

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

**Financial statements
December 31, 2008**

(expressed in Barbados dollars)

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

Statement of financial position

As at December 31, 2008

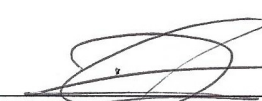
(expressed in Barbados dollars)

	Notes	2008	2007
Assets			
Current assets			
Cash and cash equivalents	4	1,986,355	2,368,990
Accounts receivable and prepayments		381,644	312,715
Technical assistance grant receivable	5	-	35,638
Interest subsidy receivable	6	52,773	179,948
Corporation tax recoverable		49,686	19,164
		<u>2,470,458</u>	<u>2,916,455</u>
Non-current assets			
Loans receivable	7	11,998,711	10,882,650
Property, plant and equipment	8	105,774	99,451
		<u>12,104,485</u>	<u>10,982,101</u>
Total assets		<u>\$ 14,574,943</u>	<u>\$ 13,898,556</u>
Liabilities			
Current liabilities			
Accounts payable and accruals	9	308,255	396,921
Current portion of loan payable	10	659,948	658,604
		<u>968,203</u>	<u>1,055,525</u>
Non-current liabilities			
Loans payable	10	3,991,730	4,651,030
Deferred revenue	11	305,294	255,370
		<u>4,297,024</u>	<u>4,906,400</u>
Shareholders' equity			
Stated capital	12	10,676,700	10,676,700
Accumulated deficit		(1,366,984)	(2,740,069)
		<u>9,309,716</u>	<u>7,936,631</u>
Total equity and liabilities		<u>\$ 14,574,943</u>	<u>\$ 13,898,556</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, 2008

(expressed in Barbados dollars)

	Stated Capital	Accumulated deficit	Total
Balances – December 31, 2006	10,676,700	(4,761,977)	5,914,723
Net income for the year	-	2,021,908	2,021,908
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

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, 2008

(expressed in Barbados dollars)

	Notes	2008	2007
Revenue			
Additional subsidies	14	1,700,000	1,928,126
Interest subsidy	6	848,000	848,000
Interest on loans		621,459	589,836
Technical assistance grant	5	595,040	532,063
Fees		128,865	90,574
Interest – Other	13	62,812	46,282
Bad debt recoveries		61,539	94,099
Other income		701	942
		<u>4,018,416</u>	<u>4,129,922</u>
Expenses			
Operating		1,832,056	1,808,609
Provision for loan losses		633,595	147,189
Interest and bank charges		135,162	98,976
Depreciation	8	44,518	53,240
		<u>2,645,331</u>	<u>2,108,014</u>
Income before taxation		1,373,085	2,021,908
Taxation	16	-	-
Net income, being comprehensive income		<u>\$ 1,373,085</u>	<u>\$ 2,021,908</u>

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, 2008

(expressed in Barbados dollars)

	2008	2007
Operating activities		
Net income	1,373,085	2,021,908
Adjustments for:		
Bad debt recoveries	(61,539)	(94,099)
Provision for loan losses	633,595	147,189
Amortisation of deferred revenue	(61,590)	(122,112)
Depreciation	44,518	53,240
	<u>1,928,069</u>	<u>2,006,126</u>
Changes in non cash operating items		
Accounts receivable and prepayments	(68,929)	(102,473)
Technical assistance grant receivable	35,638	185,925
Interest subsidy receivable	127,175	(2,844)
Loans receivable	(1,688,117)	(1,748,008)
Accounts payable and accruals	(88,666)	60,982
Deferred revenue	111,514	127,536
	<u>356,684</u>	<u>527,244</u>
Taxation paid – current year	(3,660)	-
Taxation paid – prior years	(26,862)	-
<i>Net cash from operating activities</i>	<u>326,162</u>	<u>527,244</u>
Financing activities		
Loan repayments	(657,956)	(32,311)
<i>Net cash used in financing activities</i>	<u>(657,956)</u>	<u>(32,311)</u>
Investing activities		
Purchase of property, plant and equipment	(50,841)	(39,539)
<i>Net cash used in investing activities</i>	<u>(50,841)</u>	<u>(39,529)</u>
Net (decrease) increase in cash equivalents	(382,635)	455,394
Cash and cash equivalents – beginning of year	<u>2,368,990</u>	1,913,596
Cash and cash equivalents – end of year	<u>\$ 1,986,355</u>	<u>\$ 2,368,990</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, 2008

