




ANNUAL REPORT 2021-2022

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MISSION AND VISION

Mission

We will support the evolution of Micro, Small and Medium-sized Enterprises ("MSMEs") in The Bahamas, maximise the creation of economic impact through strategic partnership, and—by equipping and empowering MSMEs—increase the ability of our sector to provide employment, create wealth and drive development of a robust and resilient economy.

Vision

The Small Business Development Centre (Access Accelerator) envisions a Bahamas where Bahamians can get into business and succeed.

THE YEAR AT A GLANCE



Following the challenges posed by the global pandemic, the Access Accelerator Small Business Development Centre continued its impact on the Bahamian economy through its support of micro, small, and medium-sized enterprises (MSMEs). The SBDC's initiatives, including the Business Continuity and Disaster Recovery programmes, provided critical assistance to businesses that were not only navigating the post-pandemic economic landscape but also recovering from the impact of a destructive hurricane season.

Additionally, Access Accelerator deepened its efforts into various industries, including agriculture. In this fiscal year, we nearly doubled our funding amount in the agricultural industry which also resulted in more than double the amount of total sales. This, in part, is thanks to the success of our Fishing and Farming Grant, which injected more than one million dollars into the agricultural industry alone.

As the Access Accelerator turns toward a future with increased opportunity for Family Island based entrepreneurs, we provided an increased amount of funding to these entrepreneurs this year.



In this fiscal year, we nearly doubled our funding amount in the agricultural industry which also resulted in more than double the amount of total sales.

This year alone, 441 businesses reported their business' growth since working with Access Accelerator. Of these businesses, 1,064 job opportunities were created throughout existing businesses and startups. These businesses, which span a range of industries and islands, received over \$16 million in funding. This funding has resulted in nearly \$40 million in sales, underscoring the organization's role in stimulating economic growth.

Access Accelerator is also continuing to develop partnerships that will aid in impacting more small businesses across the country. This year, Access Accelerator collaborated with a few organizations including the Royal Caribbean Group, Disney and the Port Authority to host programmes that provide the access to funding that our clients need.

The Access Accelerator Small Business Development Centre is quickly approaching five years, and by providing essential resources and support, the organization continues to prove its relevance in revitalizing the Bahamian MSME sector and is hopeful for the future of the economy through each small business.



A NEW HOME FOR GROWTH



In 2022, the Access Accelerator marked an important milestone in its journey by relocating its headquarters to a new office space at the former Phil's Food Store site on Gladstone Road. This move represents the Centre's commitment to creating an environment that fosters innovation and collaboration for Bahamian entrepreneurs.

The new location is being transformed into a dynamic business incubator, offering expanded facilities that will provide small businesses with the resources, mentorship, and support they need to grow. By investing in this space, the SBDC is ensuring that Bahamian entrepreneurs have access to a hub designed to inspire creativity and accelerate success.

GUARANTEED LOAN PROGRAMME

Over the fiscal years 2021 and 2022, the Guaranteed Loan Programme (GLP) demonstrated both consistency and growth, affirming its role as one of Access Accelerator's most powerful tools for driving small business development across The Bahamas. Through this programme, Access Accelerator partners with local banks and financial institutions to guarantee a portion of loans, empowering small businesses to secure the funding they need to grow.

The GLP's design provides flexibility and leverage by working through partner financial institutions and combining loans, equity, and matching grants. These features improve risk management and allow the programme and its impacted businesses to achieve expanded results. For example, funding partners like Bahamas Development Bank, Fidelity Bank, etc., have been essential in making the programme possible.

- In 2021, the GLP approved 13 applications, amounting to \$2,239,534.37 in funding
- In 2022, also 13 applications were approved, with funding rising to \$2,322,135.00

These figures speak to the programme's reliability and scale. The increase in approved funding from 2021 to 2022 suggests that the GLP is well-positioned

for future growth. The consistent approvals and increase in total funding give the programme credibility among entrepreneurs and partners alike, setting the stage for greater impact.

