver of interest for the first two years of the loan. Such approval was granted and the repayment period commenced on June 30, 2008 based on the new terms of the loan. The loan now matures in 2015.

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT
LTD. (FUNDACCESS)**

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

9. Loans payable (continued)

Loan – Central Bank of Barbados

On December 14, 2010, the Company signed an agreement with the Central Bank of Barbados to access \$1,000,000 through the Industrial Credit Fund. The loan was disbursed in January of 2011 and is repayable in forty quarterly instalments of \$25,000 plus interest commencing March 31, 2011 with the final instalment due on December 31, 2020. Interest is charged on the reducing balance at a rate of 2.25% per annum.

On February 12, 2012, the Company signed a second loan agreement with the Central Bank of Barbados for \$1,000,000. This loan is repayable in forty quarterly instalments of \$25,000 plus interest commencing March 31, 2012 with the final instalment due on December 31, 2021. Interest is charged on the reducing balance at a rate of 2.25% per annum.

Repayment profile

	2013	2012
On demand or within one year	1,180,020	865,884
In the second year	869,865	868,387
In the third to fifth year inclusive	900,000	1,269,000
After five years	200,000	700,000
	\$ 3,149,885	\$ 3,703,271

10. Deferred revenue

	2013	2012
Deferred revenue - beginning of year	480,685	430,753
Additions	157,032	214,752
Amortization	(141,945)	(164,820)
Deferred revenue - end of year	\$ 495,772	\$ 480,685

THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD. (FUNDACCESS)

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

11. Stated Capital

Authorised

The company is authorised to issue an unlimited number of Class A and Class B common shares.

Issued

	2013	2012
106,767 (2012– 106,767) Class “A” common shares	\$ <u>10,676,700</u>	\$ <u>10,676,700</u>

12. Interest subsidy

In November 2003, the Board of Directors agreed to reduce the interest rate charged on new loans from 11.5% to 6%. Effective January 1, 2004, all existing loans were refinanced at the lower interest rate. The Government of Barbados has undertaken to cover the shortfall resulting from the reduced rate. The amount received during the year was \$2,157,325 (2012 - \$1,883,324).

13. Additional subsidies

In 2007, the Agency requested additional funding from the Government of Barbados to assist with its operating cost and for financing of loans to clients. The Government approved additional funding over a three year period beginning in financial year 2007. During the year the Company received \$Nil (2012 - \$622,319) in additional subsidies.

14. Technical assistance grant

The technical assistance grant is comprised of a fixed amount of \$600,000 received from the Government of Barbados to be allocated to the technical assistance programme and is exempt from taxation.

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT
LTD. (FUNDACCESS)**

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

15. Interest – Other

	2013	2012
Staff loans	27,590	26,569
Bank account	4,215	6,303
Term deposits	1,541	24,572
The Barbados Light & Power - deposit	870	813
	<u>\$ 34,216</u>	<u>\$ 58,257</u>

16. Compensation of key management personnel

The remuneration of directors and other members of key management during the year included in operating expenses as follows:

	2013	2012
Salaries and staff costs	454,246	455,323
Directors' fees	53,486	52,653
	<u>\$ 507,732</u>	<u>\$ 507,976</u>

17. Taxation

	2013	2012
The taxation charge comprises:		
Current taxation	-	-
	<u>\$ -</u>	<u>-</u>
Reconciliation of taxation charge:		
Income before taxation	342,886	829,865
Tax charge at 25 %	85,722	207,466
Tax effect of losses not recognised (utilised)	60,787	(58,326)
Under accrual of deferred tax	3,381	750
Tax effect of depreciation on vehicle not subject to tax	110	110
Tax effect of income not subject to tax	(150,000)	(150,000)
	<u>\$ -</u>	<u>\$ -</u>

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT
LTD. (FUNDACCESS)**

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

17. Taxation (continued)

During the year the Company recorded tax losses in the amount of \$243,149 in respect of which a deferred tax asset was not recognised, due to the uncertainty that sufficient profits would have been available for utilisation of these losses. The estimated amount of the tax assets, calculated at the tax rate enacted at year end is stated below:

Year of income	Losses b/f	Incurred	Utilised	Losses c/f	Tax effect	Expiry date
2011	317,349	-	-	317,349	737	2020
		24				
		3,				
2013			-	243,149	687	2022
		24			14	
		3,			0,	
	\$ 317,349		-	560,498		

These losses have not yet been agreed with the Commissioner of Inland Revenue, but are not in dispute.

18. Pension plan

The Company operates a defined contribution pension plan which commenced on April 1, 2013. Contributions to the plan are determined by an independent qualified actuary. Members of the plan contribute 2.5% of their pensionable salary below the NIS maximum plus 7.5% of any salary in excess of this maximum to the pension plan. The Company's contribution is equal to 100% of the total employee contribution plus past service contributions for members at inception of the plan.

