ANGUILLA YOUTH BUSINESS FOUNDATION

Financial Statements

December 31, 2017

(Expressed in Eastern Caribbean Dollars)

CONTENTS

Page 1	Corporate Information
Pages 2 – 4	Independent Auditor's Report
Page 5	Statement of Assets, Liabilities and Fund Balances
Page 6	Statement of Revenues and Expenses
Pages 7	Statement of Changes in Fund Balances
Pages 8	Statement of Cash Flows
Pages 9 - 21	Notes to the Financial Statements

CORPORATE INFORMATION

REGISTERED OFFICE
P.O Box 60
Babrow Building, The Valley
Anguilla, B.W.I.

BOARD OF DIRECTORS
Hodge Kyle – Chairman
Bren Romney
Althea Hodge
Carlton Pickering
Sherma Hodge
Corrin Fleming
Annishka White
Jasmin Ruan
Kemoloy Murphy

BANKERS
National Commercial Bank of Anguilla
1 St. Marys Street
The Valley
Anguilla, B.W.I.

SOLICITOR
SER Legal & Consultancy Services
P. O. Box 1284
The Valley
Anguilla, B.W.I.

AUDITORS
BDO LLC
Chartered Accountants
17 Fairplay Complex
Cosley Drive
The Valley
Anguilla, B.W.I.

BDO LLC
P.O. Box 136
Fairplay Complex
Cosley Drive
The Valley, AI-2640
Anguilla, BWI

Tel: 264-497-5500
Fax: 264-497-3755
e-Mail: claudel.romney@bdoecc.com
Website:www.bdocaribbean.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Anguilla Youth Business Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Anguilla Youth Business Foundation (the "Foundation"), which comprise:

- the statement of assets, liabilities and fund balances as at December 31, 2017;
- the statements of revenues and expenses, changes in changes in fund balance and cash flows for the period from June 21, 2017 to December 31, 2017; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2017, and its financial performance and its cash flows for the period from June 21, 2017 to December 31, 2017 in accordance with International Financial Reporting Standards for Small and Medium-sized entities (IFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Anguilla, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs), and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

INDEPENDENT AUDITOR'S REPORT *(continued)*

To the Board of Directors of Anguilla Youth Business Foundation *(continued)*

Report on the Audit of the Financial Statements *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern.

- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT *(continued)*

To the Board of Directors of Anguilla Youth Business Foundation *(continued)*

Report on the Audit of the Financial Statements *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements *(continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

BDO LLC

Chartered Accountants
The Valley, Anguilla
18th of July 2019

ANGUILLA YOUTH BUSINESS FOUNDATION
Statement of Assets, Liabilities and Fund Balances
As at December 31, 2017

(Expressed in Eastern Caribbean Dollars (EC$))

	Note	2017* General Fund	2017* Restricted Fund	2017* Total
ASSETS				
Cash in bank	5	10,541	24,551	35,092
Loans and other receivables	6	-	289,599	289,599
Investment Securities	7	-	26,800	26,800
Equipment - net	9	36,016	-	36,016
Intangible assets	10	2,514	-	2,514
		49,071	340,950	390,021
LIABILITIES AND FUND BALANCES				
Accounts payable		12,549	-	12,549
Deferred income	11	38,531	314,050	352,581
Total Liabilities		51,080	314,050	365,130
Fund Balances		(2,009)	26,900	24,891
		49,071	340,950	390,021

* *The Foundation was registered and started its operation on the 21st of June 2017.*

The financial statements from pages 5 to 21 were approved and authorized for issue by the Board of Directors of the Foundation on 18th July, 2019 and were signed on their behalf by:

Mr. Kyle Hodge
Chairman

The accompanying notes from pages 9 to 21 are integral part of these financial statements.