2021

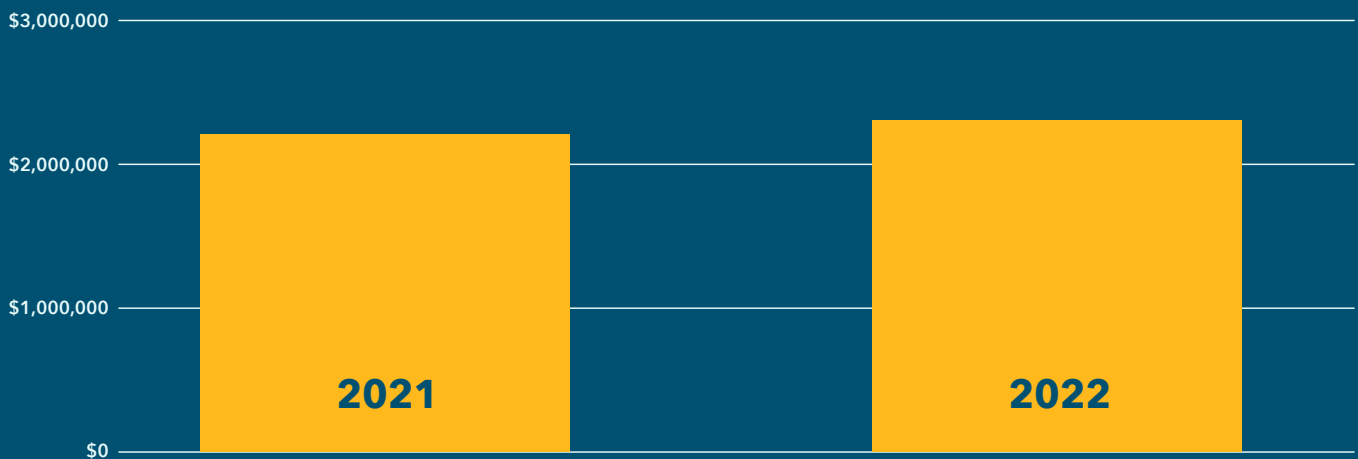
2022



13 Applications



13 Applications



\$2,239,534.37 in Funding

\$2,322,135.00 in Funding



3.7% Growth in Funding

BUILDING OPPORTUNITIES TOGETHER: PROGRAMMES AT A GLANCE



At Access Accelerator, we believe that strong partnerships are how we can have a real impact. In 2022, we worked closely with local and international partners to roll out targeted programmes that empowered entrepreneurs and strengthened key industries. The initiatives launched this year—made possible through collaboration with organizations like Royal Caribbean Group, Disney Cruise Line, and the Government of The Bahamas—reflect our shared commitment to creating sustainable opportunities for Bahamian micro, small, and medium-sized enterprises (MSMEs).

Royal Caribbean Programme

In a landmark partnership with Royal Caribbean Group, Access Accelerator provided training and funding opportunities to entrepreneurs in the tourism sector across New Providence, Grand Bahama, and the Berry Islands. The programme featured a \$250,000 contribution from Royal Caribbean Group, matched by the Government of The Bahamas through the Matching Grant Programme. In addition to grant support, eligible applicants accessed low-interest loans at just 3% interest over five years which created a powerful blend of education, investment, and long-term financing for these business-owners.



The Great Bahamian Pepper Sauce Partnership

This innovative pilot project—designed with Royal Caribbean Group—celebrated Bahamian culture by spotlighting local hot sauce vendors. Entrepreneurs were given the opportunity to present their sauces for potential distribution on Royal Caribbean ships, cruise ports, and at Perfect Day at CocoCay.

Finalists Kristen and Anton Pratt (Bahamian Peppersour), Gregory Douglas (D’vanya’s), and Cherelle Cartwright (Mama Sassy’s Gourmet Foods) competed for a \$5,000 prize, judged by a panel that included Royal Caribbean’s President & CEO Michael Bayley and Access Accelerator’s Executive Director Davinia Bain. Cherelle Cartwright’s Papaya Medley Pepper Sauce was the overall winner.



Financial Awareness Seminar

This seminar, which was hosted virtually under the theme "Pricing for Success: How to Price Products/Services to Ensure Profitability," provided critical financial insights for entrepreneurs navigating how to best set their prices. With practical tools and real-world strategies, participants were empowered to reassess their pricing and financial plans to remain competitive and sustainable.

Digital Skills Training Certification

This six-week modular training gave entrepreneurs the tools they need to thrive in a digital-first economy. With sessions covering digital marketing, cybersecurity, online business management, and e-commerce, the programme strengthened the digital capacity of Bahamian MSMEs who are looking to expand online and reach new markets.

Eleuthera Grant Programme

Thanks to a partnership with Disney Cruise Line, the Eleuthera Grant Programme brought business training, mentorship, and grant funding of up to \$5,000 to local entrepreneurs in sectors such as tourism, construction, delivery, and e-commerce on the island of Eleuthera. By targeting both startups and existing businesses, the programme supported job creation and also expanded local services in hopes of further energizing Eleuthera's economy.



Standalone Grant Programme

We provided nearly \$600,000 in funding to more than 129 Bahamian-owned businesses through the Standalone Grant Programme. Entrepreneurs received up to \$5,000 in grant funding to purchase equipment, expand operations, or cover critical business needs. The programme specifically supported small businesses that had not received prior SBDC funding, helping to widen access to economic opportunity.

Here's what some of our recipients had to say about how the Standalone Grant made a difference:

I would love to say thank you for accepting my company for the Standalone Grant. It is a wonderful programme that has and will surely help my company to grow. The programme was a blessing in disguise that came at the right opportune time. Thank you for all of the assistance.

Elie Ariscar

Owner of New Era Fire and Safety Equipment

When I can have fun and create, that is a feeling you simply cannot pay for. The freedom of being your own creative and not someone else's is invaluable.


Scharad Lightbourne

Owner of Scharad Lightbourne Photography

I've always wanted to be my own boss, living off the land and sea. I never stopped trying and never gave up! I want to say thank you to all that had a hand in choosing Island Dream Fisheries, for believing and investing in my dreams and also my brand. I am forever grateful!

D'Angelo Ebanks

Island Dreams Fisheries



SBDC BAHAMAS FINANCIAL STATEMENTS 2022

- LATTE
- CAPPUCCINO
- CARAMEL MACCHIATO
- MICHIA
- MOCCHACHINO
- THE AMERICANS
- HOT CHOCOLATE
- MASALA
- MILK & NESCAFE

Independent Auditors' Report

To the Board of Directors of
SBDC Bahamas

Opinion

We have audited the financial statements of SBDC Bahamas (the "Company"), which comprise the statement of financial position as at June 30, 2022, and the statement of operations, statement of net assets and statement of 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 Company as at June 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

ECOVIS Bahamas, Serenity House. East Bay Street. P.O. Box SS-6229. Nassau, The Bahamas **Phone:** +1 (242) 603-3410 **Fax:** +1 (242) 603-3430
E-Mail: nassau@ecovis.com **Management:** James B Gomez. Noreen R Campbell **VAT-ID Number:** 114394718 **Headquarter:** Nassau
Registered in: The Bahamas

A member of ECOVIS International tax advisors accountants auditors lawyers in Algeria, Argentina, Australia, Austria, Bahamas, Belgium, Bosnia and Herzegovina, Brazil, Bulgaria, Cambodia, Canada, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Ecuador, Egypt, El Salvador, Estonia, Finland, France, Georgia, Germany, Greece, Great Britain, Guatemala, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Republic of Korea, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Malaysia, Malla, Mexico, Morocco, Myanmar, Nepal, Netherlands, New Zealand, Norway, North Macedonia. Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Russia, Saudi Arabia, Republic of Serbia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan, Tajikistan, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Uruguay, USA (associated partners) and Vietnam.