(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 39		Reclassification of financial assets (Amendment)
IFRIC 11	IFRS 2	Group and treasury share transactions
IFRIC 12		Service concession arrangements
IFRIC 14	IAS 19	The limit on a defined benefit asset, minimum funding requirements and their interaction

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

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

IAS 1	<i>Presentation of financial statements – (Amendment)</i>	Effective for annual periods beginning on or after January 1, 2009
IAS 16	<i>Property, plant and equipment – (Amendment)</i>	Effective for annual periods beginning on or after 1 January, 2009
IAS 19	<i>Employee benefits – (Amendment)</i>	Effective for annual periods beginning on or after 1 January, 2009
IAS 20	<i>Accounting for government grants and disclosure of government assistance - (Amendment)</i>	Effective for annual periods beginning on or after 1 January, 2009
IAS 23	<i>Borrowing costs - (Revised)</i>	Effective for annual periods beginning on or after 1 January, 2009
IAS 27	<i>Consolidated and separate financial statements - (Revised)</i>	Effective for annual periods beginning on or after 1 July, 2009
IAS 28	<i>Investments in Associates - (Amendment)</i>	Effective for annual periods beginning on or after 1 January, 2009

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

Notes to the financial statements

December 31, 2008

(expressed in Barbados dollars)

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

IAS 29	<i>Financial reporting in hyperinflationary economies – (Amendment)</i>	Effective for annual periods beginning on or after 1 July, 2009
IAS 31	<i>Interest in joint ventures – (Amendment)</i>	Effective for annual periods beginning on or after 1 January, 2009
IAS 32	<i>Financial Instruments: Presentation – (Amendment)</i>	Effective for annual periods beginning on or after 1 January, 2009
IAS 36	<i>Impairment of assets – (Amendment)</i>	Effective for annual periods beginning on or after 1 January 2009
IAS 38	<i>Intangible assets – (Amendment)</i>	Effective for annual periods beginning on or after 1 January 2009
IAS 39	<i>Financial Instruments: Recognition and measurement – (Amendment)</i>	Effective for annual periods beginning on or after January 1, 2009
IAS 40	<i>Investment Property – (Amendment)</i>	Effective for annual periods beginning on or after January 1, 2009
IAS 41	<i>Agriculture – (Amendment)</i>	Effective for annual periods beginning on or after January 1, 2009
IFRS 1	<i>First time Adoption of IFRS- (Amendment)</i>	Effective for annual periods beginning on or after January 1, 2009
IFRS 2	<i>Share- based payments – (Amendment)</i>	Effective for annual periods beginning on or after January 1, 2009
IFRS 3	<i>Business combinations – (Revised)</i>	Effective for annual periods beginning on or after July 1, 2009
IFRS 5	<i>Non-current assets held for sale and discontinued operations – (Amendment)</i>	Effective for annual periods beginning on or after July 1, 2009
IFRS 8	<i>Operating segments – (Amendment)</i>	Effective for annual periods beginning on or after January 1, 2009
IFRIC 13	<i>Customer loyalty programmes</i>	Effective for annual periods beginning on or after July 1, 2008
IFRIC 15	<i>Agreements for construction and real estates</i>	Effective for annual periods beginning on or after January 1, 2009
IFRIC 16	<i>Hedges of net investments in foreign operation</i>	Effective for annual periods beginning on or after October 1, 2008
IFRIC 17	<i>Distribution of non-cash assets to owners</i>	Effective for annual periods beginning on or after July 1, 2009

The future adoption of the standards and interpretations is not expected to lead 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, 2008

(expressed in Barbados dollars)

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.

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.

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

Notes to the financial statements

December 31, 2008

(expressed in Barbados dollars)

3 Significant accounting policies (continued)

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.

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

Government grants which include technical assistance grants, are for reimbursements of specific expenses and are recorded in the statement of income in the period when due. Government grants for capital are included as part of the capital funds and are amortised into the statement of income in ratio to the depreciation charge for the assets.

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.

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

Notes to the financial statements

December 31, 2008

(expressed in Barbados dollars)

3 Significant accounting policies (continued)

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.

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 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%

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

Notes to the financial statements

December 31, 2008

(expressed in Barbados dollars)

3 Significant accounting policies (continued)

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.

