ANGUILLA YOUTH BUSINESS FOUNDATION

Financial Statements

December 31, 2021

(Expressed in Eastern Caribbean Dollars)

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CORPORATE INFORMATION

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BOARD OF DIRECTORS
Clemvio Hodge – Chairman
Bren Romney
Avon Carty
Althea Hodge
Karen Pina
Sherma Hodge
Maglan Richardson
Shirmaine Lynch- Harrigan
Twyla Richardson– Thomas
Tiffany Moore
Alvanique Frank

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SOLICITOR
SER Legal & Consultancy Services
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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 deficit as at December 31, 2021;
- the statements of revenues and expenses, changes in changes in deficit 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, 2021, 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
Jan 22 2024

ANGUILLA YOUTH BUSINESS FOUNDATION
Statement of Assets, Liabilities and Deficits
As at December 31, 2021

(Expressed in Eastern Caribbean Dollars (EC$))

	Note	2021 General Fund	2021 Restricted Fund (Note 8)	2021 Total	2020
ASSETS					
Cash in bank	5	**52,144**	**488,201**	**540,345**	243,510
Loans and other receivables - net	6	**26,243**	**280,557**	**306,800**	306,306
Due from restricted fund	8	**-**	**168,000**	**168,000**	84,000
Prepaid expenses		**5,586**	**-**	**5,586**	-
Investment securities	7	**-**	**31,345**	**31,345**	27,703
Equipment - net	9	**7,198**	**-**	**7,198**	11,274
Intangible asset - net	10	**253**	**-**	**253**	818
		91,424	**968,103**	**1,059,527**	673,611
LIABILITIES AND DEFICITS					
Overdraft		**-**	**-**	**-**	1,859
Due to general fund		**168,000**	**-**	**168,000**	84,000
Accounts payable		**45,116**	**-**	**45,116**	33,225
Deferred income	11	**10,204**	**1,047,359**	**1,057,563**	686,854
Total Liabilities		**223,320**	**1,047,359**	**1,270,679**	805,938
Deficits		**(131,896)**	**(79,256)**	**(211,152)**	(132,327)
		91,424	**968,103**	**1,059,527**	673,611

The financial statements from pages 5 to 25 were approved and authorized for issue by the Board of Directors of the Foundation on 01/19, 2024 and were signed on their behalf by:

Clemvio Hodge
Chairman

The accompanying notes from pages 9 to 25 are integral part of these financial statements.

ANGUILLA YOUTH BUSINESS FOUNDATION
Statement of Revenues and Expenses
For the Year Ended December 31, 2021

(Expressed in Eastern Caribbean Dollars (EC$))

		2021			
	Notes	**General Fund**	**Restricted Fund**	**Total**	2020
REVENUES					
Government subventions	*12*	**70,320**	**285**	**70,605**	70,605
Grants and donation		**4,076**	**63**	**4,139**	41,348
Reversal of impairment losses		**36,076**	**-**	**36,076**	13,179
Interest income		**4,649**	**188**	**4,837**	2,805
Other income		**935**	**-**	**935**	965
		116,056	**536**	**116,592**	128,902
EXPENSES					
Professional fees		**126,509**	**-**	**126,509**	61,071
Marketing and promotion		**17,952**	**-**	**17,952**	13,125
Trainings and workshops	*13*	**14,516**	**285**	**14,801**	33,084
IT expense		**14,525**	**-**	**14,525**	
Depreciation and amortization	*9,10*	**4,641**	**-**	**4,641**	8,667
Insurance expense		**4,354**	**-**	**4,354**	-
Bank charges		**4,199**	**-**	**4,199**	1,982
Office expenses		**3,358**	**-**	**3,358**	493
Administrative fees		**2,950**	**-**	**2,950**	9,200
Travel expenses		**350**	**63**	**413**	61,473
Miscellaneous expenses		**-**	**1,715**	**1,715**	48
		193,354	**2,063**	**195,417**	189,143
EXCESS OF EXPENSES OVER REVENUES		**(77,298)**	**(1,527)**	**(78,825)**	(60,241)

The accompanying notes from pages 9 to 25 are integral part of these financial statements.