ECOVIS International is a Swiss association. Each Ecovis member firm is an independent legal entity in its own country and is only liable for its own acts or omissions not those of any other entity. ECOVIS Bahamas is a member firm of ECOVIS International.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in The Bahamas, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Company's financial statements for the year ended June 30, 2021, were audited by another auditor who expressed an unmodified opinion on those financial statements on April 10, 2023.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditors' report is information included in the Company's Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company 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.

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.

Kevin Bahamas

Chartered Accountants
Nassau, The Bahamas

March 15, 2025



SBDC Bahamas
Statement of Financial Position

As at June 30, 2022
 (Expressed in Bahamian dollars)

	Notes	2022	2021
Assets			
Current assets			
Cash - restricted	4	\$ 4,135,271	\$ 3,727,705
Cash - unrestricted	5	1,872,017	554,639
Accounts receivable	6	1,577,437	106,446
Prepaid asset		47,366	73,409
Other assets	7	67,043	68,197
Total current assets		7,699,134	4,530,396
Non-current assets			
Long-term notes receivable	9	17,562,426	43,353,461
Property and equipment	8	112,522	116,372
Total non-current assets		17,674,948	43,469,833
Total Assets		\$ 25,374,082	\$ 48,000,229
Liabilities and Net Assets			
Current liabilities			
Accounts payable		\$ 108,098	\$ 358,788
Other current liabilities		24,568	16,159
Total current liabilities		132,666	374,947
Non-current liabilities			
Loan guarantee fund	10	1,794,500	1,688,000
Total non-current liabilities		1,794,500	1,688,000
Total liabilities		1,927,166	2,062,947
Net assets			
Retained funds - restricted		45,528,897	47,363,896
Accumulated deficit - unrestricted		(22,081,981)	(1,426,614)
Total net assets		23,446,916	45,937,282
Total Liabilities and Net Assets		\$ 25,374,082	\$ 48,000,229

See notes to the financial statements.

These financial statements were approved and authorized by the Board for issue on March 15, 2025, and signed on its behalf by:


 Director


 Director

SBDC Bahamas
Statement of Operations

For the year ended June 30, 2022
(Expressed in Bahamian dollars)

	Notes	2022	2021
Unrestricted:			
Revenues	13		
Interest income		\$ 1,003,221	\$ 43,058
Grants and contributions		948,449	3,265,534
In-king donations		10,000	60,000
Other revenues		4,500	2,500
Total revenues		1,966,170	3,371,092
Programme Expenses			
Client advisory and training services	14	304,141	353,414
Travel expenses		73,700	41,482
Advertising and promotion		56,831	46,363
Total programme expenses		434,672	441,259
Excess of Revenues over Programme Expenses		1,531,498	2,929,833
General and Administrative Expenses			
Increase in provision for credit losses - long-term notes receivable	9	18,627,797	1,215,133
Payroll and related expenses		2,221,547	1,555,986
Professional and consulting fees		513,482	195,933
Increase in provision for credit losses - accounts receivable	6	217,853	29,619
Repairs and maintenance		173,018	482,925
General operating expenses		116,511	65,240
Donations and sponsorships		72,017	36,666
Dues and subscriptions		59,502	92,392
VAT expense		44,010	20,947
Depreciation	8	43,743	31,524
Audit and accounting services		31,400	20,750
Directors' fees	11	21,375	13,000
Bank service charges		20,074	18,807
Rent		13,010	68,405
Licenses and permits		11,526	66,544
Total general and administrative expenses		22,186,865	3,913,871
Net		(20,655,367)	(984,038)
Restricted:			
Programme income	16	6,241,280	26,207,391
Programme expense	16	8,076,279	11,379,731
		1,834,999	14,827,660
Excess of (Expenses over Revenues)/Revenues over Expenses		\$ (22,490,366)	\$ 13,843,622

See notes to the financial statements.

SBDC Bahamas
Statement of Net Assets

For the year ended June 30, 2022
(Expressed in Bahamian dollars)

	Restricted Funds	Unrestricted Funds	Total
Balance as at June 30, 2020	\$ 32,536,236	\$ (442,576)	\$ 32,093,660
Excess of revenues over expenses	14,827,660	(984,038)	13,843,622
Balance as at June 30, 2021	47,363,896	(1,426,614)	45,937,282
Excess of expenses over revenues	(1,834,999)	(20,655,367)	(22,490,366)
Balance as at June 30, 2022	\$ 45,528,897	\$ (22,081,981)	\$ 23,446,916

See notes to the financial statements.