ANGUILLA YOUTH BUSINESS FOUNDATION
Statement of Revenues and Expenses
For the Period from June 21, 2017 to December 31, 2017

(Expressed in Eastern Caribbean Dollars (EC$))

		2017*		
	Note	General Fund	Restricted Fund	Total
REVENUES				
Government Subventions	*12*	**23,011**	**26,800**	**49,811**
Grants and donation	*11*	**5,748**	**-**	**5,748**
Interest income		**71**	**100**	**171**
Other income		**147**	**-**	**147**
		28,977	**26,900**	**55,877**
EXPENSES				
Professional fees		**19,665**	**-**	**19,665**
Depreciation and amortization	*9, 10*	**5,748**	**-**	**5,748**
Training & workshop		**4,109**	**-**	**4,109**
Travel expense		**536**	**-**	**536**
Office expense		**526**	**-**	**526**
Bank charge		**402**	**-**	**402**
		30,986	**-**	**30,986**
EXCESS OF REVENUES OVER EXPENSES		**(2,009)**	**26,900**	**24,891**

***** *The Foundation was registered and started its operation on the 21st of June 2017.*

The accompanying notes from pages 9 to 21 are integral part of these financial statements.

ANGUILLA YOUTH BUSINESS FOUNDATION
Statement of Changes in Fund Balances
For the Period from June 21, 2017 to December 31, 2017

(Expressed in Eastern Caribbean Dollars (EC$))

	2017*		
	General Fund	**Restricted Fund**	**Total**
Net excess of revenues over expenses for the year	(2,009)	26,900	24,891
December 31, 2017	**(2,009)**	**26,900**	**24,891**

***** *The Foundation was registered and started its operation on the 21st of June 2017.*

The accompanying notes from pages 9 to 21 are integral part of these financial statements.

ANGUILLA YOUTH BUSINESS FOUNDATION
Statement of Cash Flows
For the Period from June 21, 2017 to December 31, 2017

(Expressed in Eastern Caribbean Dollars (EC$))

	Note	2017* General Fund	2017* Restricted Fund	2017* Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess of revenues over expenses		**(2,009)**	**26,900**	**24,891**
Adjustments for:				
Interest income	*7*	**(71)**	**(100)**	**(171)**
Depreciation expense		**5,748**	**-**	**5,748**
		3,668	**26,800**	**30,468**
Increase in:				
Loans and other receivable		**-**	**(289,499)**	**(289,499)**
Increase in:				
Accounts and other payables		**12,549**	**-**	**12,549**
Deferred income		**38,531**	**314,050**	**352,581**
		54,748	**51,351**	**106,099**
Interest received		**71**	**-**	**71**
Net cash provided by operating activities		**54,819**	**51,351**	**106,170**
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of investment		**-**	**(26,800)**	**(26,800)**
Additions to equipment		**(41,451)**	**-**	**(41,451)**
Additions to intangible assets		**(2,827)**	**-**	**(2,827)**
Net cash used in investing activities		**(44,278)**	**(26,800)**	**(71,078)**
NET INCREASE IN CASH AND CASH EQUIVALENT		**10,541**	**24,551**	**35,092**
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR		**-**	**-**	**-**
CASH AND CASH EQUIVALENT AT END OF YEAR		**10,541**	**24,551**	**35,092**

***** *The Foundation was registered and started its operation on the 21st of June 2017.*

The accompanying notes from pages 9 to 21 are integral part of these financial statements.

1. General information

Anguilla Youth Business Foundation ("the Foundation") was registered in the Anguilla registry of Commercial Activities, incorporated on June 21, 2017 and domiciled in Anguilla, The British West Indies.

The Foundation was established under the Anguilla Foundation Act to provide business development and support services to young people residing in Anguilla.

The Foundation's registered office and principal place of business is at P.O. Box 60, Babrow Building, The Valley, Anguilla, British West Indies (B.W.I.).

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for Small and Medium-sized Entities (IFRS for SMEs) and interpretations issued by the International Accounting Standards Board (IASB) as at December 31, 2017 for the first year of the Foundation's operation (the reporting date).

(b) Basis of measurement

The financial statements of the Foundation have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Eastern Caribbean Dollars, which is the Foundation's functional and presentation currency. Except as otherwise indicated, financial information presented in Eastern Caribbean Dollars has been rounded to the nearest dollar.

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2. Basis of preparation *(continued)*

(d) Use of estimates and judgments (*continued)*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

(e) Changes in accounting policies and disclosures

i. New standards, interpretations and amendments effective from 1 January 2017

The Foundation has adopted the following new and amended IFRS and IFRIC (International Financial Reporting Interpretations Committee) interpretations as of January 1, 2017:

- *Amendments to IFRS 7 Statement of Cash Flows: Disclosure initiative*

  The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments apply prospectively. Entities are not required to present comparative information for earlier periods when they first apply the amendments.

