ACCESS

FINANCIAL SERVICES LTD.

2009 Annual Report

MISSION

To offer exceptional value to stakeholders by providing financial services to micro-entrepreneurs and individuals underserved by traditional providers. This will be achieved by a customer-centric, highly competent and committed team providing superior services tailored to our customers' needs.

VISION

Access Financial, the leading financial services provider, is a highly profitable employer of choice, serving exceptionally satisfied customers while being focused, innovative and prudent.

ACCESS
FINANCIAL SERVICES LTD.

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Five Year Performance Highlights

AS AT DECEMBER 31, 2009.

	Year Ended 31/12/09 000'	Year Ended 31/12/08 000'	Year Ended 31/12/07 000'	9 Months Ended 31/12/06 000'	Year Ended 31/03/06 000'	Year Ended 31/03/05 000'
Interest Income from Loans	294,924	220,225	132,579	62,851	53,892	31,568
Net Interest Income	261,168	192,003	121,019	59,407	51,211	30,200
Net Trading Income	266,902	194,427	123,009	60,514	52,352	31,249
Operating Expenses	220,291	166,697	82,608	45,289	30,096	25,091
Profit Before Taxation	84,749	51,153	46,155	15,583	24,182	10,302
Taxation	(18,750)	(18,279)	(13,435)	(6,208)	(7,002)	(3,539)
Profit for the Year	65,999	32,874	32,720	9,375	17,180	6,763
Total Assets	608,480	445,227	270,348	162,220	131,595	57,700
Total Liabilities	334,686	330,345	188,340	112,933	93,221	36,506
Shareholders' Equity	273,794	114,882	82,008	49,287	38,374	21,194
Weighted Average Number of Issued	22,893	21,960	3,137	3,137	1,600	1,600
Earnings per Share	2.88	1.50	10.43	2.99	10.73	4.23
Return on Equity	24%	29%	40%	19%	45%	32%

Access Financial Services Limited ("the Company")

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at 2:00 p.m. on April 21, 2010 at the Knutsford Court Hotel, 85 Chelsea Avenue Kingston 5 for shareholders to consider and if thought fit, pass the following ordinary resolutions:

1. To receive the report of the Directors and the audited accounts of the Company for the financial year ended December 31, 2009.
2. To authorise the Directors to appoint the Auditors of the Company based on the results of tenders sent out to auditing firms, and to authorise the Directors to determine their remuneration.
3. To approve the interim dividend declared by the Directors on February 22, 2010 in the amount of $0.50 per ordinary share, that was paid to shareholders of the Company on record as of March 12, 2010 on March 31, 2010 as the final dividend for the financial year ended December 31, 2009.
4. As special business, to consider the following resolution: that each of the ordinary shares in the capital of the Company be subdivided into 10 shares.

Dated this 18th day of March 2010

By order of the Board,

Brian Goldson, Chairman

A form of proxy accompanies this Notice of Annual General Meeting (see page 58 of this document). A shareholder who is entitled to attend and vote at the Annual General Meeting of the Company may appoint one or more proxies to attend in his/her place. A proxy need not be a shareholder of the Company. All completed original proxy forms must be deposited together with the power of attorney or other document appointing the proxy, at the registered office of the Company at least 48 hours before the Annual General Meeting.


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UNION STREET, MONTEGO BAY • INSTITUTION DRIVE, SANTA CRUZ
WARD AVENUE, MANDEVILLE • ISLAND PLAZA SHOPPING COMPLEX, LINSTEAD
GREAT GEORGE STREET, SAVANNA-LA-MAR • PORTMORE PINES PLAZA, GREATER PORTMORE
www.accessfinanceonline.com

Directors' Report

The Directors are pleased to submit their Annual Report for Access Financial Services Limited ("the Company") for the year ended December 31, 2009.

The Statement of Comprehensive Income shows pre-tax profits for the year of $84.7m, taxation of $18.7m, and net profit after tax of $65.9m. The Company was admitted to listing on the Junior Market of the Jamaica Stock Exchange, on October 30, 2009 and as such is not liable for corporate income tax from the date of listing.