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

	2008	2007
Cash at bank	950,993	2,368,990
Short term deposits (maturing in six (6) months)	<u>1,035,362</u>	<u>-</u>
	\$ 1,986,355	\$ 2,368,990

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

Notes to the financial statements

December 31, 2008

(expressed in Barbados dollars)

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:

	2008	2007
Revenue	595,040	532,063
Shortfall	4,960	32,299
Amount receivable	<u>-</u>	<u>35,638</u>
	\$ 600,000	\$ 600,000

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 \$52,773 (2007 - \$179,948).

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

Notes to the financial statements

December 31, 2008

(expressed in Barbados dollars)

7 Loans receivable

	2008	2007
Service	7,109,744	6,501,122
Retail and distribution	3,611,960	2,431,574
Manufacturing	840,004	701,601
Tourism	245,553	219,114
Agriculture	204,336	241,634
Home accommodation	<u>1,544,399</u>	<u>1,800,902</u>
	\$ <u>13,555,996</u>	\$ <u>11,895,947</u>
Provision for loan losses		
Specific:		
Balances – beginning of year	1,013,297	910,207
Recoveries	(61,539)	(94,099)
Increase in provision	633,595	197,189
Opening balance adjustment	<u>(28,068)</u>	<u>-</u>
Balances – end of year	\$ <u>1,557,285</u>	\$ <u>1,013,297</u>
General:		
Balances – beginning of year	-	50,000
Decrease in provision	<u>-</u>	<u>(50,000)</u>
Balances – end of year	<u>-</u>	<u>-</u>
Total provision for loan losses	<u>1,557,285</u>	<u>1,013,297</u>
	\$ <u>11,998,711</u>	\$ <u>10,882,650</u>
Maturity schedule:		
Repayment due:		
On demand or within one year	1,174,649	814,212
In the second year	557,495	324,045
In the third to fifth year, inclusive	3,107,782	2,769,847
After five years	<u>8,716,070</u>	<u>7,987,843</u>
	\$ <u>13,555,996</u>	\$ <u>11,895,947</u>
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 10). As of December 31, Home Accommodation loans amounted to \$1,544,399 (2007 - \$1,800,902).

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

Notes to the financial statements

December 31, 2008

(expressed in Barbados dollars)

7 Loans receivable (continued)

Loans include non-accrual loans of \$1,845,684 (2007 - \$1,462,948).

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 \$7,109,744 (2007 - \$6,501,122) or 52% (2007 - 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 \$206,643 (2007 - \$499,650) 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.

	2008	2007
Aging of past due but not impaired:		
90 – 120 days	116,813	137,757
120 days – 1 year	86,255	286,355
> 1 year	3,575	75,538
Total	\$ 206,643	\$ 499,650
Aging of non-accrual loans:		
90 – 120 days	179,601	565,831
120 days – 1 year	1,335,329	811,885
> 1 year	330,754	85,252
Total	\$ 1,845,684	\$ 1,462,968

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, 2008

(expressed in Barbados dollars)

8 Property, plant and equipment

	Furniture and fittings	Computer equipment	Motor vehicles	Total
Cost				
Balances – beginning of year	187,222	328,210	60,422	575,854
Additions	12,384	38,457	-	50,841
Balances – end of year	199,606	366,667	60,422	626,695
Accumulated depreciation				
Balances – beginning of year	144,629	285,449	46,325	476,403
Charge for the year	14,986	17,448	12,084	44,518
Balances – end of year	159,615	302,897	58,409	520,921
Net book value				
Beginning of year	42,593	42,761	14,097	99,451
End of year	\$ 39,991	63,770	2,013	105,774

9 Accounts payable and accruals

	2008	2007
Trade payables	70,207	11,370
Accrued expenses	67,485	214,988
Other	170,563	170,563
	\$ 308,255	\$ 396,921

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 accounts payable is an amount of \$170,563 (2007 - \$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 \$13,863 and \$156,700 (2007 - \$13,863 and \$156,700) respectively.

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

Notes to the financial statements}

December 31, 2008

(expressed in Barbados dollars)

10 Loans payable

	2008	2007
Opening balance	5,309,634	5,341,945
Repayments	(657,956)	(32,311)
Ending balance	4,651,678	5,309,634
Current Portion	659,948	658,604
Long term portion	\$ <u>3,991,730</u>	\$ <u>4,651,030</u>
Loan – National Insurance Board	276,678	309,634
Loan – Ministry of Finance	4,375,000	5,000,000
	\$ <u>4,651,678</u>	\$ <u>5,309,634</u>

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 were to commence on June 30, 2007 and consist of 16 semi-annual principal instalments \$312,500 plus interest. On October 17, 2007, the Company sought 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.