- *Amendments to IFRS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses*

  The amendments clarify that unrealised losses on debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences. The amendments also clarify that the carrying amount of an asset does not limit the estimation of probable future taxable profits, and that when comparing deductible temporary differences with future taxable profits, the future taxable profits excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments apply retrospectively, with certain transition relief.

- *Amendments to IFRS 2 Disclosures of Interests in Other Entities: Improvements to IFRSs (December 2016)*
-

  The amendments clarify the scope of IFRS 2 by specifying that disclosure requirements in the Standard, except for those in paragraphs B10-B16 (on summarised financial information), apply to any interests that are classified as held for sale, held for distribution to owners or discounted operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The amendments apply retrospectively.

None of the amendments to Standards that are effective from that date had a significant effect on the Foundation's financial statements.

2. Basis of preparation *(continued)*

(e) Changes in accounting policies and disclosures *(continued)*

ii. New standards, amendments to standards and interpretations not yet effective and not yet adopted:

A number of new standards, amendments to standards and interpretations that have been issued but are not yet effective as at December 31, 2017 or not relevant to the Foundation's operations. These are as follows:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers (with clarifications issued)
- IFRS 16 Leases
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 2 Share-based Payment: Classification and Measurement of Share-based Payment Transactions
- Amendments to IAS 40 Investment Property: Transfers of Investment Property
- Amendments to IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
- Improvements to IFRSs (December 2016)

The adoption of these amendments to standards and interpretations will not have any significant impact on the Foundation's financial statements except for IFRS 9, which management believes will impact the Foundation's financial statements as at and for the year ending December 31, 2018.

3. Significant accounting policies

The accounting policies set out below have been applied consistently by the Foundation to all periods presented in the financial statements:

(a) Impairment

The carrying value of the Foundation's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the profit or loss

If in subsequent period the amount of impairment loss decreases and the decrease can be linked objectively to an event occurring after the write down, the write down is reversed through the statement of profit or loss.

A previously recognized impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in prior years.

3. Significant accounting policies *(continued)*

(b) Foreign currency transactions

Transactions in foreign currencies are translated to US Dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to US Dollars at the exchange rate at that date.

Foreign exchange differences arising on conversion and translation are recognized in the statement of revenues and expenses. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated to US Dollars at the exchange rate at the date of the acquisition.

(c) Financial assets

i. Recognition
The Foundation's initially recognizes financial assets on the date that they are originated.

ii. Classification
The Foundation's classifies its financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity, loans and receivables and available-for-sale.

iii. Derecognition
The Foundation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Foundation is recognized as a separate asset or liability.

The Foundation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Foundation is recognized as a separate asset or liability.

iv. Offsetting
Financial assets and liabilities are offset and the net amount presented in the statement of assets, liabilities and fund balances when, and only when, the Foundation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

3. Significant accounting policies *(continued)*

(c) Financial assets *(continued)*

v. Amortized cost measurement
The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

vi. Fair value measurement
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments, fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method and comparison to similar instruments for which market observable prices exist.

vii. Identification and measurement of impairment
At each reporting date, the Foundation assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

The Foundation considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortized cost) with similar risk characteristics.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Foundation on terms that the Foundation would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

In assessing collective impairment, the Foundation uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by the historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

3. Significant accounting policies (continued)

(c) Financial assets *(continued)*

vii. Identification and measurement of impairment *(continued)*

Impairment loss on assets carried at amortized cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognized in the statement of profit or loss and reflected in an allowance account against receivables.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through the statement of profit or loss.

(d) Non-derivative financial instruments

Non-derivative financial instruments comprise of cash in bank and accounts payable and accrued expenses. Non-derivative financial instruments are recognized initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Cash in bank and investment securities
Cash in bank *and investment securities* is comprised of cash deposits with the local banks and are not subject to a significant risk of change in value.

Accounts payable and other payables and deferred income
Accounts payable and accrued expenses and deferred income are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market and that the Foundation does not intend to sell immediately or in the near term. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(e) Property & Equipment

i. Recognition and measurement

Items of property & equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its Intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets is recognized in the statement of profit or loss as incurred.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment and are recognized net within "other income" in the statement of profit or loss.