DIRECTORS

The Directors of the Company as at December 31, 2009 are Brian Goldson (Non-Executive Chairman), Marcus James (Chief Executive Officer), Christopher Berry (Non-Executive), Gary Peart (Non-Executive) and Alexander Johnson (Non-Executive).

In accordance with Article 98 of the Articles of Incorporation of the Company Christopher Berry and Marcus James being the longest serving Directors retire by rotation and being eligible, offer themselves for re-election or re-appointment in accordance with the Articles of Incorporation (as the case may be).

AUDITORS

The Auditors of the Company, KPMG, Chartered Accountants of 6 Duke Street, Kingston have expressed their willingness to continue in office in accordance with Section 154 of the Companies Act.

DIVIDEND

The Board declared an interim dividend of J$0.50 per share on February 22, 2010 to be paid on March 31, 2010 to shareholders on record as of March 12, 2010. The Board now proposes that that it be approved by shareholders as the final dividend in respect of the

Directors' Report (Cont'd)

financial year ended December 31, 2009.

APPRECIATION

The Directors wish to thank the management and staff of the Company for their continued commitment, dedication and hard work displayed during the year. The Directors also wish to welcome the new shareholders of the Company and thank them for their support.

ANNUAL GENERAL MEETING

All shareholders of the Company are invited to attend the Annual General Meeting of the Company to be held at 2 p.m. on April 21, 2010 at the Knutsford Court Hotel, 85 Chelsea Avenue Kingston 5. A notice of meeting is enclosed with this Annual Report, together with a form of proxy to be filled out by shareholders who are unable to attend.

On behalf of the Board of Directors

Brian Goldson, Chairman

Board of Directors

From left to right

Alexander Johnson (Non-Executive Director), Brian Goldson (Non-Executive Chairman), Gary Peart (Non-Executive Director), Marcus James (Chief Executive Officer)

<u>Absent:</u> Christopher Berry (Non-Executive Director)

Managers

Seated (L-R)

MARSHA PALMER
Acting Financial Controller

ANDREW DONALDSON
Chief Accountant

NOVELETTE SANG
Credit Manager

Standing (L-R)

LISSA HARRIS
Marketing and Research Officer

ARLENE PUSEY
Human Resources Officer

Our TEAM

Kingston Accounting Department

Seated (L-R)

Sheryl Cameron-Oliver
Annakaye Ellis

Standing (L-R)

Terry-Ann Bisnaught
Nicolette Powell
Alsene Walcott
Tina Ashman

Kingston Money Services

(L-R)

Venice Williams
Jacqueline Barrett
Delene Brown
Shawneca Hamilton
Michael Collington

Kingston Credit Department

Seated (L-R)

Camara Stewart, Keisha Popley (Branch Manager), Kamisha Miller

Standing (L-R)

Chevanne Hunt, Melisa Daley, Tamara Patterson, Enola Gray, Mitchel Henriques, Shannique Wilmot, Delroy Douglas

Absent: Karen Mcleod

Kingston Executive Assistant/Audit/IT

Seated (L-R)

Nordia Dennie (Executive Assistant), Ravhi Istrow (Internal Auditor), Margaret Blackwood (Internal Auditor)

Standing (L-R)

Wilbert Wilson (Delinquency Control Officer), Austin Briscoe (Systems Administrator)

Kingston Collections Department

(L-R)

Opal Haughton, Yardine Burke, Sofia Hinds, Tennille Martell, Tamieka McFarlane (Paralegal/Collections Supervisor), Suzette Beckford

Absent: Baheerah Milwood

Port Henderson and Portmore Pines Branch
(L-R)
Patrice Mitchell, Reginald Hird (Regional Manager), Sabrina Nunes, Delaine Francis, Damion Richards

Portmore Money Services
(L-R)
Kadian Thomas, Latoya Douglas, Felicia Williams, Kevon Blackwood, Nordia Denton, Anautia Nathan, Michelle Nelson (Manager)

Spanish Town and Linstead Branch

Seated (L-R)
Claire Bryan
Latoya Blair
Carla Howell

Standing (L-R)
Jerome White
Colette Harris
Romone Cameron
Davena Moore
(Regional Manager)
Michael Turner