The assets of this plan are held separately from those of the Company and are invested and managed by its Trustees. Contributions to the plan are charged to income. Contributions for the year amounted to \$80,299. At year end, the market value of the assets of the plan was \$80,705. These assets are held in a combination of shares and local mutual funds.

19. Commitments

As at December 31, 2013, commitments to provide funding for new loans amounted to \$485,064 (2012- \$447,994).

THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD. (FUNDACCESS)

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

20. Financial instruments

The Company's activity as providers of financial assistance to emerging micro enterprises is one which involves transactions that are speculative in nature. Financial instruments consist of cash and cash equivalents, accounts receivable and prepayments, receivable from government, accounts payable and accruals and loans payable.

Interest rate risk

Interest rate risk is the risk that the fair value of or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Investments

The Company had no investments and is thus not exposed to interest rate risk at the end of financial year 2013.

Borrowings

The interest rates on loans payable disclosed in Note 10 are fixed and therefore the company is not exposed to variations in interest rates on its borrowings.

Loans

The interest rate on loans advanced is currently subsidized by the Government of Barbados. At the end of the financial year, the company recorded a receivable which was a result of the non-coterminus fiscal periods of the company and the Government of Barbados.

There is nothing to suggest that the subsidy arrangement will cease, and in the event that this occurs, the Board of Directors will alter the interest rate to minimize the company's exposure.

Credit risk

Credit risk arises from the possibility that counter parties may default in their obligations to the Company.

Concentration of credit risk exists if a number of clients are engaged in similar activities or are located in the same industry sector or have similar economic characteristics such that their ability to meet contractual obligations would be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD. (FUNDACCESS)

Statement of cash flows

For the year ended December 31, 2013

(expressed in Barbados dollars)

20. Financial instruments (continued)

The maximum credit risk exposure of financial assets recognised in the statement of financial position is represented by the carrying amount of the financial assets.

Liquidity risk

The company manages its liquidity risk by monitoring future cash flows to ensure that cash requirements can be met.

Fair value

Fair value amounts represent the approximate values at which financial instruments could be exchanged in current transactions between willing parties. However, it is not possible to determine independently the estimated fair values of the Company's financial instruments which are considered to approximate their book values.

21. Economic dependence

The Company depends on subsidies and grants from the government of Barbados in order to sustain its operations.

22. Capital risk management policies and objectives

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to its shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of debt that includes the borrowings disclosed in Note 10 and equity comprising stated capital and retained earnings as disclosed in the statement of changes in shareholders' equity.

The Board of Directors reviews the capital structure on an annual basis. As a part of this review, the Board of Directors considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the Board of Directors, the Company will balance its overall capital structure, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The Company's overall strategy remains unchanged from 2012.

THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD. (FUNDACCESS)

Index to the financial statements

	Page
Corporate information	1 - 2
Management report	3 - 5
Auditor's report	6
Statement of financial position	7
Statement of changes in equity	8
Statement of comprehensive income	9
Statement of cash flows	10
Notes to the financial statements	11 - 26



Independent Auditor's Report

To the Shareholder

The Barbados Agency for Micro Enterprise Development Ltd. (FundAccess)

I have audited the accompanying financial statements of The Barbados Agency for Micro Enterprise Development Ltd. (FundAccess), which comprise the related statement of financial position as at December 31, 2013 and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of The Barbados Agency for Micro Enterprise Development Ltd. (FundAccess) as at December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Rudolph R. Prescod

Chartered Accountant

April 22, 2015

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD.
(FUNDACCESS)**

Corporate information

31 December 2013

Directors

Year	Directors	Effective date
2009 - 2012	Mr. Lindell Earle - Chairman Mr. Dale Lashley – Deputy Chairman Mrs. Yvonne Cottle-Hinds Mr. Leslie Parris Mrs. Janice Estwick Mr. Peter Whitehall Mr. Kammie Holder	5 May 2009
2013	Mr. Hugh McClean - Chairman Mr. Dale Lashley - Deputy Chairman Ms. Keisha King Mr. Anthony Hall Mr. Hyrone Boyce Mrs. Janice Estwick Mr. Peter Whitehall	24 May 2013

Officers

Mr. Hamilton Roach	- General Manager
Mrs. Esther Lord-Graham	- Finance Manager
Mr. Gerald Amos	- Manager - Information Systems
Mr. Kirk Dottin	- Manager - Business Development
Mr. Michael Callender	- Manager - Credit and Project Development

Registered Office

City Building
Pinfold Street
Bridgetown
Barbados

Secretary

Mr. Hamilton Roach

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD.
(FUNDACCESS)**

Corporate information

31 December 2013

Attorney-at-law

Jones & Goodridge
Pinfold Street
St. Michael
Barbados

Bankers

RBC Royal Bank (Barbados) Limited
(formerly)
RBTT Bank (Barbados) Ltd
Broad Street
Bridgetown
St. Michael
Barbados

Republic Bank Barbados Limited
(formerly)
Barbados National Bank
Broad Street
Bridgetown
St. Michael
Barbados

First Citizens Investment Services Barbados) Limited
Warrens Great house
Warrens
St. Michael
Barbados

Auditors

Rudolph Prescod C.A.
#26 Gemswick Gardens
St. Philip
Barbados

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD.
(FUNDACCESS)**

Management report

31 December 2013

FundAccess recorded a profit of \$342,866 as a result of its operations for the year ended December 31, 2013. The agency continues to record success in managing the operating expenses recording an overall decrease of \$207,264 or 5.85% over FY 2012.