ANGUILLA YOUTH BUSINESS FOUNDATION
Statement of Changes in Fund Balances (Deficits)
For the Year Ended December 31, 2021

(Expressed in Eastern Caribbean Dollars (EC$))

	General Fund	Restricted Fund	Total
December 31, 2019	19,010	(91,096)	(72,086)
Net excess of (expenses over revenues) revenues over expenses for the year	(73,608)	13,367	(60,241)
December 31, 2020	(54,598)	(77,729)	(132,327)
Net excess of expenses over revenues for the year	**(77,298)**	**(1,527)**	**(78,825)**
December 31, 2021	**(131,896)**	**(79,256)**	**(211,152)**

The accompanying notes from pages 9 to 25 are integral part of these financial statements.

ANGUILLA YOUTH BUSINESS FOUNDATION
Statement of Cash Flows
For the Year Ended December 31, 2021

(Expressed in Eastern Caribbean Dollars (EC$))

		2021			
	Notes	**General Fund**	**Restricted Fund**	**Total**	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Excess of expenses over revenue		**(77,298)**	**(1,527)**	**(78,825)**	(60,241)
Adjustments for:					
Reversal of impairment loss	*6*	**-**	**(36,076)**	**(36,076)**	(13,179)
Interest income	*5,7*	**(4,649)**	**(188)**	**(4,837)**	(2,805)
Depreciation and amortization expense	*9,10*	**4,641**	**-**	**4,641**	8,667
		(77,306)	**(37,791)**	**(115,097)**	(67,558)
Increase (decrease) in:					
Loans and other receivable		**(4,782)**	**37,793**	**33,011**	60,501
Due from restricted funds		**-**	**(84,000)**	**(84,000)**	(52,952)
Prepayments		**(5,586)**	**-**	**(5,586)**	-
Decrease (increase) in:					
Accounts and other payables		**11,891**	**-**	**11,891**	14,679
Due to general fund		**84,000**	**-**	**84,000**	52,952
Deferred income		**510**	**370,199**	**370,709**	110,654
		8,727	**286,201**	**294,928**	118,276
Interest received		**7,408**	**-**	**7,408**	2,617
Net cash provided by operating activities		**16,135**	**286,201**	**302,336**	120,893
CASH FLOWS FROM AN INVESTING ACTIVITY					
Additional investment		**(3,642)**	**-**	**(3,642)**	-
NET INCREASE IN CASH IN BANK		**12,493**	**286,201**	**298,694**	120,893
CASH IN BANK AT BEGINNING OF YEAR		**41,510**	**202,000**	**243,510**	120,758
OVERDRAFT AT END OF YEAR		**(1,859)**	**-**	**(1,859)**	1,859
CASH IN BANK AT END OF YEAR		**52,144**	**488,201**	**540,345**	243,510

The accompanying notes from pages 9 to 25 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, 2021.

Changes in accounting policies

a) New standards, interpretations and amendments adopted from 1 January 2021

One new standard impacting the Group that has been adopted in the annual financial statements for the year ended 31 December 2021:

- *COVID-19-Related Rent Concessions beyond 30 June 2021* (Amendments to IFRS 16).

Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 January 2021, however, the Group adopted them early from the previous reporting period. The amendments provide relief to Group in respect of certain loans (note 28) whose contractual terms are affected by interest benchmark reform. See the applicable notes for further details on how the amendments affected the Group.

2. Basis of preparation *(continued)*

a) New standards, interpretations and amendments adopted from 1 January 2021 (continued)

COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)

Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

(a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(b) The reduction is lease payments affects only payments originally due on or before 30 June 2021; and
(c) There are is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

In the annual financial statements for the year ended 31 December 2021, the Foundation did not have rent concessions that meet the criteria.

Accounting for the rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

On 31 March 2021, the IASB issued another amendment to IFRS 16: *Covid-19-Related Rent Concessions beyond 30 June 2021*, which extended the above practical expedient to reductions in lease payments that were originally due on or before 30 June 2022. This amendment is effective for annual periods beginning on or after 1 April 2021 with earlier application permitted. The amendment is to be applied mandatorily by those entities that have elected to apply the previous amendment *COVID-19-Related Rent Concessions*. Accordingly, the Group has applied the amendment *Covid-19-Related Rent Concessions beyond 30 June 2021* in the current annual financial statements.