May Pen Branch
(L-R)
Cheryl Scott (Regional Manager), Marsha Randall, Natalie Oswald, Tamara Hooker-Lindsay, Shennele Clarke, Nicola Lewis

May Pen Money Services
(L-R)
Tara Rowe
Lisan Dixon
Sonia Lopez (Manager)
Lisa Walker

Savanna-la-mar Branch and Savannna-la-mar Money Services
(L-R)
Gillian Brown, Venese Miller, Carolyn Plummer (Branch Manager), Shantal Morgan, Marvin Patten (Manager-Money Services), Loraine Wright, Sofia Grant, Thorna Davis, Collette Ricketts

Santa Cruz Branch (L-R)
Feona Bennett
(Branch Supervisor)
Janice Griffiths
Latoya Levy
Tracy-Ann Bright

Montego Bay Branch (L-R)
Julane Daley
Samantha Hutchinson
Karene Shim
(Regional Manager)
Absent:
Marisa Williams

Ocho Rios Branch (L-R)
Claudia Grant-Morris, Angela Lindsay-Brown, Nickeisha Hobson-Campbell, Nickoy Brown

Mandeville Branch
Cordel Cohen
Orenthia Williamson-Gray
Brenda King


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Corporate Data

BOARD OF DIRECTORS

Non-Executives

Brian A.L. Goldson B.Sc., M.B.A.
Chairman

Alexander I. Johnson B.Sc. (Hons), M.B.A.
Director

Christopher W. Berry B.Sc. (Hons)
Director

Gary H. Peart B.Sc., M.B.A.
Director

Executive

Marcus H. James B.Sc., M.B.A (Hons)
Chief Executive Officer

Managers

MARSHA PALMER
B.Sc., M.Sc., (Hons)
Acting Financial Controller

ANDREW DONALDSON
ACCA
Chief Accountant

NOVLETTE SANG
A.Sc.
Credit Manager

KEISHA POPLEY
Regional Manager
Kingston

REGINALD HIRD
Regional Manager
Portmore

DAVENA MOORE
Regional Manager
Spanish Town/Linstead

CHERYL SCOTT
Regional Manager
May Pen

FEONA BENNETT
Branch Supervisor
Santa Cruz

CAROLYN PLUMMER
A.Sc.
Branch Manager
Savanna-La-Mar

KARENE SHIM
B.BA.
Regional Manager
Montego Bay

Managers (Cont'd)

MARVIN PATTEN
Manager
Money Services
Savanna-La-Mar

TAMIEKA MCFARLANE
Paralegal/Collections Supervisor

LISSA HARRIS
B.BA. (Hons)
Marketing and Research Officer

MICHELLE NELSON
Manager
Money Services
Portmore

SONIA LOPEZ
A.Sc.
Manager
Money Services
May Pen

ARLENE PUSEY
B.BA.
Human Resources Officer

REGISTERED OFFICE
41b Half Way Tree Road
Kingston 5
Jamaica W.I.

COMPANY SECRETARY
Gary H. Peart

BANKERS
RBTT Jamaica Limited
The Bank of Nova Scotia
Jamaica Limited
National Commercial Bank
Jamaica Limited

AUDITORS
KPMG
6 Duke Street
Kingston

REGISTER – TRANSFER AGENT
Jamaica Central
Securities Depository
Limited
40 Harbour Street
Kingston

ATTORNEYS-AT-LAW
Patterson, Mair, Hamilton

Chairman's Statement

"ACCESS GROWS NET PROFIT BY 101%"

For the financial year ended December 31, 2009, Access Financial Services Limited posted pre-tax profits of $84.75 million vs. $51.15 million in the previous year representing an increase of 66%. Net profit after tax for the year was $65.99 million vs. $32.87 million in the previous year representing an increase of 101%.

Total revenue for the year was $343.16 million compared to $246.69 million in 2008 representing an increase of 39%. Net interest income increased by 36%, moving from $192 million to $261.16 million. This growth in net interest income is being driven by the Company's continued drive to expand its customer base via an ever expanding location foot print with 11 locations vs. 7 in 2008. Our personal loan portfolio increased by 18% vs. an 81% increase in the business loan portfolio. Given the challenging economic times that we faced in 2009 and the expected continuance of this negative trend for 2010, we believe that continued focus on this area of our loan portfolio is the best way to mitigate the risk and the challenge that the economy presents to lenders such as Access Financial Services.