3. Significant accounting policies (continued)

(e) Equipment – net *(continued)*

ii. Subsequent costs
The cost of replacing part of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Foundation and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in the statement of profit or loss as incurred.

iii. Depreciation
Depreciation is recognized in the statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of equipment. Depreciation commences once the asset is available for use in the operation.

The estimated useful life of the equipment is three (3) years.

The asset's useful life and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made with respect to those assets.

(f) Revenue recognition

Government subvention and grants
Government subvention are income derived primarily from the Government of Anguilla (GOA) in the form of fixed annual subventions. These subventions are the sole source of the Foundation's operating income.

Government and other grants
Grants that compensate the Foundation for expenses incurred are recognized in profit or loss on a systematic basis in the same periods in which the expenses are recognized. Grants collected in advance with no expenses being incurred are shown as other assets and deferred income in the statement of assets, liabilities and fund balances, respectively.

Interest income
Interest income on deposits with banks is recognized on a time-proportion basis using the effective interest method.

Other income
Other income which are not directly attributable to the ordinary conduct of Foundation's operations are recognized as income in the period earned.

3. Significant accounting policies (continued)

(g) Provision

A provision is recognized if, as a result of a past event, the Foundation has present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision is determined by discounting the expected future cash flows that reflects current market assessments of the time value of money and the risks specific to the liability.

(h) Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Transactions between related parties are based on terms similar to those offered to non-related parties.

(i) Events after reporting date

Post year-end events that provide additional information about the Foundation's financial position as at the reporting date (adjusting events) are reflected in the financial statements when material. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

4. Determination of fair values

A number of the Foundation's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

(a) Cash in bank and Investment securities
The fair value of cash approximates carrying value due to its short-term nature.

(b) Loans and other Receivables - net
The fair value of receivables - net approximates carrying value due to its short-term nature.

(c) Accounts payable and other payables and deferred income
The fair value of these liabilities approximates carrying value due to its short-term nature.

5. Cash in bank

The account is maintained at National Commercial Bank of Anguilla located, The Valley, Anguilla in the form of savings deposits and earn interest at prevailing market interest rates.

6. Loans and other receivables

	Note	2017
Loans Receivable		**289,499**
Interest receivable	*7*	**100**
		289,599

The Get Set Programme is an agreement between the Foundation and the Anguilla Development Board (the "Board") to create a revolving loan facility for the purpose of assisting and empowering youth who aim to establish their own business and be entrepreneurs. Initially, a total of $280,000 restricted fund was disbursed to the Board for the purpose of loaning out to qualified borrowers as defined in the signed memorandum of understanding between the Foundation and the Board, Ministry of Social Development, Government of Anguilla.

The Fund is not subject to interest and repayment terms but may be terminated by either party by giving the other party no less than three (3) months written notice. On termination, any loan amounts outstanding shall continue to be due and payable and the balance of the loan funds will be returned to the Government.

Breakdown of Loans Facility Fund with the Board:

	2017
Loan and interest receivable	**176,706**
Cash in bank	**112,793**
	289,499

As at December 31, 2017, the Board loan receivable balance amounted to $174,152 and has interest receivable outstanding amounting to $2,554. Total interest income earned from loans and cash in bank deposits amounted to $9,499) which reverts to the fund for future loan releases.

7. Investment securities

Investment securities are in the form of fixed deposit with National Commercial Bank of Anguilla. The terms of this fixed deposit follow:

Contract No.	Value Date	Maturity Date	Interest Rate	Amount
1003553	11-Oct-17	11-Oct-19	1.68%	**26,800**

As at December 31, 2017, the Foundation has interest receivable outstanding and interest income earned of $100.

8. Restricted Funds

This account consists of grants and donations generated by the Foundation which are restricted for specific purpose.

The movements of the restricted funds are as follows:

	June 21, 2017	Grants and donation	Interest	Other fund expense	December 31, 2017
General Endowment Fund – Government of Anguilla	-	26,800	100	-	26,900
COSME Fund	-	24,551	-	-	24,551
Government of Anguilla Get Set Programme	-	280,000	9,499	-	289,499
	-	**331,351**	**9,599**	**-**	**340,950**

(a) General Endowment Fund

The fund came from the Government of Anguilla for the purpose of complying with the statutory requirement that the Foundation shall established a fixed deposit as an endowment fund on its own bank account. See Note 7 for the details.