SBDC Bahamas
Statement of Cash Flows

For the year ended June 30, 2022
(Expressed in Bahamian dollars)

	Notes	2022	2021
Cash flows from operating activities:			
Excess of (expenses over revenues)/revenues over expenses		\$ (22,490,366)	\$ 13,843,622
<i>Adjustments for:</i>			
Depreciation	8	43,743	31,524
Increase in provision for credit losses - long-term notes receivable	9	18,627,797	1,215,133
Increase in provision for credit losses - accounts receivable	6	217,853	29,619
Prior period adjustment		-	(269)
		(3,600,973)	15,119,629
Changes in non-cash working capital items:			
Increase in accounts receivable		(1,688,844)	(78,624)
Decrease in prepaid asset		26,043	9,104
Decrease/(increase) in other assets		1,154	(2,900)
(Decrease)/increase in accounts payable		(250,690)	246,203
Increase in other current liabilities		8,409	5,343
Net cash (used in)/provided by operating activities		(5,504,901)	15,298,755
Cash flows from investing activities:			
Purchase of property and equipment	8	(76,886)	(58,862)
Decrease/(increase) in long-term notes receivable	9	7,200,231	(16,713,292)
Net cash provided by/(used in) investing activities		7,123,345	(16,778,154)
Cash flows from financing activity:			
Increase/(decrease) in loan guarantees	10	106,500	(210,350)
Net cash provided by/(used in) financing activity		106,500	(210,350)
Net increase/(decrease) in cash and cash equivalents		1,724,944	(1,689,749)
Cash and cash equivalents, beginning of year		4,282,344	5,972,093
Cash and Cash Equivalents, End of Year		\$ 6,007,288	\$ 4,282,344

See notes to the financial statements.

1. General

SBDC Bahamas (the “Company”) was established on May 24, 2018, in the Commonwealth of The Bahamas as a company limited by guarantee and a Non-Profit Organization. The founding members of the Company are the University of The Bahamas, The Bahamas Chamber of Commerce and Employer’s Confederation and the Ministry of Finance of the Commonwealth of The Bahamas.

The Company’s registered address is at the University of The Bahamas, Bahamas Tourism Training Centre, Ground Floor, West Wing, University Drive, P. O. Box N-4912, Nassau, The Bahamas, and the principal office is situated at Gladstone Freight Terminal, Nassau, The Bahamas.

The objects for which the Company is established are:

- a. To support the development of Micro, Small and Medium-sized Enterprises (“MSMEs”) in The Bahamas and maximize the creation of economic impact;
- b. To educate MSMEs by providing information that would sustain their growth and development;
- c. To offer training programmes to MSMEs on how to start, manage, expand their businesses, and engage in international trade;
- d. To foster collaboration among students, the faculty of the University of The Bahamas, the government, the private sector, and the public at large to encourage the growth of MSMEs;
- e. To conduct research that would facilitate and support MSMEs;
- f. To advocate for the growth and development of MSMEs including advocating for improving the ease of doing business;

- g. To purchase, take on lease or in exchange, hire or otherwise acquire any real and personal estate which may be deemed necessary or convenient for any of the objects of the Company; and
- h. To do all things necessary or convenient to carry out the objectives of the Company.

The Company aims to increase the ability of this sector to provide employment, diversity, wealth and drive the development of a robust economy.

The Company partners with the following institutions:

- Bahamas Chamber of Commerce and Employers Confederation
- University of The Bahamas
- Ministry of Finance
- Venture Coworking
- Over-The-Hill Community Development Partnership

2. Summary of Significant Accounting Policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

- a. **Statement of compliance** – The financial statements of the Company are prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standards Board (“IASB”)
- b. **Basis of preparation** – These financial statements are prepared under the historical cost convention.

2. Summary of Significant Accounting Policies (Cont.)

c. **Changes in accounting policies and disclosures** – Certain new standards and amendments to existing standards, as set out below, have been adopted by the Company, with others not yet adopted.

i. Adoption of amended standards effective July 1, 2021

New and amended standards, and interpretations to published standards that became effective for the Company's financial year beginning on July 1, 2021, were either not relevant or not significant to its operations and accordingly did not have a material impact on the Company's accounting policies or financial statements.

ii. New standard published but not yet effective and not yet adopted

The following amended standard has been issued but is not yet effective. The Company intends to adopt this standard when it becomes effective:

- IAS 1 (Amendment): Classification of Liabilities as Current or Non-current - In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
 - What is meant by a right to defer settlement;
 - That a right to defer must exist at the end of the reporting period;
 - That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
 - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendment is effective for annual reporting periods beginning on or after January 1, 2023, and must be applied retrospectively. The Company is currently assessing the impact the amendment will have on current practice and whether existing liabilities agreements may require renegotiation.

- d. **Foreign currency translation** - The financial statements are presented in Bahamian Dollars, which is the Company's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at year-end exchange rates are recognized in the statement of operations.
- e. **Cash and cash equivalents** - Cash and cash equivalents consist of cash and other assets that are readily convertible into cash.
- f. **Accounts receivable** - Accounts receivable are incurred during the normal course of business and are amounts due to the Company as at the date of the statement of financial position.
- g. **Prepaid assets** - Prepaid assets are expenses paid in advance.
- h. **Property and equipment** - Property and equipment are measured at cost less accumulated depreciation and impairment losses. Costs include expenditures that are directly related to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Subsequent costs of replacing part of an item of property and equipment are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part flow to the Company, and its cost can be measured reliably. The costs of day-to-day servicing of property and equipment are recognized in the statement of operations in the financial period in which they are incurred.