Our decision to diversify our range of value-added services to our customers continues to deliver positive results to our revenue base with money services now accounting for approximately 11.11% of total revenue vs. 9.50% in 2008. We are anticipating that this trend will continue in 2010 as we add more locations to our network.

Our operating expenses increased by 32%. Though an increase of this magnitude is cause for concern, we believe that to hold it at this level in an environment of a devaluing dollar, as we experienced in early 2009, inflation and rising costs is commendable. Our Staff costs increased by 24% reflecting our drive to ensure that our staff members are fairly compensated as well as bolstering our internal capabilities. As a result of the state of the economy in 2009, we took a strategic decision to be more aggressive in providing for potential loan losses moving from approximately 4% of total loan portfolio to approximately 8%. Given that we do not see the economy improving in 2010, we will continue to adopt an extremely conservative position as far as managing our overall loan portfolio is concerned.

Our Capital Base

Total Shareholders' equity now stands at $274m vs. $115m in 2008 an increase of 138%.

On October 30, 2009, Access Financial Services became the first Company to list on the newly created Junior Market of the Jamaica Stock Exchange. We view this move as being a major milestone achievement for all stakeholders. In addition to the 10-year corporate tax consession and access to capital, as obvious benefits, we also view this move as an opportunity to be a leader in the level of transparency and governance practiced particularly among micro-lenders, as we are commonly referred to. We believe that by strengthening our capital base and improving our governance structure, we will be positioning Access Financial Services for greater opportunities in the future.

Going Forward

We are pleased to report that with our continued drive to create greater access to the services of Access Financial Services; continued prudent management of our loan portfolio; aggressive brand building and investment in our human capital, we are looking forward to delivering another financially rewarding year for our shareholders.

We anticipate that 2010 will be an extremely challenging year for our customers and for our nation at large. Though evidence suggests that the global economy is pulling itself out of the recession, Jamaica will have to make some very painful choices in 2010 before it too can begin to enjoy economic growth in 2011 and onwards. We believe that though painful and unavoidable, if these structural adjustments are made we will be better off as an economy and by extension as a country.

Thank You

We wish to take this opportunity to thank first and foremost our Management and Staff for the hard work that they have put in this year. Their enthusiasm and passion for the business continues to provide a solid foundation for financial growth.

We also wish to thank our thousands of customers for their continued support. You have our commitment and assurance that we will continue to play a relevant role in your lives as well as be your primary financial provider of choice.

We also wish to extend special thanks to our new shareholders for the confidence that they have placed in us. We hope that this relationship will be a mutually rewarding one in 2010 and beyond.

Brian Goldson, Chairman

CEO's Statement

"REACHING OUT TO OUR CUSTOMERS"

On October 30, 2009 Access Financial Services Limited became the first Company to list on the Junior Market of the Jamaica Stock Exchange. The market responded positively with the Company's share price increasing by 50% from an initial listing price of $18.34 to $27.51 by December 31, 2009. The listing provided the Company with additional capital which assisted in the expansion of the Company's branch network. During the year we disbursed $869 million in loans and opened four new branches in Savanna-la-mar, Portmore, Linstead, and Santa Cruz, taking our total number of branches to eleven. We also increased the suite of services offered at our head office with the addition of Western Union remittance services.

During the year the Company recorded a 66% increase in profit before taxation which was driven by a 31% increase in the loan portfolio and a 37% increase in total assets when compared with the previous year. The Company also recorded a 39% increase in total income which was driven by a 37% increase in total interest and fee income and a 63% increase in income from the Money Services division.

Given the global economic downturn the decision was made to increase the Company's allowance for credit losses by reducing the point at which a provision is made for loans in default. This proactive move will ensure that the Company's financial position will not be unduly impacted by a reduction in portfolio credit quality which may be brought on by the current economic environment.

During the year the Company strengthened its internal audit and accounting departments. As a result of the build-out of the Company's branch network and the strengthening of existing departments the Company's staff complement and staff costs increased by 24%. Total operating expenses increased by 32% during 2009 and utilities increasing by 16%.