The ineligible rent concessions now qualify for application of the practical expedient due to the amendment issued in March 2021.

The transition provisions of the extension to the practical expedient require retrospective application, with the cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment. Accordingly, the Group has reversed the lease modification accounting applied to the previously ineligible rent concessions reflected in the financial statements for the year ended 31 December 2020, with the effect being recognised as an adjustment to the opening balance of retained earnings as at 1 January 2021.

2. Basis of preparation *(continued)*

a) New standards, interpretations and amendments adopted from 1 January 2021 (continued)

The effect of reversal of lease modification accounting and adjustment to the opening balance of retained earnings is disclosed in consolidated statement of changes in equity.

During the year ended 31 December 2021, the Foundation did not enter into additional rent concessions that satisfy the criteria for the application of the extended practical expedient.

b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2022:

- *Onerous Contracts – Cost of Fulfilling a Contract* (Amendments to IAS 37);
- *Property, Plant and Equipment: Proceeds before Intended Use (*Amendments to IAS 16);
- *Annual Improvements to IFRS Standards 2018-2020* (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- *References to Conceptual Framework* (Amendments to IFRS 3).

The following amendments are effective for the period beginning 1 January 2023:

- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);*
- *Definition of Accounting Estimates (Amendments to IAS 8); and*
- *Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).*

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

2. Basis of preparation *(continued)*

b) New standards, interpretations and amendments not yet effective (continued)

In response to feedback and enquiries from stakeholders, in December 2020, the IFRS Interpretations Committee (IFRIC) issued a Tentative Agenda Decision, analysing the applicability of the amendments to three scenarios. However, given the comments received and concerns raised on some aspects of the amendments, in April 2021, IFRIC decided not to finalise the agenda decision and referred the matter to the IASB. In its June 2021 meeting, the IASB tentatively decided to amend the requirements of IAS 1 with respect to the classification of liabilities subject to conditions and disclosure of information about such conditions and to defer the effective date of the 2020 amendment by at least one year.

The Foundation is currently assessing the impact of these new accounting standards and amendments. The Group will assess the impact of the final amendments to IAS 1 on classification of its liabilities once the those are issued by the IASB. The Group does not believe that the amendments to IAS 1, in their present form, will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability.

Other

The Foundation does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group.

[The following is a list of other new and amended standards which, at the time of writing, had been issued by the IASB but which are effective in future periods. The amount of quantitative and qualitative detail to be given about each of the standards will depend on each entity's own circumstances.

- *IFRS 17 Insurance Contracts (effective 1 January 2023) - In June 2020, the IASB issued amendments to IFRS 17, including a deferral of its effective date to 1 January 2023.]*

(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.

2. Basis of preparation *(continued)*

(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.

3. Significant accounting policies *(continued)*

(c) Financial assets

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

ii. Classification
The Foundation 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.

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.

3. Significant accounting policies *(continued)*

(c) Financial assets *(continued)*

vi. Fair value measurement *(continued)*

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.

iv. 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.

vii. Identification and measurement of impairment

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.

3. Significant accounting policies *(continued)*

(d) Non-derivative financial instruments

Non-derivative financial instruments comprise of cash in bank, investment securities, loans and other receivables and accounts payable and deferred income. 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.

Loans and other receivables
Loans and other receivables are non-derivative financial assets 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 receivables are measured at amortized cost using the effective interest method, less any impairment losses, if any.

Accounts payable and Deferred income
Accounts payable 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 revenues and expenses 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 revenues and expenses.

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 revenues and expenses as incurred.

3. Significant accounting policies *(continued)*

(e) Equipment – net *(continued)*

iii. Depreciation

Depreciation is recognized in the statement of revenues and expenses 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 lives are as follows:

Funiture and fixture	5-7 years
Equipment	3-5 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) Intangible assets – net

Acquired computer software licenses, upgrades to software and related costs that are expected to contribute to the future economic benefit of the Foundation are capitalized based on the cost incurred to acquire and bring to use the specific software. These costs are amortized on a straight-line basis over 5 years.

