ANGUILLA YOUTH BUSINESS FOUNDATION

Financial Statements

December 31, 2019

(Expressed in Eastern Caribbean Dollars)

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CORPORATE INFORMATION

REGISTERED OFFICE
P.O Box 371
Babrow Building, The Valley
Anguilla, B.W.I.

BOARD OF DIRECTORS
Hodge Kyle - Chairman
Bren Romney
Althea Hodge
Sherma Hodge
Corrin Fleming
Annishka White
Jasmin Ruan
Kemoloy Murphy
Latoya Hobbs- Nurse
Clive Whyte

BANKERS
National Commercial Bank of Anguilla
1 St. Mary's 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, 2019;
- the statements of revenues and expenses, changes in changes in fund balance and cash flows for the year then ended; 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, 2019, and its financial performance and its cash flows for the year then ended 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
16th of September 2020

ANGUILLA YOUTH BUSINESS FOUNDATION
Statement of Assets, Liabilities and Fund Balances
As at December 31, 2019

(Expressed in Eastern Caribbean Dollars (EC$))

	Notes	2019 General Fund	2019 Restricted Fund	2019 Total	2018*
ASSETS					
Cash in bank	5	-	134,000	134,000	80,624
Loans and other receivables	6	17,124	336,316	353,440	326,492
Due from restricted fund		31,048	-	31,048	
Investment securities	7	-	27,703	27,703	26,800
Equipment - net	9	19,376	-	19,376	26,383
Intangible assets	10	1,383	-	1,383	1,949
		68,931	498,019	566,950	462,248
LIABILITIES AND FUND BALANCES					
Overdraft		13,242	-	13,242	-
Due to general fund		-	31,048	31,048	-
Accounts payable		18,546	-	18,546	36,150
Deferred income	11	18,133	558,067	576,200	329,091
Total Liabilities		49,921	589,115	639,036	365,241
Fund Balances		19,010	(91,096)	(72,086)	97,007
		68,931	498,019	566,950	462,248

The financial statements from pages 5 to 22 were approved and authorized for issue by the Board of Directors of the Foundation on 10th August, 2020 and were signed on their behalf by:

Timothy Hodge
Chairman (Ag)

The accompanying notes from pages 9 to 22 are integral part of these financial statements.

ANGUILLA YOUTH BUSINESS FOUNDATION
Statement of Revenues and Expenses
For the Year Ended December 31, 2019

(Expressed in Eastern Caribbean Dollars (EC$))

		2019			
	Note	General Fund	Restricted Fund	Total	2018
REVENUES					
Government Subventions	*12*	64,605	-	64,605	153,711
Grants and donation	*11*	23,621	31,048	54,669	167,232
Interest income		2,304	406	2,710	1,641
Other income		3,610	-	3,610	775
		94,140	31,454	125,594	323,359
EXPENSES					
Impairment loss	*6*	-	118,851	118,851	-
Training & workshop	*13*	35,840	31,048	66,888	159,843
Marketing and promotion		32,786	-	32,786	19,924
Professional fees		57,109	-	57,109	55,399
Depreciation and amortization	*9, 10*	10,833	-	10,833	10,199
Travel expense		2,504	-	2,504	1,756
Office expense		669	-	669	1,169
Bank charge		1,998	-	1,998	1,721
Miscellaneous expense		3,049	-	3,049	1,232
		144,788	149,899	294,687	251,243
EXCESS OF EXPENSES OVER REVENUES		(50,648)	(118,445)	(169,093)	72,116

The accompanying notes from pages 9 to 22 are integral part of these financial statements.

ANGUILLA YOUTH BUSINESS FOUNDATION
Statement of Changes in Fund Balances
For the Year Ended December 31, 2019

(Expressed in Eastern Caribbean Dollars (EC$))

	General Fund	Restricted Fund	Total
December 31, 2017	19,599	5,292	24,891
Net excess of revenues over expenses for the year	50,059	22,057	72,116
December 31, 2018	69,658	27,349	97,007
Net excess of expenses over revenues for the year	**(50,648)**	**(118,445)**	**(169,093)**
December 31, 2019	**19,010**	**(91,096)**	**(72,086)**

The accompanying notes from pages 9 to 22 are integral part of these financial statements.

