

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

**Financial statements
December 31, 2009**

(expressed in Barbados dollars)

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

Statement of financial position

As at December 31, 2009

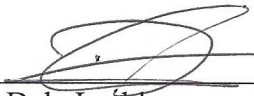
(expressed in Barbados dollars)

	Notes	2009	2008
Assets			
Current assets			
Cash and cash equivalents	4	4,088,559	1,986,355
Accounts receivable and prepayments		589,667	381,644
Interest subsidy receivable	6	-	52,773
Corporation tax recoverable		55,336	49,686
		<u>4,733,562</u>	<u>2,470,458</u>
Non-current assets			
Loans receivable	7	12,289,861	11,998,711
Property, plant and equipment	8	123,154	105,774
		<u>12,413,015</u>	<u>12,104,485</u>
Total assets		<u>\$ 17,146,577</u>	<u>\$ 14,574,943</u>
Liabilities			
Current liabilities			
Accounts payable and accruals	9	165,041	308,255
Current portion of loans payable	10	661,346	659,948
		<u>826,387</u>	<u>968,203</u>
Non-current liabilities			
Loans payable	10	3,330,384	3,991,730
Deferred revenue	11	331,981	305,294
		<u>3,662,365</u>	<u>4,297,024</u>
Shareholders' equity			
Stated capital	12	10,676,700	10,676,700
Retained earnings (Accumulated deficit)		1,981,125	(1,366,984)
		<u>12,657,825</u>	<u>9,309,716</u>
Total equity and liabilities		<u>\$ 17,146,577</u>	<u>\$ 14,574,943</u>

Approved on October 23, 2013 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 changes in equity
For the year ended December 31, 2009

(expressed in Barbados dollars)

	Stated Capital	Retained earnings (Accumulated deficit)	Total
Balances – December 31, 2007	10,676,700	(2,740,069)	7,936,631
Net income for the year	-	1,373,085	1,373,085
Balances – December 31, 2008	10,676,700	(1,366,984)	9,309,716
Net income for the year	-	3,348,109	3,348,109
Balances – December 31, 2009	\$ 10,676,700	\$ 1,981,125	\$ 12,657,825

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

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT
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Statement of comprehensive income

For the year ended December 31, 2009

(expressed in Barbados dollars)

	Notes	2009	2008
Revenue			
Additional subsidies	14	3,869,823	1,700,000
Interest subsidy	6	1,117,008	848,000
Interest on loans		648,135	621,459
Technical assistance grant	5	600,000	595,040
Fees		90,275	128,865
Interest – Other	13	116,745	62,812
Bad debt recoveries	7	79,058	61,539
Other income		1,028	701
		<u>6,522,072</u>	<u>4,018,416</u>
Expenses			
Operating		2,006,039	1,832,056
Provision for loan losses	7	1,013,479	633,595
Interest and bank charges		111,556	135,162
Depreciation	8	41,340	44,518
		<u>3,172,414</u>	<u>2,645,331</u>
Income before taxation		3,349,658	1,373,085
Taxation	16	1,549	-
Net income being comprehensive income		\$ <u>3,348,109</u>	\$ <u>1,373,085</u>

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

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT
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Statement of cash flows

For the year ended December 31, 2009

(expressed in Barbados dollars)

	2009	2008
Operating activities		
Net income	3,349,658	1,373,085
Adjustments for:		
Bad debt recoveries	(79,058)	(61,539)
Provision for loan losses	1,013,479	633,595
Amortisation of deferred revenue	(90,275)	(61,590)
Depreciation	41,340	44,518
	<u>4,235,114</u>	<u>1,928,069</u>
Changes in non cash operating items		
Accounts receivable and prepayments	(208,023)	(68,929)
Technical assistance grant receivable	-	35,638
Interest subsidy receivable	52,773	127,175
Loans receivable	(1,225,571)	(1,688,117)
Accounts payable and accruals	(143,214)	(88,666)
Deferred revenue	116,962	111,514
	<u>2,828,071</u>	<u>356,684</u>
Taxation paid – current year	(7,199)	(3,660)
Taxation paid – prior years	-	(26,862)
<i>Net cash from operating activities</i>	<u>2,820,872</u>	<u>326,162</u>
Investing activities		
Purchase of property, plant and equipment	(58,720)	(50,841)
<i>Net cash used in investing activities</i>	<u>(58,720)</u>	<u>(50,841)</u>
Financing activities		
Repayment of loans payable	(659,948)	(657,956)
<i>Net cash used in financing activities</i>	<u>(659,948)</u>	<u>(657,956)</u>
Net increase (decrease) in cash and cash equivalents	2,102,204	(382,635)
Cash and cash equivalents – beginning of year	<u>1,986,355</u>	<u>2,368,990</u>
Cash and cash equivalents – end of year	\$ <u>4,088,559</u>	\$ <u>1,986,355</u>