Depreciation is recognized in the statement of operations on the straight-line basis at rates estimated to write-off the relevant assets over their expected useful lives. The rates used are as follows:

Computer and devices	3 years
Furniture and equipment	5 years
Leasehold improvements	3 years
Fintech platform development	3 years
Branding and signage	5 years
Vehicles	5 years

Property and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

- i. **Accounts payable** - Accounts payable are incurred in the normal course of business and are amounts that the Company owes to other institutions or individuals as at the date of the statement of financial position.
- j. **Financial instruments** - A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity instrument in another entity.

Classification

Financial assets in the statement of financial position consist of cash - restricted, cash - unrestricted, and financial investment except for financial investment, which is measured at fair value, all other financial assets are classified as subsequently measured at amortized cost. Financial liabilities are classified as subsequently measured at amortized cost and include trade and other payables, and borrowings.

Recognition and derecognition

The Company recognizes a financial asset or financial liability in its financial statements, as applicable, when it becomes a party to the contractual clauses of the financial instrument.

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled, or expired.

Measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Immediately after recognition, a credit loss allowance (ECL) is recognized for financial assets measured at amortized cost, which results in an accounting loss being recognized in profit or loss when an asset is newly originated.

The amortized cost of a financial asset is equal to its acquisition cost less accumulated amortization plus accrued interest (calculated according to the effective interest rate method), net of any impairment loss.

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

- k. **Grants, donations, and contributions** – The Company obtains its funding from external grants, donations, and contributions. Grants, donations, and contributions are recorded as income at the time of receipt in accordance with IAS 20.

- l. **Expenses** – Expenses are recorded on the accrual basis.
- m. **Taxation** – Under existing legislation of the Commonwealth of The Bahamas, there is no income, capital gains, corporate taxes payable by the Company. Taxes recorded in the Company’s statement of operations and retained funds represent value added taxes paid out to vendors during the normal course of business.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company’s accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

- i. Estimation of useful lives of property and equipment – Estimates of the useful lives and the residual values of property and equipment are required to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Company applies a variety of methods in an effort to arrive at these estimates from which actual results could vary. Actual variations in estimated useful lives and residual values are reflected in the statement of comprehensive income through impairment of adjusted depreciation provisions.

4. Cash - Restricted

Restricted cash is comprised of the following:

	2022	2021
Cash at banks		
Bank of The Bahamas Limited	\$ 2,407,102	\$ 2,689,944
RBC Royal Bank Bahamas Limited	1,728,019	1,037,611
CIBC FirstCaribbean International Bank Limited	150	150
	\$ 4,135,271	\$ 3,727,705

Funds in restricted accounts are allocated for client disbursements under specific programmes and special projects only.

5. Cash - Unrestricted

Unrestricted cash is comprised of the following:

	2022	2021
Cash at banks		
Bank of The Bahamas Limited	\$ 1,251,169	\$ 466,736
RBC Royal Bank Bahamas Limited	620,215	87,747
CFAL	-	156
	1,871,384	554,639
Cash on hand	633	-
	\$ 1,872,017	\$ 554,639

Funds in unrestricted accounts are used for the day-to-day operations of the Company and its programmes.

6. Accounts Receivable

Accounts receivable consists of the following:

	2022	2021
Receivable from clients	\$1,545,974	\$31,811
Due from third parties	274,878	99,754
Due from employees	4,057	4,500
	1,824,909	136,065
Less: provision for credit losses	(247,472)	(29,619)
	\$1,577,437	\$106,446

The movements in allowance for credit losses are as follows:

	2022	2021
<i>Balance, beginning of year</i>	\$ 29,619	\$ -
Increase in allowance for credit losses	217,853	29,619
<i>Balance, end of year</i>	\$ 247,472	\$ 29,619

Allowance for credit losses are calculated as follows:

	Credit Loss Rate	2022		2021	
		Carrying Amounts	Allowance for Credit Losses	Carrying Amounts	Allowance for Credit Losses
Current	2%	\$ 202,036	\$ 4,041	\$ -	\$ -
1 to 30 days	2%	-	-	-	-
31 to 60 days	5%	-	-	5,750	288
61 to 90 days	10%	-	-	99,754	17,361
91 days and over	15%	1,622,873	243,431	30,561	11,970
		\$ 1,824,909	\$ 247,472	\$ 136,065	\$ 29,619

7. Other Assets

Other assets consist of the following:

	2022	2021
Social media development	\$ 22,000	\$ 22,000
Database development	18,572	18,572
Security deposits	11,940	2,900
Website development	9,725	9,725
Miniso franchise	4,806	–
Credit card security deposit	–	15,000
	\$ 67,043	\$ 68,197



8. Property And Equipment

Property and equipment are comprised of the following:

	Vehicles	Branding and Signage	Fintech Platform Development	Furniture and Equipment	Computers and Devices	Total
Cost						
Balance as at June 30, 2020	\$73,624	\$5,884	\$9,500	\$13,669	\$31,426	\$134,103
Additions	10,200	-	-	25,329	23,333	58,862
Balance as at June 30, 2021	83,824	5,884	9,500	38,998	54,759	192,965
Additions	-	2,818	-	65,074	8,994	76,886
Disposals	(36,993)	-	-	-	-	(36,993)
Balance as at June 30, 2022	46,831	8,702	9,500	104,072	63,753	232,858
Accumulated depreciation						
Balance as at June 30, 2020	30,179	983	3,167	2,189	8,551	45,069
Additions	10,718	1,177	4,861	1,250	13,518	31,524
Balance as at June 30, 2021	40,897	2,160	8,028	3,439	22,069	76,593
Additions	5,934	1,412	1,056	16,612	18,729	43,743
Balance as at June 30, 2022	46,831	3,572	9,084	20,051	40,798	120,336
Carrying value						
As at June 30, 2022	-	\$5,130	\$416	\$84,021	\$22,955	\$112,522
As at June 30, 2021	\$42,927	\$3,724	\$1,472	\$35,559	\$32,690	\$116,372

9. Long-Term Notes Receivable

Amounts listed under notes receivable represent total micro loan disbursements made on behalf of approved business continuity, the Company and disaster relief clients. Clients approved under the Company and the Disaster Relief Micro Loan Funding Programme were awarded low interest micro loans up to \$50,000 with a payback period of seven years maximum rate at 5% interest per annum. Clients approved under the Business Continuity Loan Programmes were awarded low interest loans up to \$300,000 with a payback period of seven years and interest of 5%.