ANGUILLA YOUTH BUSINESS FOUNDATION
Statement of Cash Flows
For the Year Ended December 31, 2019

(Expressed in Eastern Caribbean Dollars (EC$))

	Note	2019 General Fund	2019 Restricted Fund	2019 Total	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Excess of expenses over revenues		(50,648)	(118,445)	(169,093)	72,116
Adjustments for:					
Impairment loss	*6*	-	118,851	118,851	-
Interest income	*7*	(2,304)	(406)	(2,710)	(1,641)
Depreciation expense	*9,10*	10,833	-	10,833	10,199
		(42,119)	-	(42,119)	80,674
Increase in:					
Loans and other receivable		8,060	(153,453)	(145,393)	(36,444)
Due from restricted funds		(31,048)	-	(31,048)	-
Increase in:					
Accounts and other payables		(17,604)	-	(17,604)	23,600
Due to general fund		-	31,048	31,048	
Deferred income		(10,199)	257,308	247,109	(23,490)
		(92,910)	134,903	41,993	44,340
Interest received		2,304	-	2,304	1,192
Net cash provided by/(used in) operating activities		(90,606)	134,903	44,297	45,532
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of investment		-	(903)	(903)	-
Additions to equipment		(3,260)	-	(3,260)	-
Net cash used in investing activities		(3,260)	(903)	(4,163)	-
NET INCREASE IN CASH IN BANK		(93,866)	134,000	40,134	45,532
CASH IN BANK AT BEGINNING OF YEAR		80,624	-	80,624	35,092
CASH IN BANK/(OVERDRAFT) AT END OF YEAR		(13,242)	134,000	120,758	80,624

The accompanying notes from pages 9 to 22 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 is the registered address of Paragon Corporate Services Ltd., registered agent located at P.O. Box 371, 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, 2019.

(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.

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.

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.

(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.

3. Significant accounting policies *(continued)*

(c) Financial assets *(continued)*

i. Derecognition *(continued)*

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.

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.

3. Significant accounting policies *(continued)*

(c) Financial assets *(continued)*

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

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.

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.

3. **Significant accounting policies** *(continued)*

(d) Non-derivative financial instruments *(continued)*

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) Equipment - net

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.

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.

3. Significant accounting policies *(continued)*

(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.

(g) Expense recognition

Expenses are recognized when decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. Expenses are recognized when they are incurred.

(h) 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.

(i) 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.

(j) 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. Loan and other receivables

	Fund	*Note*	2019	2018
Loan receivable	Restricted		**391,158**	300,759
Interest receivable	Restricted	*7*	**52**	549
Grant receivable	Restricted		**63,957**	-
Other receivables	General		**17,124**	25,184
			472,291	326,492
Allowance for impairment loss	Restricted		**(118,851)**	-
			353,440	326,492

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.

The allowance for impairment loss pertains to loans extended by the Board that collection are considered doubtful.

6. Loans and other receivables *(continued)*

Breakdown of Loans Facility Fund with the Board:

	2019	2018
Loan and interest receivable	**223,506**	225,912
Cash in bank	**167,652**	74,847
	391,158	300,759
Allowance for impairment loss	**(118,851)**	-
	272,307	300,759

As at December 31, 2019, the Board loan receivable balance amounted to $222,458 (2018: $224,524) and has interest receivable outstanding amounting to $1,048 (2018: $1,388). Total interest income earned from loans and cash in bank deposits amounted to $10,448 (2018: $11,260) 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 Ltd. The terms of this fixed deposit follow:

		2019		
Contract No.	**Value Date**	**Maturity Date**	**Interest Rate**	**Amount**
1003553	**11-Oct-19**	**11-Oct-21**	**0.85%**	**27,703**
		2018		
Contract No.	Value Date	Maturity Date	Interest Rate	Amount
1003553	11-Oct-17	11-Oct-19	1.68%	26,800

As at December 31, 2019, the Foundation has interest receivable outstanding amounting to $52 (2018: $549) and interest income earned amounting to $406 (2018: $449).