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

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

Notes to the financial statements

December 31, 2009

(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

New and revised standards and interpretation that became effective for the current period are as follows:

IAS 1	Presentation of financial statements
IAS 16	Property, plant and equipment (and consequential amendment to IAS 7)
IAS 20	Accounting for government grants and disclosure of government assistance (Amendment)
IAS 23	Borrowing costs
IAS 29	Financial reporting in hyperinflationary economies
IAS 31	Interests in joint ventures – (and consequential amendment to IAS 32 and IFRS 7)
IAS 32 and IAS 1	Puttable financial instruments and obligations arising on liquidation
IAS 38	Intangible assets
IAS 39	Amendments to IAS 39 and IFRS 7 – Reclassification of financial assets
IAS 40	Investment Property (and consequential amendment to IAS 16)
IAS 41	Agriculture
IFRIC 13	Customer loyalty programmes
IFRIC 15	Agreements for construction of real estate
IFRIC 16	Hedges of a net investment in a foreign operation
IFRS 2	Share-based payments – Vesting conditions and cancellations
IFRS 7	Improving disclosures about financial instruments
IFRS 8	Operating segments

The adoption of these interpretations has not led to any changes in the Company’s accounting policies or disclosures.

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

Notes to the financial statements

December 31, 2009

(expressed in Barbados dollars)

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

New and revised standards and interpretation that are not yet effective and have not been early adopted are as follows:

IAS 1	Presentation of financial statements – (Amendment)
IAS 24	Related party disclosures – (Amendment)
IAS 27	Consolidated and separate financial statements – (Revised)
IAS 32	Classification of rights issue – (Amendment)
IAS 38	Intangible assets – (Amendment)
IAS 39	Financial Instruments: Recognition and measurement – Eligible hedged items
IFRIC 17	Distribution of non-cash assets to owners
IFRIC 18	Transfers of assets from customers
IFRS 3	Business combinations – (Revised)
IFRS 5	Measurement of non-current assets (or disposal groups) classified as held for sale and discontinued operations – (Amendment)
IFRS 9	Financial instruments

The future adoption of the standards and interpretations is not expected to lead to any changes in the Company's accounting policies or disclosures.

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 BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD. (FUNDACCESS)

Notes to the financial statements

December 31, 2009

(expressed in Barbados dollars)

3. Significant accounting policies (continued)

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.

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 comprise specific provisions and a general provision. Specific provisions are made, on an individual basis, where management is of the opinion that collection is doubtful. A general provision is also established based on loan loss experience, current economic conditions and other factors.

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

Notes to the financial statements

December 31, 2009

(expressed in Barbados dollars)

3. Significant accounting policies (continued)

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.

Technical assistance grant and Government subsidies

Technical assistance grants and interest subsidies are reimbursements of specific expenses and interest shortfalls respectively (*see note 6*) and are recorded in the statement of income in the period when due. Other subsidies 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 income.

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

Notes to the financial statements

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(expressed in Barbados dollars)

3. Significant accounting policies (continued)

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.

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 loss. 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.

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(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 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

	2009	2008
Cash at bank	811,291	950,993
Short term deposits (maturing in six (6) months)	3,027,268	1,035,362
Short term investment	250,000	-
	<u>4,088,559</u>	<u>\$ 1,986,355</u>

5. 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.

Details of the movement for the year are as follows:

	2009	2008
Revenue	600,000	595,040
Shortfall	-	4,960
	<u>\$ 600,000</u>	<u>\$ 600,000</u>

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6. Interest subsidy receivable

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 due at the end of the year was \$ nil (2008 - \$52,773).