Repayment profile

	2008	2007
On demand or within one year	659,948	658,604
In the second	661,346	659,948
In the third to fifth year inclusive	1,992,996	1,988,458
After five years	1,337,388	2,002,624
	\$ <u>4,651,678</u>	\$ <u>5,309,634</u>

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

Notes to the financial statements}

December 31, 2008

(expressed in Barbados dollars)

11 Deferred revenue

	2008	2007
Deferred revenue, beginning of year	255,370	249,946
Additions	111,514	127,536
Amortization	(61,590)	(122,112)
	\$ 305,294	\$ 255,370

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 (2007 – 106,767)

Class “A” common shares

	2008	2007
	\$ 10,676,700	\$ 10,676,700

13 Interest – Other

	2008	2007
Term deposits	36,206	30,672
Staff loans	14,882	12,326
Chequing account	11,153	2,697
The Barbados Light & Power - deposit	571	587
	\$ 62,812	\$ 46,282

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 \$1,700,000 (2007 - \$1,928,126) in additional subsidies.

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LTD. (FUNDACCESS)**

Notes to the financial statements}

December 31, 2008

(expressed in Barbados dollars)

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:

	2008	2007
Salaries and staff costs	374,475	376,669
Directors' fees	50,877	53,010
	\$ <u>425,352</u>	\$ <u>429,679</u>

16 Taxation

	2008	2007
The taxation charge comprises:		
Current taxation	\$ <u>-</u>	\$ <u>-</u>
Reconciliation of taxation charge:		
Income before taxation	<u>1,373,085</u>	<u>2,021,908</u>
Tax charge at 25%	343,271	505,477
Tax effect of losses utilised	(192,607)	(356,881)
Tax effect of deferred liabilities	(664)	1,404
Tax effect of income not subject to tax (\$600,000)	<u>(150,000)</u>	<u>(150,000)</u>
	\$ <u>-</u>	\$ <u>-</u>

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

Notes to the financial statements}

December 31, 2008

(expressed in Barbados dollars)

16 Taxation (continued)

The Company has incurred tax losses which expire as stated below. The taxation effect of these losses has not been included as a tax asset since there is uncertainty that there will be sufficient profits in future years to enable the utilisation of these losses.

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	1,072,197	-	(770,430)	301,767	75,442	2011
2003	1,124,750	-	-	1,124,750	281,188	2012
2004	562,547	-	-	562,547	140,637	2013
2005	200,759	-	-	200,759	50,190	2014
2006	538,059	-	-	538,059	134,514	2015
	<u>3,498,312</u>	<u>-</u>	<u>(770,430)</u>	<u>2,727,882</u>	<u>681,971</u>	

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

17 Commitments

As at December 31, 2008, commitments to provide funding for new loans amounted to \$203,144 (2007 - \$109,028).

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.

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

Notes to the financial statements}

December 31, 2008

(expressed in Barbados dollars)

18 Financial instruments (continued)

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 2008.

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.

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

Notes to the financial statements}

December 31, 2008

(expressed in Barbados dollars)

18 Financial instruments (continued)

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.

19 Economic dependence

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

20 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 2007.

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

Index to the financial statements

	Page
Corporate information	1 - 2
Management report	3 - 5
Audit 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 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, 2008, 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. The financial statements of the company as at December 31, 2007 were audited by another auditor whose report dated April 24, 2012 expressed an unqualified opinion.

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, 2008, and its financial performance and its cash flows for the year then ended in accordance with the 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 2008

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
Mr. 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 2008

Registered Office

City Building
Pinfold Street
Bridgetown
Barbados

Secretary

Mr. Hamilton Roach

Attorneys-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
Barbados

Republic Bank Barbados Limited
(formerly)
Barbados National Bank
Broad Street
Bridgetown
Broad Street
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 2008

FundAccess reported a profit of \$1,373,085 for the year under review as against a profit of \$2,021,908 reported for 2007. The reduction in income was due in part to a decision to be more prudent with the provision for loan losses and this amount was increased by six hundred and thirty three thousand, five hundred and ninety five dollars (\$633,595), at the end of 2008. Operating expenses for the year increased by twenty three thousand, four hundred and forty seven dollars (\$23, 447.00).

During the year under review, an additional 1.4 million dollars in loans were approved over year 2007. FundAccess approved loans totalling \$3,981,641.00 to 67 clients and created 119 job opportunities.