During the year 91 loans totaling \$3,623,780 were advanced to 64 clients and 126 job opportunities were created as seen in the charts below.

TABLE 1

Loans Approved 1998-2013

Calendar Year	Value of Loans approved	Job Opportunities
1998	1,909,042	200
1999	1,190,205	86
2000	646,123	63
2001	525,691	26
2002	581,677	23
2003	1,403,840	72
2004	3,339,653	113
2005	2,897,570	105
2006	3,662,163	93
2007	2,513,331	72
2008	3,981,641	119
2009	3,081,814	73
2010	3,520,449	106
2011	5,326,704	175
2012	5,031,027	155
2013	3,623,780	126

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD.
(FUNDAACCESS)**

Management report

31 December 2013

FIGURE 1



At December 2013, FundAccess loan portfolio was valued at \$21,836,087 with the services sector accounting for 58% of the total portfolio as seen in the charts below.

TABLE 11

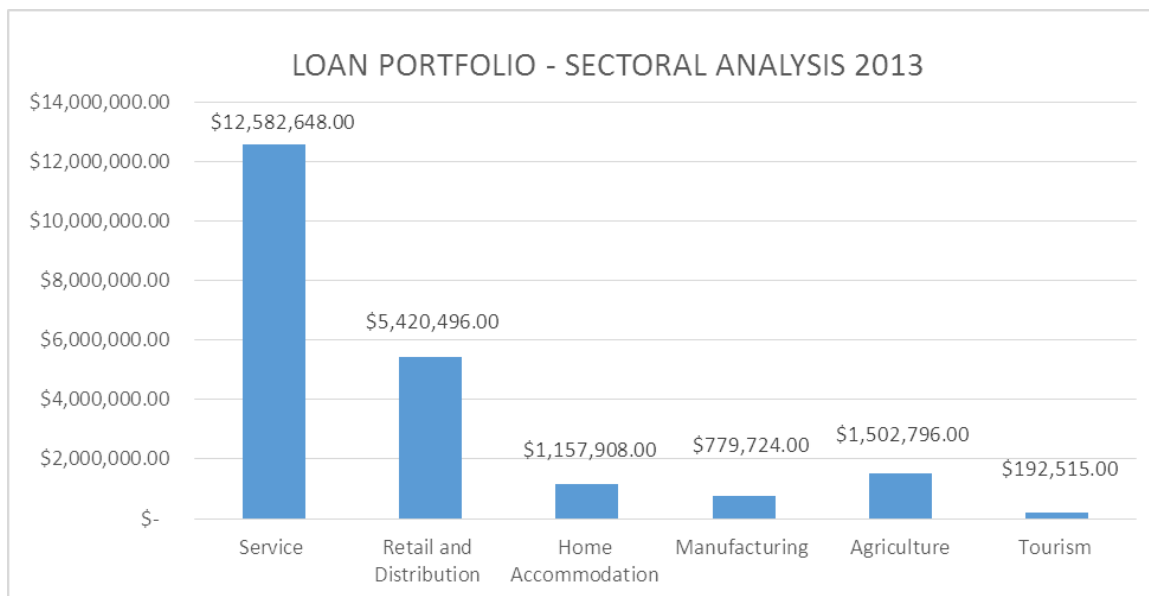
Sector	Value	%
Service	12,582,648.00	58%
Retail and Distribution	5,420,496.00	25%
Home Accommodation	1,157,908.00	5%
Manufacturing	779,724.00	4%
Agriculture	1,502,796.00	7%
Tourism	192,515.00	1%
	21,636,087.00	100%

THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD. (FUNDAACCESS)

Management report

31 December 2013

FIGURE 11



The task of creating an entrepreneurial culture in Barbados continued and FundAccess is proud to report that by the end of December 2013, FundAccess had disbursed 1,491 loans totaling \$43,144,710 which accounted for the creation or retention of 1,607 jobs and business development services continued to play a major role in assuring that there were few business closures during the year.

The staff of FundAccess continues to be its major asset and on behalf of the management team, I would like to express my gratitude for their continued support and dedication. I would also like to express my thanks to the Directors for their continued support.


Esther Lord-Graham
Finance Manager