7. Loans receivable

	2009	2008
Service	7,864,698	7,109,744
Retail and distribution	4,083,575	3,611,960
Manufacturing	712,949	840,004
Tourism	227,484	245,553
Agriculture	410,759	204,336
Home accommodation	1,482,102	1,544,399
	\$ 14,781,567	\$ 13,555,996
Provision for loan losses		
Specific:		
Balances – beginning of year	1,557,285	1,013,297
Recoveries	(79,058)	(61,539)
Increase in provision	1,013,479	633,595
Opening balance adjustment	-	(28,068)
Balances – end of year	\$ 2,491,706	\$ 1,557,285
Total provision for loan losses	\$ 12,289,861	\$ 11,998,711
Maturity schedule:		
Repayment due:		
On demand or within one year	1,662,662	1,174,649
In the second year	553,258	557,495
In the third to fifth year, inclusive	3,204,317	3,107,782
After five years	9,361,330	8,716,070
	\$ 14,781,567	\$ 13,555,996
Average interest rate	6 %	6%

**THE BARBADOS AGENCY FOR MICRO ENTERPRISE
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Notes to the financial statements

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(expressed in Barbados dollars)

7. Loans receivable (continued)

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 10). As of December 31, Home Accommodation loans amounted to \$1,482,102 (2008 - \$1,544,399).

Loans include non-accrual loans of \$1,867,953 (2008 - \$1,845,684).

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. Of the interest and loan receivable balance at the end of the year \$7,864,698 (2008 - \$7,109,744) or 52% (2008 - 55%) is due from the service sector as disclosed above.

Included in the Company's loan receivable balance are debtors with a carrying amount of \$88,320 (2008 - \$206,643) 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.

	2009	2008
Aging of past due but not impaired:		
90 – 120 days	32,759	116,813
120 days – 1 year	15,095	86,255
> 1 year	40,466	3,575
Total	\$ 88,320	\$ 206,643
Aging of non-accrual loans:		
90 – 120 days	374,980	179,601
120 days – 1 year	1,263,935	1,335,329
> 1 year	229,038	330,754
Total	\$ 1,867,953	\$ 1,845,684

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)**

Notes to the financial statements

December 31, 2009

(expressed in Barbados dollars)

8. Property, plant and equipment

	Furniture and fittings	Computer equipment	Motor vehicles	Total
Cost				
Balances – beginning of year	199,606	366,667	60,422	626,695
Additions	10,283	48,437	-	58,720
Disposals	(10,714)	(61,360)	-	(72,074)
Balances – end of year	199,175	353,744	60,422	613,341
Accumulated depreciation				
Balances – beginning of year	159,615	302,897	58,409	520,921
Charge for the year	14,386	24,941	2,013	41,340
Disposals	(10,714)	(61,360)	-	(72,074)
Balances – end of year	163,287	266,478	60,422	490,187
Net book value				
Beginning of year	39,991	63,770	2,013	105,774
End of year	\$ 35,888	87,266	-	123,154

9. Accounts payable and accruals

	2009	2008
Trade payables	58,834	70,207
Accrued expenses	106,207	67,485
Other	-	170,563
	\$ 165,041	\$ 308,255

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.

Included in other is an amount of \$nil (2008 - \$170,563) which was received from the Social Investment Fund and which relates to the provision of loan financing to the Irving Wilson School and the Community Tourism Foundation in the amount of \$nil and \$nil (2008 - \$13,863 and \$156,700) respectively.

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

Notes to the financial statements

December 31, 2009

(expressed in Barbados dollars)

10. Loans payable

	2009	2008
Opening balance	4,651,678	5,309,634
Repayments	(659,948)	(657,956)
Ending balance	3,991,730	4,651,678
Current Portion	661,346	659,948
Long term portion	\$ 3,330,384	\$ 3,991,730
Loan – National Insurance Board	241,730	276,678
Loan – Ministry of Finance	3,750,000	4,375,000
	\$ 3,991,730	\$ 4,651,678

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. It is secured by a letter of comfort from the Ministry of Finance.

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 7).

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 commenced 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. The repayment period commenced on June 30, 2008 based on the new terms of the loan.

Repayment profile

	2009	2008
On demand or within one year	661,346	659,948
In the second year	662,800	661,346
In the third to fifth year inclusive	1,997,716	1,992,996
After five years	669,868	1,337,388
	\$ 3,991,730	\$ 4,651,678

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December 31, 2009

(expressed in Barbados dollars)

11. Deferred revenue

	2009	2008
Deferred revenue, beginning of year	305,294	255,370
Additions	116,962	111,514
Amortization	(90,275)	(61,590)
	\$ 331,981	\$ 305,294

12. Stated Capital

Authorised

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

Issued

Stated capital – 106,767 (2008 – 106,767)
Class “A” common shares

	2009	2008
	\$ 10,676,700	\$ 10,676,700

13. Interest – Other

	2009	2008
Term deposits	89,606	36,206
Staff loans	21,052	14,882
Chequing account	5,426	11,153
The Barbados Light & Power - deposit	661	571
	\$ 116,745	\$ 62,812

14. 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 \$3,869,823 (2008 - \$1,700,000) in additional subsidies.