8. Restricted Funds

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

(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) Government of Anguilla - Innovate Anguilla Project
During the year, the Government of Anguilla funded portion of the capital expenditure for Anguilla Innovate Project under the administration of the Foundation and Department of Youth & Culture. The Innovate Anguilla is a Foundation project which is still in the planning stage with the main vision of creating an environment conducive to entrepreneurship and employment creation for young Anguillan Entrepreneurs and encourage IT professionals primarily App developers from across the globe to set up in Anguilla. As at December 31, 2019, the Foundation is still in the process of securing additional investment to fully implement the project, thus, no funds were utilized as at year end.

8. Restricted funds *(continued)*

The movements of the restricted funds are as follows:

	Note	Endowment Fund - Government of Anguilla	Government of Anguilla Get Set Programme	Innovate Anguilla - Government of Anguilla	Erasmus Fund	COSME Fund	Due to General Fund	Total
December 31, 2017		26,900	289,499	-	-	2,943	-	319,342
Grants and donations earned during the year		-	-	-	-	132,482	-	132,482
Interest earned		449	11,260	-	-	-	-	11,709
Fund disbursements	13	-	-	-	-	(135,425)	-	(135,425)
December 31, 2018		27,349	300,759	-	-	-	-	328,108
Grants and donations received during the year		-	79,951	134,000	63,957	-	-	277,908
Interest earned		406	10,448	-	-	-	-	10,854
Fund disbursements	13	-	-	-	(31,048)	-	31,048	-
December 31, 2019		**27,755**	**391,158**	**134,000**	**32,909**	**-**	**31,048**	**616,870**

(d) Erasmus+ Programme Grant

During the year, the UK National Agency awarded a grant to the Foundation for the Project Inspire young people, inspire new Leaders ("the Project") under the Erasmus+ Programme, Key Action 1: Learning Mobility of Individuals. The Project is expected to run for ten (10) months starting August, 2019 and to be completed on May, 2020. The maximum amount of the grant is EUR31,256 or EC$63,957. The full amount of the grant was received in 2020 but the Foundation commenced the Project using the general fund and spending EC$31,048 as at December 31, 2019.

(e) COSME Fund

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 fund was fully disbursed in 2018.

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. The fund was fully disbursed in 2018.

8. Restricted Funds *(continued)*

(e) COSME Fund (continued)

Details of the COSME Fund follow: *(continued)*

iii. The purpose of the fund is for funding of Business Continuity Workshop. The fund was fully disbursed in 2018.

iv. The purpose of the fund is for funding the regional mentoring workshop for the improvement of the Regulatory and Business Environment for BSO's supporting SME's in the Caribbean OCT's. The fund was fully disbursed in 2018.

2018	Purpose	Original Amount	Transferred to the Foundation	Disbursement in 2018	Balance 2018
COSME Fund 1	*Note i*	40,200	**2,943**	**(2,943)**	-
COSME Fund 2	*Note ii*	20,100	-	-	-
COSME Fund 3	*Note iii*	5,360	**5,360**	**(5,360)**	-
COSME Fund 4	*Note iv*	127,122	**127,122**	**(127,122)**	-
			135,425	**(135,425)**	-

9. Equipment - net

Movements in this account are as follows:

	Furniture and fixture	Equipment	Total
Cost			
Balance at 31 December 2017	20,980	20,472	41,452
Addition	-	-	-
Balance at 31 December 2018	20,980	20,472	41,452
Addition	-	3,260	3,260
Balance at 31 December 2019	**20,980**	**23,732**	**44,712**
Accumulated depreciation			
Balance at 31 December 2017	1,845	3,590	5,435
Addition	3,147	6,487	9,634
Balance at 31 December 2018	4,992	10,077	15,069
Addition	3,147	7,120	10,267
Balance at 31 December 2019	**8,139**	**17,197**	**25,336**
Net book value			
31 December 2018	15,988	10,395	26,383
31 December 2019	**12,841**	**6,535**	**19,376**