The Company's marketing department focused on leveraging existing relationships to build the Company's client base through its "Friends Refer Friends" marketing campaign. The main pillar of the campaign was the customer referral program which saw 3,124 customers being referred to Access by existing customers.

During 2009 our Human Resources Department continued the strengthening of our team by hosting training sessions in the provision of excellent customer service. During the session our team members were treated to a presentation on personal development and coping during the current economic climate.

The Company's performance during 2009 was achieved by the hard work and dedication of our team members and the support of our strategic partners. The outlook for the sector continues to remain positive despite the downturn in the economy.

During the 2010 financial year we will continue our efforts to fulfill our mission and realize our vision. We will seek to strengthen our human resources, information systems and research capabilities. Our marketing department will continue the strengthening of the Company's brand. The rollout of our branch network will continue as we expand our presence throughout Jamaica. We will continue to improve the level of training offered to our team members and in turn improve the level of service that is offered to our valued customers. The current economic environment has mandated that we look closely at our cost structure and efficiencies to ensure that we are controlling expenses where possible, without impacting on the level of service offered to our customers.

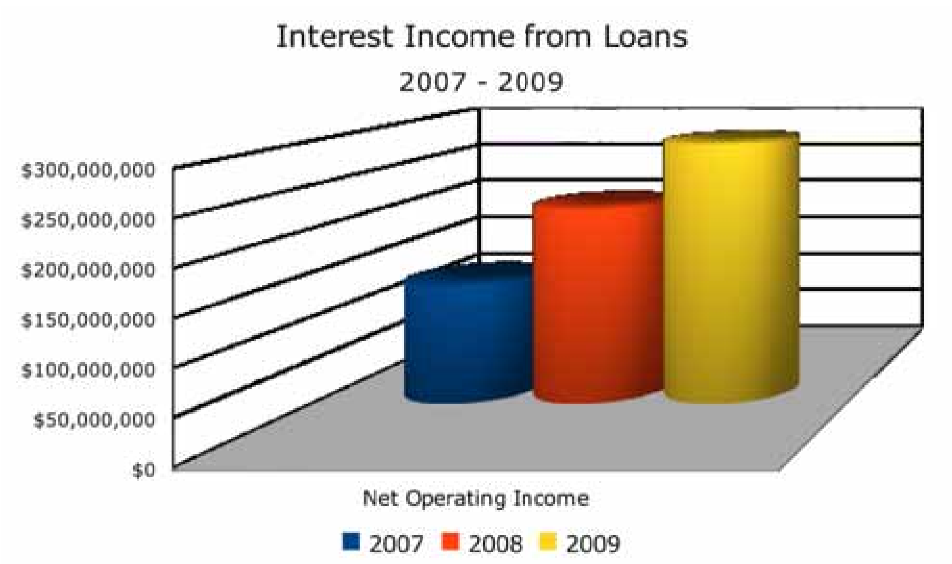
I am grateful to our customers for their loyalty and continued support displayed since the Company's inception. I would also like to take this opportunity to welcome our new shareholders and thank our committed team members for their hard work and dedication throughout the year.

Marcus James, CEO

Management Discussion and Analysis

OVERVIEW OF FINANCIAL RESULTS

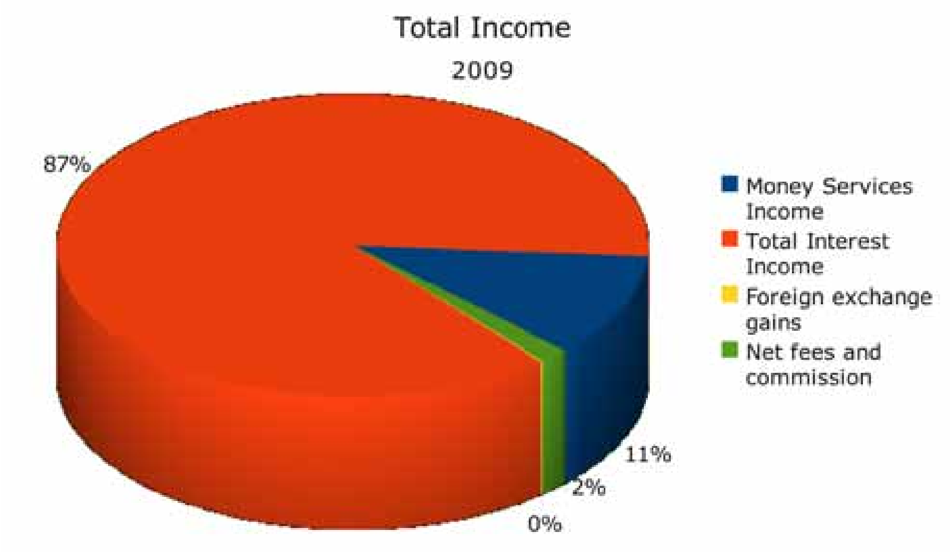
For the financial year 2009 Access' overall net operating income increased by 40% to $305 million, when compared to the $217 million recorded for 2008. Interest income from loans which comprised 86% of total income, increased by 33.92% from $220 million in 2008 to $294 million in 2009.