Loans issued under the Company and the Disaster Relief Micro Loan Programmes are administered and managed by The Bahamas Development Bank. Loans issued under the Business Continuity Loan Programme are administered and managed by a group of financial institutions and small loan lenders.

	2022	2021
Hurricane Dorian Disaster Relief Micro Loan Programme		
Bahamas Development Bank	\$ 3,766,734	\$ 3,369,479
SBDC/Bahamas Development Bank Micro Loan Programme		
Omni Financial	1,618,332	1,690,173
Bahamas Development Bank	316,559	410,223
	1,934,891	2,100,396
Business Continuity Loan Programme		
Simplified Lending	10,849,646	13,371,577
Omni Financial	9,665,729	11,720,715
Cash N Go Ltd.	4,314,823	5,161,680
Bahamas Development Bank	3,246,125	4,345,785
Leno Corporate Services	1,690,469	2,175,955
Sunshine Finance Limited	956,196	1,105,240
Bahamas Entrepreneurial Venture Fund	790,615	1,060,273
Fidelity Bank	124,647	157,494
	31,638,250	39,098,719
Royal Caribbean Micro Loan		
Royal Caribbean Cruise Line	33,180	
<i>Total notes receivable</i>	37,373,055	44,568,594
Less: provision for credit losses	(19,810,629)	(1,215,133)
	\$ 17,562,426	\$ 43,353,461

The Company has continued the disbursement of funding under its existing programmes. The Company also continues to be impacted by world-wide events including the Coronavirus pandemic. The Company is closely monitoring its operations, liquidity and capital resources and actively works to minimize the current and future impact of those unprecedented events.

With respect to the collection and recovery of the Company's clients, management continues to closely monitor the performance of the Company's loan portfolios and delinquency rate, and where it is deemed necessary, book provisions against delinquent accounts.

As at June 30, 2022, the Company had approved 869 (2021: 858) loans with a value of \$37,373,055 (2021: \$44,568,594).

As at June 30, 2022, an allowance for doubtful accounts for the loan portfolio was provided for in the amount of \$19,810,629 (2021: \$1,215,133). During the year, there was a direct write-off of \$32,301 (2021: Nil).



The movements in allowance for credit losses are as follows:

	2022	2021
<i>Balance, beginning of year</i>	\$ 1,215,133	\$ -
Increase in allowance for credit losses	18,595,496	1,215,133
<i>Balance, end of year</i>	\$ 19,810,629	\$ 1,215,133

The provision is calculated as follows:

As at June 30, 2022						
	Expected Credit Loss Rate	Stage 1	Stage 2	Stage 3	Total	Allowance for Credit Losses
1 to 30 days	10%	\$ 3,718,606	-	-	\$ 3,718,606	\$ 371,861
31 to 60 days	25%	15,020,840	-	-	15,020,840	3,755,210
61 to 90 days	38%	-	2,783,030	-	2,783,030	1,057,551
91 to 120 days	50%	-	2,449,145	-	2,449,145	1,224,573
More than 120 days	100%	-	-	13,401,434	13,401,434	13,401,434
		\$ 18,739,446	\$ 5,232,175	\$ 13,401,434	\$ 37,373,055	\$ 19,810,629

The following is a summary of loans:

As at June 30, 2022					
	Stage 1	Stage 2	Stage 3	Total	Loan Loss Provision
Regular Micro Loan	\$ 821,455	\$ 456,235	\$ 938,043	\$ 2,215,733	53%
Disaster Micro Loan	1,090,844	369,945	2,192,870	3,653,659	66%
Continuity Loan	16,793,967	4,405,995	10,270,521	31,470,483	57%
RCL Loan	33,180	-	-	33,180	2%
	\$ 18,739,446	\$ 5,232,175	\$ 13,401,434	\$ 37,373,055	

10. Loan Guarantee Fund

The Company serves as guarantor for its clients who receive loans from local banks and other financial institutions in excess of the Company's Micro Loan and the Disaster Relief's Micro Loan Programmes maximum allowed loan amount of \$50,000.

Under the Loan Guarantee Programmes, for most sectors, clients are eligible to obtain loans up to \$500,000 and the Company guarantees up to 75% of the loan principal. Additionally, the guarantee may extend up to 90% of the loan principal for clients operating in the following sectors:

- Manufacturing
- Fishing
- Agriculture
- Clean energy
- Technology

The loan guarantee amounts recorded are the amounts placed with various banks to collateralize guarantees pledged under the programme. The funds enable the Company to immediately fund any guarantees called.