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15. Compensation of key management personnel

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

	2009	2008
Salaries and staff costs	453,820	374,475
Director s' fees	52,260	50,877
	\$ 506,080	\$ 425,352

16. Taxation

	2009	2008
The taxation charge comprises:		
Current taxation	\$ 1,549	\$ -
Reconciliation of taxation charge:		
Income before taxation	3,349,658	1,373,085
Tax charge at 25%	837,415	343,271
Tax effect of losses utilised	(681,971)	(192,607)
Under accrual of deferred tax	(3,895)	(664)
Tax effect of income not subject to tax (\$600,000)	(150,000)	(150,000)
	\$ 1,549	\$ -

During the year the Company utilised tax losses in the amount of \$2,727,882 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 BARBADOS AGENCY FOR MICRO ENTERPRISE DEVELOPMENT LTD. (FUNDACCESS)

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December 31, 2009

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16. Taxation (continued)

The estimated amount of the tax assets, calculated at the rate of 25% is as stated below:

Year of income	Losses b/f	Incurred	Utilised	Losses c/f	Tax effect	Expiry date
2002	301,767	-	(301,767)	-	-	2011
2003	1,124,750	-	(1,124,750)	-	-	2012
2004	562,547	-	(562,547)	-	-	2013
2005	200,759	-	(200,759)	-	-	2014
2006	538,059	-	(538,059)	-	-	2015
	<u>2,727,882</u>	-	<u>(2,727,882)</u>	-	-	

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

17. Commitments

As at December 31, 2009, commitments to provide funding for new loans amounted to \$272,981 (2008 - \$203,144).

18. 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, accounts receivable and prepayment, technical assistance grant receivable, interest subsidy receivable, loans receivable, 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.

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

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(expressed in Barbados dollars)

19. Financial instruments (continued)

Investments

The Company had no investments and is thus not exposed to interest rate risk at the end of financial year 2009.

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-coterminous 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 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 liquidity risk by maintaining adequate reserves and borrowings as disclosed in Note 10 to ensure that it has sufficient cash flows to fund its operations.

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

Notes to the financial statements

December 31, 2009

(expressed in Barbados dollars)

20. Financial instruments (continued)

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 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 2008.

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

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Independent Auditor's Report

To the shareholders

The Barbados Agency for Micro Enterprise Development Ltd.

I have audited the accompanying financial statements of The Barbados Agency for Micro Enterprise Development Ltd., which comprise the statement of financial position as at December 31, 2009, the statement of comprehensive income, statement of changes in equity, 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 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 the audit. I conducted the 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 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. as at December 31, 2009, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards applicable in Barbados.

Rudolph R. Prescod
Chartered Accountant
October 23, 2013

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

Corporate information

31 December 2009

Directors

Year	Directors	
2008	Mr. Martin Pritchard - Chairman Mr. Dale Lashley – Deputy Chairman Mr. Peter Whitehall Mrs. Janice Estwick Mr. George Bennett Mr. David Leacock Mr. Elias Haloute	14 February 2008
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

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

Corporate information

31 December 2009

Registered Office

City Building
Pinfold Street
Bridgetown
Barbados

Secretary

Mr. Hamilton Roach

Attorney-at-law

Doria Moore
Kingscote
#12, 8th Avenue
St. Michael
Barbados

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

Auditors

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

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

Management Report

31 December 2009

For the year ended December 31, 2009, FundAccess reported a profit of \$3,349,658 as compared to 1,373,085 when compared to year 2008. This profit was in large measure due to the transfer of \$2.4 dollars from the Social Investment Fund, whose operations were discontinued.

During the year under review, FundAccess approved loans totaling \$3,081,814 to 60 clients and created 73 job opportunities. Refer to Table 1 and Figure 1.