(b) COSME Fund

Details of the COSME Fund follows:

	Purpose	Original Amount	Transferred to the Foundation
COSME Fund 1	*Note i*	EC$40,200	**EC$14,551**
COSME Fund 2	*Note ii*	EC$20,100	**EC$10,000**
			EC$24,551

i. The purpose of the fund is for the development of a kidpreneur training material as well as to conduct a train the trainer workshop on Anguilla for ten (10) trainers and mentors – in keeping with the agreed terms of reference. Initially, the fund was managed by the Government of Anguilla through the Department of Youth Culture but subsequently transferred to the Foundation upon its establishment. The remaining fund transferred amounted to EC$14,551.

ii. The purpose of the fund is for funding the twenty (20) entrepreneurs as well as for the start-ups to attend entrepreneurship and mentoring programme in Anguilla with the possibility of supporting some to become eligible for small business loan in keeping with the agreed terms of reference. Initially, the fund was managed by the Government of Anguilla through the Department of Youth Culture but subsequently transferred to the Foundation upon its establishment. The remaining fund transferred amounted to EC$10,000.

(c) Government of Anguilla – Get Set Programme

Please see note 6.

9. Equipment - net

Movements in this account are as follows:

	Furniture and fixture	Equipment	Total
Cost			
Balance at beginning of the year	-	-	-
Additions	20,980	20,471	41,451
Balance at end of the year	20,980	20,471	41,451
Accumulated depreciation			
Balance at beginning of the year	-	-	-
Depreciation	1,845	3,590	5,435
Balance at end of the year	1,845	3,590	5,435
Net book value	**19,135**	**16,881**	**36,016**

10. Intangible assets – net

Movements in this account follow:

	2017
Cost	
Beginning balance	**-**
Additions	**2,827**
Ending balance	**2,827**
Accumulated amortization	
Beginning balance	**-**
Amortization for the year	**313**
Ending Balance	**313**
	2,514

11. Deferred income

	Note	General fund	Restricted fund	Total
Grants – Government of Anguilla	*i.*	22,563	289,499	312,062
Grants – COSME	*ii.*	15,968	24,551	40,519
		38,531	**314,050**	**352,581**

11. Deferred income *(continued)*

i. Details of the deferred income on the grants received from the Government of Anguilla follows:

	Loan Facility Fund	Equipment Donation	Total
Grants received during the year	289,499	24,958	314,457
Expense incurred	-	(2,395)	(2,395)
Ending balance	**289,499**	**22,563**	**312,062**

Expense incurred is charged to operation as follows:

	2017
Depreciation and amortization	**2,395**

ii. Details of the deferred income on the grants received from the COSME follows:

	Trainings and workshop Fund	Equipment Donation	Total
Grants received during the year	24,551	19,321	43,872
Expense incurred	-	(3,353)	(3,353)
Ending balance	**24,551**	**15,968**	**40,519**

Expense incurred is charged to operation as follows:

	2017
Depreciation and amortization	**3,353**

12. Related party transactions

A party is related to the Foundation if:

a. Directly or indirectly the party:
   - Controls, is controlled by, or is under common control with the Foundation;
   - Has an interest in the Foundation that gives it significant influence over the Foundation; or
   - Has joint control over the Foundation.

b. The party is a member of the key management personnel of the Foundation.

c. The party is a close member of the family of any individual referred to in (1) or (2).

d. The party is a post-employment benefit plan for the benefit of employees of the Foundation or any company that is a related party of the Foundation.

12. Related party transactions *(continued)*

The Foundation's related party transactions as at and for the year ended December 31, 2017 are summarized as follows:

	Notes	2017
Related party transactions		
Government of Anguilla		
Government subventions		**49,811**
Loan facility fund	*11 (i)*	**289,499**
Property and equipment	*11 (i)*	**24,958**

Also, The Foundation is not being charged by the Department of Youth and Culture for the services they rendered to the Foundation as well as the rental of the office space occupied by the Foundation. There is no defined policy for the terms of payment of the Foundation's liabilities to the Department of Youth and Culture, if any, thus no accrual of expense and income were recorded in the financial statements.