10. Intangible assets - net

Movements in this account follow:

	2019	2018
Cost		
Beginning balance	2,827	2,827
Additions	-	-
Ending balance	2,827	2,827
Accumulated amortization		
Beginning balance	878	313
Amortization for the year	566	565
Ending Balance	1,444	878
	1,383	1,949

11. Deferred income

2019	*Note*	General fund	Restricted fund	Total
Grants - Government of Anguilla	*i.*	14,279	391,158	405,437
Grants - Innovate Anguilla	*8 (b)*	-	134,000	134,000
Grants - Erasmus Fund	*8 (d)*	-	32,909	32,909
Grants - COSME	*ii.*	3,854	-	3,854
		18,133	**558,067**	**576,200**

2018	*Note*	General fund	Restricted fund	Total
Grants - Government of Anguilla	*i.*	18,421	300,759	319,180
Grants - COSME	*ii.*	9,911	-	9,911
		28,332	**300,759**	**329,091**

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

	Loan Facility Fund	Equipment Donation	Total
December 31, 2017	289,499	22,563	312,062
Grants received during the year	11,260	-	11,260
Expense incurred	-	(4,142)	(4,142)
December 31, 2018	300,759	18,421	319,180
Grants received during the year	90,399	-	90,399
Expense incurred	-	(4,142)	(4,142)
December 31, 2019	**391,158**	**14,279**	**405,437**

11. Deferred income *(continued)*

i. Details of the deferred income on the grants received from the Government of Anguilla follows: *(continued)*

Expense incurred is charged to operation as follows:

	2019	2018
Depreciation and amortization	**4,142**	4,142

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

	Note	Trainings and workshop Fund	Equipment Donation	Total
December 31, 2017		24,551	15,968	40,519
Grants received during the year		132,482	-	132,482
Expense incurred	*13*	(157,033)	(6,057)	(163,090)
December 31, 2018		-	9,911	9,911
Grants received during the year		-	-	-
Expense incurred	*13*	-	**(6,057)**	**(6,057)**
December 31, 2019		-	**3,854**	**3,854**

Expense incurred is charged to operation as follows:

	2019	2018
Depreciation and amortization	**6,057**	**6,057**

iii. Details of the deferred income on the grants received from the Erasmus fund follows:

	Note	Amount
December 31, 2018		-
Grants received during the year		**63,957**
Expense incurred	*13*	**(31,048)**
December 31, 2019		**32,909**

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 Foundation that is a related party of the Foundation.

The Foundation's related party transactions as at and for the year ended December 31, 2019 are summarized as follows:

	Notes	2019	2018
Related party transactions			
Government of Anguilla			
Government subventions		**64,605**	153,711
Innovate Anguilla	*8 (b)*	**134,000**	-
Additional loan facility fund	*6*	**79,951**	-
Loan facility fund	*11 (i)*	**391,158**	300,759
Property and equipment	*11 (i)*	**24,958**	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.

13. Trainings and workshops

Breakdown of trainings and workshops per type of expense follows:

	Note	2019			
		General Fund	Restricted Fund	Total	2018
Catering		4,950	14,304	19,254	52,700
Per diem		-	11,791	11,791	53,740
Transportation		4,720	4,366	9,086	3,924
Professional fees		8,259	-	8,259	9,625
Travel expenses		5,096	-	5,096	16,721
Stipend		3,702	-	3,702	4,908
Photography		2,445	-	2,445	1,882
Venue rental		1,340	-	1,340	3,898
Printing and copying		1,116	43	1,159	4,193
Equipment rental		408	-	408	2,658
Gifts		-	-	-	1,661
Others		3,804	544	4,348	3,933
		35,840	31,048	66,888	159,843