TABLE 1

Loans Approved 1998-2009

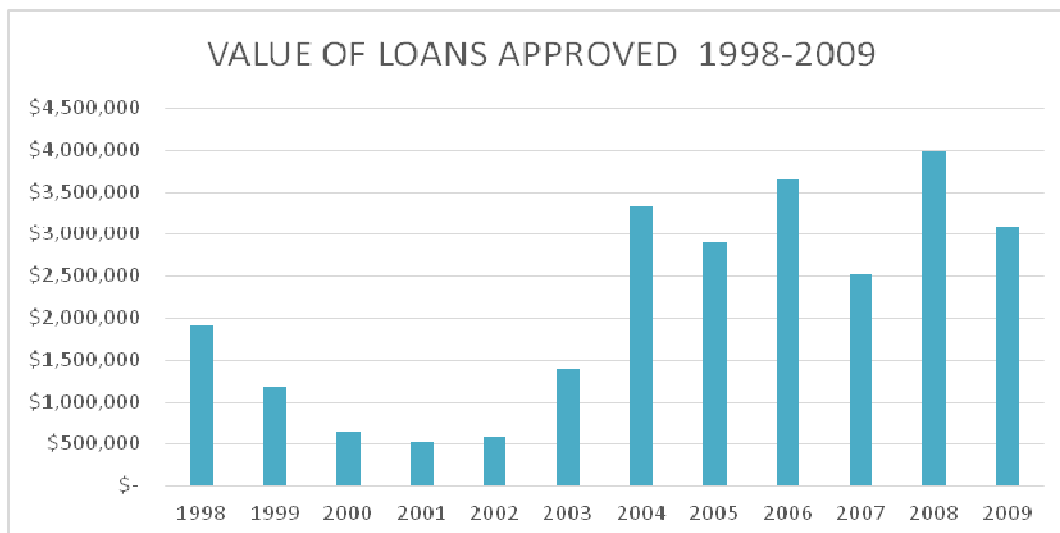
Calendar Year	Value of Loans approved	Job Opportunities
1998	1,909,042	200
1999	1,190,205	86
2000	646,123	63
2001	525,691	26
2002	581,677	23
2003	1,403,840	72
2004	3,339,653	113
2005	2,897,570	105
2006	3,662,163	93
2007	2,513,331	72
2008	3,981,641	119
2009	3,081,814	73

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

Management Report

31 December 2009

FIGURE 1



At December 2009, FundAccess' loan portfolio comprised fourteen million, six hundred and eighty one thousand, five hundred and sixty seven dollars (\$14,781,567) in various sectors as seen in the table 11 and figure 11. The Service sector and the Retail and Distribution sector continue to attract the largest amount of financing, accounting for 81% of the total loan portfolio.

TABLE 11

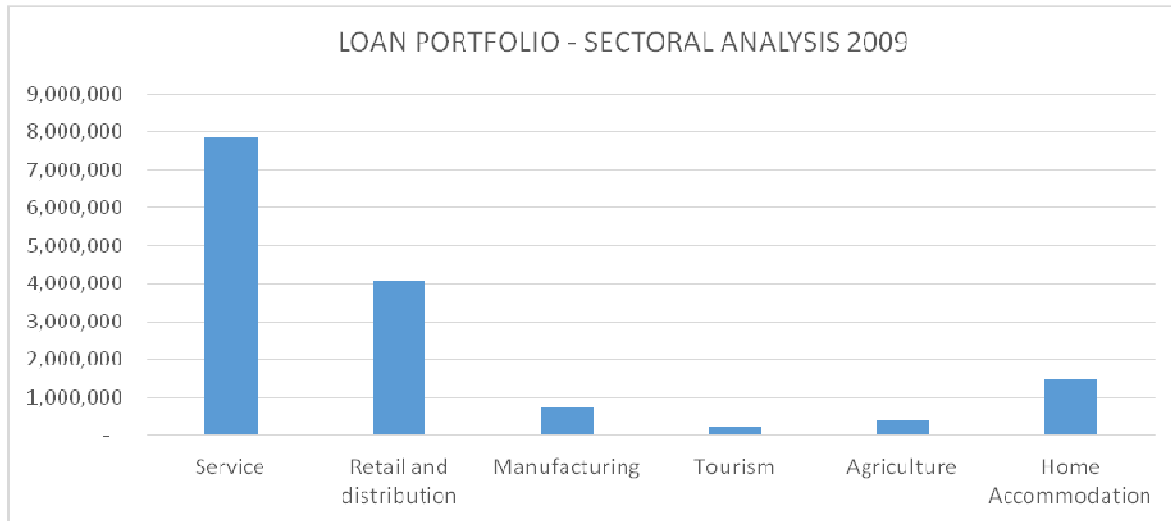
Sector	Value
Service	7,864,698
Retail and distribution	4,083,575
Manufacturing	712,949
Tourism	227,484
Agriculture	410,759
Home accommodation	1,482,102
	\$ 14,781,567

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

Management Report

31 December 2009

FIGURE 11



At the end of December 31, 2009, FundAccess had created in total one thousand and forty five (1,045) job opportunities and thus continues to play a vital role in the financing and development of the micro and small business sector in Barbados

On behalf of management, I would like to express my gratitude to the Directors, staff and shareholders for their continued support.

Hamilton Roach
General Manager