Costs associated with maintaining the computer software program are recognized as expenses when incurred.

(g) Prepaid expenses

Prepaid expenses represent expenses not yet incurred but are already paid. Prepaid expenses are initially recorded as assets and measured at the amount of cash paid. Subsequent to initial recognition, these are charged to statement of revenues and expenses as they are consumed in operations or expire with the passage of time.

(h) Revenue recognition

Government subventions
Government subventions 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.

Other grants and donations
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 deficits, respectively.

3. Significant accounting policies *(continued)*

(h) Revenue recognition *(continued)*

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

(i) 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.

(j) 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.

(k) 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.

(l) 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

	2021	2020
General Fund	**52,144**	41,510
Restricted	**488,201**	202,000
	540,345	243,510

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. Total interest income earned from such deposit amounted to EC$4,649 and EC$2,564 for the year ended December 31, 2021 and 2020, respectively.

6. Loan and other receivables - net

	Note	Fund	**2021**	2020
Loan receivable		Restricted	**339,986**	353,437
Loan interest receivables		Restricted	**10,122**	37,722
Gross loans receivables			**350,108**	391,159
Less: Allowance for impairment loss		Restricted	**(69,596)**	(105,672)
Loans receivables - net			**280,512**	285,487
Other receivables				
Interest receivables	*7*	Restricted	**45**	241
Grant receivables		Restricted	**-**	-
Other receivables		General	**26,243**	20,578
			26,288	20,819
Loans and other receivables - net			**306,800**	306,306

6. Loan and other receivables - net *(continued)*

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 is considered doubtful. Movement of the allowance for impairment loss follows:

	2021	2020
Beginning	**105,672**	118,851
Reversal of impairment loss	**(36,076)**	(13,179)
	69,596	105,672

Reversal of impairment losses pertain to the amounts collected from impaired loans receivable.

Breakdown of loans facility fund with the Board:

	Fund	**2021**	2020
Loan and interest receivable	Restricted	**223,506**	223,506
Cash in bank	Restricted	**126,602**	167,653
		350,108	391,159

As at December 31, 2021, the Board loan receivable balance amounted to $297,949 (2020: $201,107) and has interest receivable outstanding amounting to $4,221 (2020: $1,741). Total interest income earned from loans and cash in bank deposits amounted to $3,095 (2020: $6,399) 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:

Contract No.	Value Date	Maturity Date	Interest Rate	Amount
1003553	**11-Oct-21**	**11-Oct-23**	**0.70%**	**28,297**
1003997	**26-Jul-21**	**26-Jul-22**	**1.50%**	**3,048**
				31,345

Contract No.	Value Date	Maturity Date	Interest Rate	Amount
1003553	**11-Oct-19**	**11-Oct-21**	**0.85%**	**27,703**

As at December 31, 2021, the Foundation has interest income earned amounting to $188 (2020: $241).

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:

	Endowment Fund-Government of Anguilla *(Note 7)*	Endowment Fund-Anguilla Get Set Programme	Innovate Anguilla-Government of Anguilla	Erasmus Fund	Due to General Fund	Total
Notes	*(a)*		*(b)*	*(c)*	*(d)*	
December 31, 2020	27,703	285,728	202,000	-	84,000	599,431
Grants and donations received during the year	**3,048**	**-**	**188,000**	**98,549**	**84,000**	**373,597**
Interest earned	**594**	**31,194**	**-**	**-**	**-**	**31,788**
Less: Accounts receivable	**-**	**(26,243)**	**-**	**-**	**-**	**(26,243)**
Less: Interest Receivable	**-**	**(10,122)**	**-**	**-**	**-**	**(10,122)**
Fund disbursements	**-**	**-**	**(285)**	**(63)**	**-**	**(348)**
December 31, 2021	**31,345**	**280,557**	**389,715**	**98,486**	**168,000**	**968,103**

(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 establish a fixed deposit as an endowment fund on its own bank account. See Note 7 for the details.