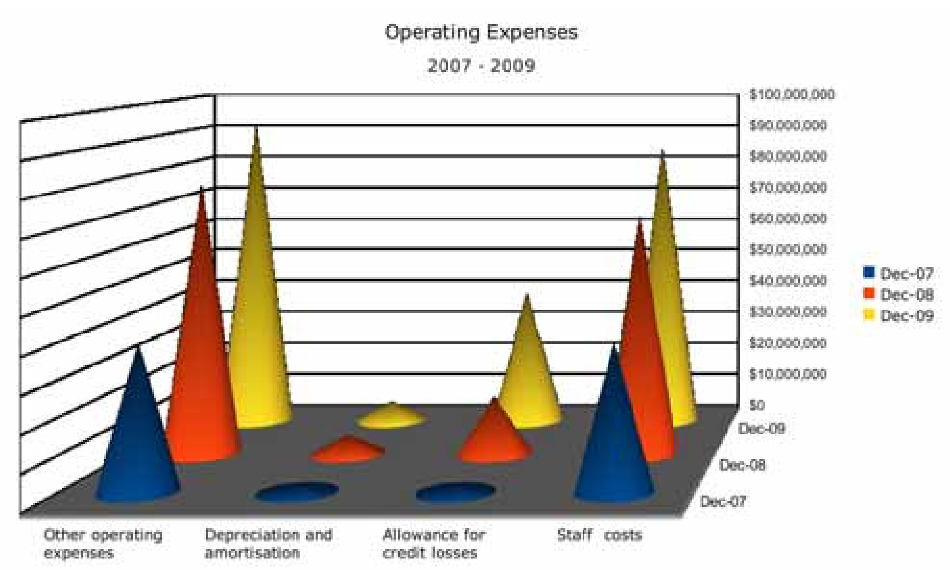
The growth in interest income was driven by a 31% increase in loans and advances which increased from $346 million in 2008 to $453 million in 2009. The growth in loans and advances also had a positive impact on fee and commission income, which increased from $2.42 million to $5.73 million, a 136% increase. The Company's liquidity position increased during 2009 resulting in a 608% increase in interest income from securities when compared with 2008.

Money Service fees and commission which increased by 59% during 2009, now accounts for 11% of total income.

The growth in this income stream was achieved through the increased customer awareness of branches that were added late in 2008.



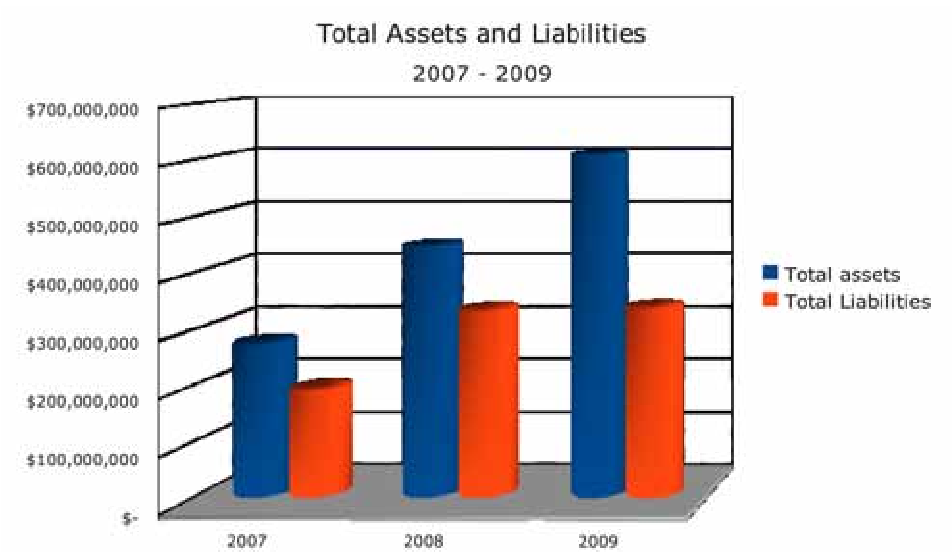
Net profit for the period increased to $65.99 million, from $33.12 million realized for 2008.