Facility One

Guarantees provided under the Company's Micro Loan and Disaster Relief's Micro Loan Guarantee Programmes are recorded on Company's books as a contingent liability in accordance with IAS 37. Total reserve established for the guarantee programmes initially stood at \$2,000,000 (\$1,000,000 each). The movement on the facility is as follows:

	2022	2021
<i>Balance, beginning of year</i>	\$ 1,688,000	\$ 1,898,350
Addition	106,500	-
Charge against provision	-	(210,350)
<i>Balance, end of year</i>	\$ 1,794,500	\$ 1,688,000

Facility Two

To expand the loan guarantee programme, on 5 August 2020, the Inter-American Development Bank (IDB) and the Government of The Bahamas (the Government) signed an additional facility up to US\$25 million primarily to assist Micro, Small and Medium-Sized Enterprises (MSMEs) obtaining credit facilities from financial institutions. The Government appointed the Company as the Executing Agency for the Programme and the Company assigned management control of the Programme to its Programme Executing Unit (PEU).

The disbursement period is 5 years, and the loan is repayable in semi-annual, consecutive, and equal instalments commencing 66 months from the loan contract date (5 February 2026).

As at the balance sheet date, \$2,406,421 is held by the PEU in escrow in support of loans guaranteed under the programme. Warranties totaling \$1,438,729 have been issued under the programme.

11. Related Parties

Parties are related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Related parties include directors and senior management level employees as they could affect the financial or operating policies of the Company through the presence of control or significant influence. For the year ended June 30, 2022, directors' fees totaled \$21,375 (2021: \$13,000).

12. Share Capital

The Company has no authorized share capital but is limited by guarantee. Each Member has agreed that in the event of the Company's winding up and its liabilities exceed its assets, to contribute up to one dollar (B\$1.00) each. As at June 30, 2022, the Company had three (3) (2021: three (3)) Members.

13. Grants, Donations and Contributions

Grants, donations, and contributions are comprised of the following:

	2022	2021
Other miscellaneous income	\$ 1,007,721	\$ 45,558
Government contributions	948,449	3,265,534
In-kind donations	10,000	60,000
	\$ 1,966,170	\$ 3,371,092

14. Expenses

Expenses were as follows:

	2022	2021
Social Purpose Activities		
Advisory and training	\$ 304,141	\$ 353,414
Consulting services	121,879	77,748
Advisors travel	73,700	41,482
Advertising and promotion	56,831	46,363
Accounting services	31,400	20,750
	587,951	539,757
Operating expenses		
Bad debt expense (Notes 6, 9)	18,845,650	1,244,752
Salaries and wages	1,833,033	1,378,028
Consulting services	391,603	118,185
Employee benefits	388,514	177,958
Telephone expense	59,333	25,540
Taxes paid	44,010	20,947
Rent	13,010	68,405
Other expense	10,834	9,222
Promotional events	-	5,458
	21,585,987	3,048,495
Director's fees (Note 11)	21,375	13,000
Administrative expenses		
Repairs and maintenance	173,018	482,925
Donations and sponsorships	72,017	36,666
Dues and subscriptions	59,502	92,392
Depreciation (Note 8)	43,743	31,524
Office supplies	24,316	16,970
Other expenses	22,028	8,050
Bank service charges	20,074	18,807
Licenses and permits	11,526	66,544
	426,224	753,878
	\$ 22,621,537	\$ 4,355,130

15. Capital Management

The Company's objectives when managing capital, which is a broader concept than the "equity" on the face of the statement of financial position, are:

- To ensure that capital is adequate to maintain confidence in the safety and stability of the organization;
- To ensure that the return on capital is sufficient to meet the expectations of the stakeholders;
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The Company is not subject to any external capital requirements.



16. Restricted Programme Movement

Funds were received from The Government of The Bahamas, The IDB and from private donations to fund the following programmes:

	2022	2021
Donations/Grants		
Economic Recovery Funding Programmes	\$ 2,836,856	\$ 4,940,000
Grant fund	1,528,779	1,565,000
IDB reimbursements	662,196	-
Micro loan fund	359,000	1,921,477
Hurricane Dorian Disaster Relief Programme	250,000	3,925,000
Royal Caribbean Programme	250,000	500,000
Disney Programme Funding	182,048	155,568
IDB Lab - Accelerate Bahamas	163,241	75,591
US Federal Academy for Women Entrepreneurs programme funding	9,160	24,755
Covid-19 MSME Business Continuity Programme	-	13,100,000
Total donations/grants	6,241,280	26,207,391
Funds released		
Economic recovery grant programmes	6,204,372	6,932,937
Programme administrative fees	776,527	629,580
Disaster relief loan and grant programmes	658,875	2,033,663
SBDC grant programme	265,113	627,115
SBDC special projects	96,275	107,579
Preschool grant programme	72,688	918,786
SBR grant programmes	3,000	91,613
Grand Bahama Grant Cohort	-	20,512
Buckeye grant programme	-	20,000
Over the Hill programme	(571)	(2,054)
Total funds released	8,076,279	11,379,731
	\$ (1,834,999)	\$ 14,827,660

a. Economic Recovery Grant Programme

The Economic Recovery Programme was developed to stimulate various industries in our economy and includes several programmes developed by the Company and is funded by The Government of The Bahamas. Under the Economic Recovery umbrella, the following programmes were launched during the 2021 fiscal year:

- Fishing and Farming: In partnership with the Ministry of Agriculture and Marine Resources, the Company launched the Fishing and Farming Grant Programme in April 2021. Funding for this programme were disbursed to registered MSMEs throughout The Bahamas that operate within the agriculture and fisheries industries for the purchase of equipment and supplies needed for operations. 213 approved MSMEs were awarded grants up to \$50,000 to be used for equipment, supplies and other business-related expenses.
- Standalone Grants: The aim of the Standalone Grant programme was to assist in the development of the small business community within The Bahamas through mentorship, training, and access to funding. Under this programme, there were three cohorts launched in December 2020, January 2021 and April 2021 where 547 existing and start-up MSMEs were awarded grants up to \$5,000 to be used for the purchase of supplies, business start-up, and other business-related expenses.