8. Restricted Funds *(continued)*

(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, 2021, 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.

(c) 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 ran for ten (10) months from August 2019 and was completed on May 2020.

In 2020 and 2021, the maximum amount of the grant amounting to EUR31,256 or EC$61,473 and EUR50,107 or EC$98,549, respectively. All funds were fully utilized.

(d) Due to General Fund
i. A reconciliation of restricted funds shows that the foundation used EC$168,000 of funds granted by the government of Anguilla for the Get Set loan for operational purposes.

9. Equipment - net

Movements in this account are as follows:

	Furniture and fixture	Equipment	Total
COST			
Balance at 31 December 2020 and 2021	20,980	23,732	44,712
ACCUMULATED DEPRECIATION			
Balance at 31 December 2019	8,139	17,197	25,336
Additions	3,150	4,952	8,102
Balance at 31 December 2020	11,289	22,149	33,438
Additions	**3,147**	**929**	**4,076**
Balance at 31 December 2021	**14,436**	**23,078**	**37,514**
NET BOOK VALUE			
31 December 2021	**6,544**	**654**	**7,198**
31 December 2020	9,691	1,583	11,274

10. Intangible asset – net

This pertains to computer software used for financial accounting. Movements in this account follow:

	2021	2020
Cost		
Beginning balance	**2,827**	2,827
Additions	**-**	-
Ending balance	**2,827**	2,827
Accumulated amortization		
Beginning balance	**2,009**	1,444
Amortization for the year	**565**	565
Ending Balance	**2,574**	2,009
	253	818

11. Deferred income

December 31, 2021	*Notes*	General Fund	Restricted Fund	Total
Grant - Government of Anguilla	*i*	**5,618**	**559,158**	**564,776**
Grants - Innovate Anguilla	*8(b)*	**-**	**389,715**	**389,715**
Grants - Erasmus Fund	*8(c), ii*	**-**	**98,486**	**98,486**
Other		**4,586**	**-**	**4,586**
Total		**10,204**	**1,047,359**	**1,057,563**

December 31, 2020	*Notes*	General Fund	Restricted Fund	Total
Grant - Government of Anguilla	*i*	9,694	475,160	484,854
Grants - Innovate Anguilla	*8(b)*	-	202,000	202,000
Grants - Erasmus Fund	*8(c), ii*	-	-	-
Total		9,694	677,160	686,854

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	Grant Funds	Total
December 31, 2020	391,158	9,696	84,000	484,854
Grants received during the year	**-**	**-**	**84,000**	**84,000**
Depreciation charges	**-**	**(4,078)**	**-**	**(4,078)**
December 31, 2021	**391,158**	**5,618**	**168,000**	**564,776**

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

	2021	2020
Balance, January 1	**-**	32,909
Grants received during the year	**98,486**	-
Expense incurred	**-**	(32,909)
Balance, December 31	**98,486**	-

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

c. 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.

12. Related party transactions *(continued)*

The Foundation's related party transactions as at and for the year ended December 31, 2021 and 2020 are summarized as follows:

	Notes	**2021**	2020
Related party transactions			
Government of Anguilla			
Government subventions		**70,605**	70,605
a. GET SET training		**14,000**	14,000
b. Professional support services		**56,605**	56,605
Innovate Anguilla	*8 (b)*	**187,715**	68,000
Additional loan facility fund	*6,8*	**84,000**	84,000
Loan facility fund	*11 (i)*	**391,158**	391,158
Property and equipment	*11 (i)*	**5,618**	9,694

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:

	2021			
	General Fund	**Restricted Fund**	**Total**	2020
Stipend	**4,320**	-	**4,320**	7,358
Catering	**3,934**	**285**	**4,219**	8,092
Photography	**1,358**	-	**1,358**	3,776
Venue rental	**1,355**	-	**1,355**	1,223
Equipment rental	**402**	-	**402**	7,336
Printing and copying	**30**	-	**30**	842
Transportation	-	-	-	660
Gifts	-	-	-	611
Others	**3,117**	-	**3,117**	3,186
	14,516	**285**	**14,801**	33,084