Table1

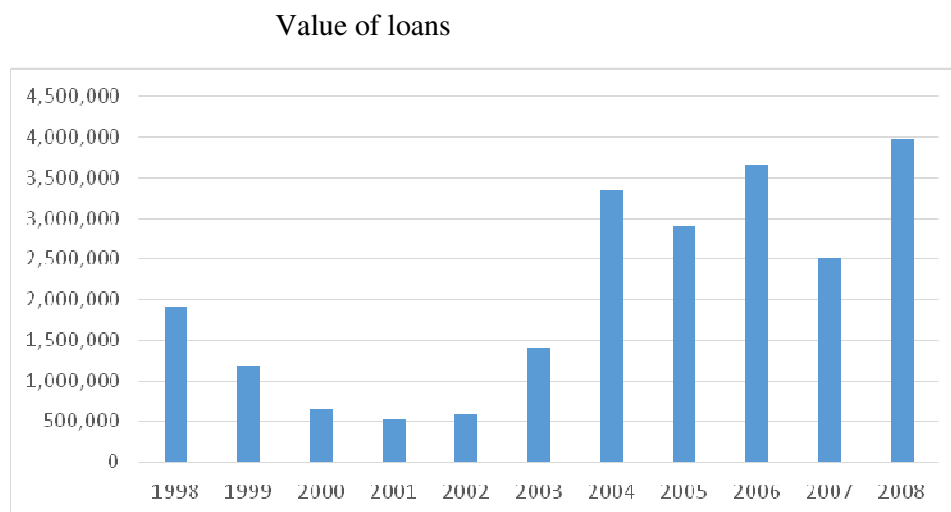
Loans Approved 1998-2008

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
TOTAL	22,650,936	972

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

Management Report
31 December 2008

Figure 1



At December 2008, FundAccess' loan portfolio comprised five hundred and ninety eight (598) loans with outstanding balances totaling thirteen million, five hundred and fifty five, thousand, nine hundred and ninety six dollars (\$13,555,996.00) in various sectors as seen in the table 11 and figure 11.

Table 11

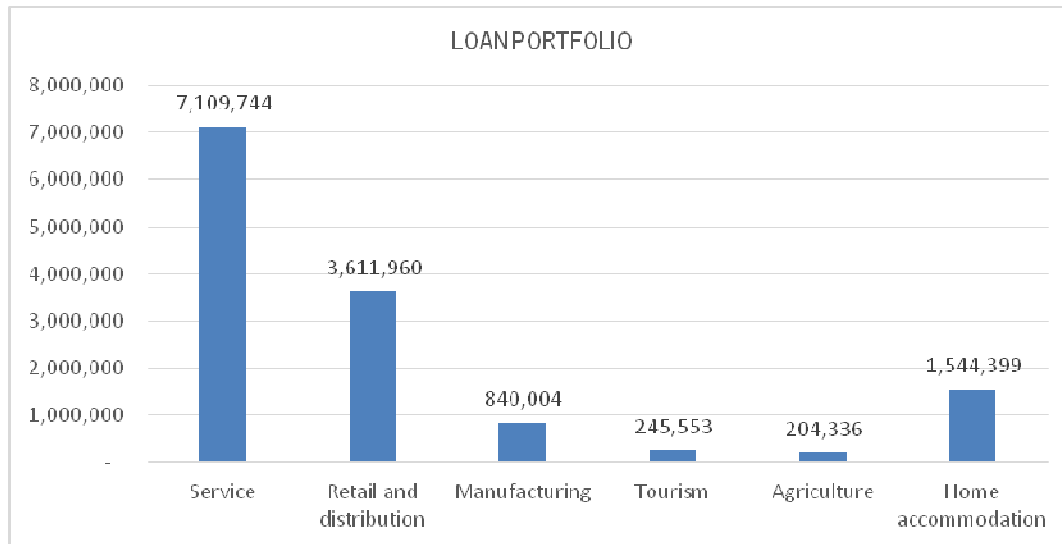
Sector	Value
Service	7,109,744
Retail and distribution	3,611,960
Manufacturing	840,004
Tourism	245,553
Agriculture	204,336
Home accommodation	1,544,399
	\$ 13,555,996

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

Management Report

31 December 2008

Figure 11



The main challenge facing FundAccess continues to be striving to increase the size and quality of its portfolio to an estimated \$40.0 million which would result in total self-sufficiency for the organisation.

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