b. Grant Fund

The grant fund relates to the Company's Micro Loan Programme. Under this programme, all approved clients can be awarded up to a maximum of \$20,000 in grant funding which must be matched with debt or equity investment from other sources.

c. SBDC/BDB Micro Loan Fund

The SBDC/BDB Micro Loan Programme is a partnership with the Bahamas Development Bank. Under this programme, approved clients are eligible for low interest loans with the Bahamas Development Bank (BDB). These loans are approved in-house through the Company and are booked/administered by BDB on the Company's behalf. Initially, the maximum loan amount allowed under this programme was \$15,000. In October 2019, this amount increased to \$50,000 in response to the number of small loans being requested by clients.

d. Hurricane Dorian Disaster Relief Programme

The Hurricane Dorian Disaster Relief Loan Programme was developed and launched in September 2019 with the goal of assisting existing MSMEs in Freeport and Abaco obtain access to funding to reestablish their businesses. Under this programme, MSME's were eligible for four funding streams:

- Stand-alone grants up to \$5,000
- Farming and fishing grants up to \$50,000 (these grants were available only to MSMEs that operated within the agriculture and fisheries industries)
- Micro loans up to \$50,000 (low interest working capital loans)
- Matching grants up to \$20,000 (tied to micro loans only)

e. Academy for Women Entrepreneurs' Programme Funding

The AWE (Academy for Women Entrepreneurs) programme was a partnership between the Company and the US Embassy. The focus of this programme was to provide its participants with educational, mentorship and networking opportunities through weekly online sessions, facilitated by Company staff and female clients. Sessions were held in both Nassau and Freeport over a period of eighteen weeks and allowed participants the

ability to learn ways to develop and promote their businesses internationally. Funding received for this programme was used to pay facilitators and for rental of session spaces.

f. COVID - 19 MSME Business Continuity Programme

The COVID - 19 Business Continuity Loan Programme was launched in March 2020 in response to the national lockdowns that took place as a result of the covid pandemic. The Company partnered with various financial institutions and small loan lenders who facilitated the disbursement of funds to clients. Funding for this programme was received from The Government of The Bahamas.

The goal of this programme is to ensure business continuity for MSMEs domiciled in The Bahamas. Under this programme, 593 eligible MSMEs are able to obtain funding up to \$300,000 in low interest working capital loans to help overcome the temporary loss of revenues and up to \$20,000 in grant funding to be used for salaries only.

g. Preschool Grant Programme

The Preschool Grant Programme was developed in partnership with the Ministry of Education, and launched by the Company, with the goal of assisting registered preschools obtain grant funding to assist with upgrading their premises, purchasing books and other supplies, etc. Under this programme, 49 eligible preschools were awarded up to \$20,000 in grant funding.

h. SBR Grant Programme

The SBR Grant Programme was developed through partnership with The Grand Bahama Port Authority (GBPA). The GBPA pledged and disbursed \$100,000 to this programme and the Company matched this pledge. The purpose of this programme was to assist small businesses on the island purchase supplies and with other related business costs. In total, 20 MSMEs located in Grand Bahama were approved and received grants up to \$5,000 from the Company beginning October 2020.

i. Grand Bahama Technical Grant

The Grand Bahama technical grant programme was a programme developed and launched by the Prime Minister’s Office in Grand Bahama. Funding was provided to the Company for disbursement to approved MSMEs in Grand Bahama that were found to be in need of technical assistance in the form of website development and other marketing needs, POS (point of sale) system, other accounting software and business management systems. MSMEs were eligible for grants up to \$5,000 under this programme.

j. Buckeye Bahamas Limited Grant

The Buckeye Bahamas Limited grant was a \$20,000 donation received by the Company from Buckeye Bahamas Ltd., a Grand Bahama based business. With this donation, the Buckeye economic stimulus grant for Grand Bahamian MSMEs was created. Under this programme, five grants in the amount of \$4,000 each were awarded to businesses on the island that were able to adapt and continue operations during the pandemic.



17. Subsequent Events

On July 24, 2024, the Company took legal action against one of its financial institution partners to recover outstanding loan remittances. As a result, the Company engaged another financial institution partner for the transfer of the loan portfolio and recovery of the outstanding loans. The value of the portfolio at the time of the transfer was estimated to be \$14,645,027.

Loan Portfolio	Loans Transferred	Loan Amount
Business Continuity	177	\$ 9,663,034
Disaster Recovery	135	2,982,795
Royal Caribbean	30	127,003
SBDC Regular	70	1,872,195
	412	\$ 14,645,027

As of June 30, 2024, the Company's loan performance report classifies 7 accounts, totaling \$444,264, as "booked" by the new Financial Institution.

Loan Portfolio	Loans Transferred	Loan Amount
Business Continuity	4	\$ 379,500
Disaster Recovery	1	50,000
Royal Caribbean	1	2,500
SBDC Regular	1	12,264
	7	\$ 444,264

The litigation is ongoing and as of June 30, 2024, the Company's loan performance report classifies 405 accounts, totaling \$14,200,763 as "unbooked" by the new Financial Institution.

There were no other material events of significance impacting the Company since June 30, 2022, and up to March 15, 2025, that require disclosure in the financial statements.