In 2009, Access' overall operating expenses increased by 32%, as a result of the opening of four new locations in Savanna-la-mar, Linstead, Santa Cruz and Portmore. The resulting increase in staff complement led to an increase in staff cost which moved from $68 million in 2008 to $84 million in 2009. In 2009 staff cost comprised 38% of total operating expenses versus 41% in 2008.

Due to the downturn in the local economy, management took the decision to mitigate potential credit losses by increasing the allowance for credit losses which increased from $16 million or 4.67% of total loan receivables in 2008, to $39 million or 8.64% of total loan receivables in 2009.

Assets and Liabilities Analysis



Total assets increased by $163 million or 36% in 2009. This increase was due to the growth in the Company's loan portfolio and liquid assets as liquidity was increased to fund the Company's loan operations. As such, highly liquid assets such as cash and cash equivalents and securities purchased for resale increased by 27% and 124% respectively. A 31% growth in portfolio size also impacted interest receivable, which increased by 11% over 2008.

Share Capital Growth

As a result of Access' Initial Public Offer (IPO) the weighted average number of shares outstanding increased from 21.96 million in 2008 to 22.89 million in 2009. During 2009, Earnings per Share increased by 92% moving from $1.50 recorded during 2008 to $2.88.

JSE Listing Ceremony October 30th 2009

Shareholder's Equity stood at $273 million as at December 2009, up from $114 million in 2008. This increase comprised $92 million realized from the IPO and $66 million net profit added to retained earnings.

Risk Management

The Company's management structure enables us to manage the activities of our business through our planning and review process consisting of financial, customer and risk planning. The Company obtains substantially all its revenues by managing risks from customer transactions for profit. The Company is exposed to liquidity, credit and market risk.

Management strives to continually enhance internal control processes and uses various methods to align risk-taking and risk management throughout the organization. Generally, loans are secured against assets or the income of the borrower and the guarantor.

The Board of Directors has overall responsibility for the Company's risk management framework. Accordingly the Board has established an Audit & Compliance Committee. This committee oversees the internal audit function that is responsible for providing the independent assessment of our management and internal control systems. The findings of the internal audit reviews are reported to the Board of Directors and the Audit & Compliance Committee.

Corporate Governance

Our Board of Directors provides oversight of the Company's affairs and constantly works to improve and build on the Company's corporate governance practices. Our board meetings are held monthly while our Audit & Compliance and Compensation & Expenditure Committees hold periodic meetings. These committees are established to uphold the highest standard of corporate governance and ethical conduct. The members of the Audit & Compliance Committee and the Compensation & Expenditure Committee are Brian Goldson, Alexander Johnson, Christopher Berry, and Gary Peart.

Community Activities

ACCESS SUPPORTS THE ROTARY CLUB OF TRAFALGAR AND NEW HEIGHTS "WALK FOR HAITI"

On January 12, 2010 a devastating 7.0 magnitude earthquake hit Jamaica's neighbour Haiti, flattening the country's capital Port-au-Prince and killing hundreds of thousands.

As the world came together to help the devastated nation, Jamaica's Rotary Club of Trafalgar and New Heights staged a fund raising event "Walk for Haiti" on January 20, 2010 at Emancipation Park.

Nordia Dennie of Access Financial Services Ltd. making a presentation of $80,000 to The Rotary Club of Trafalgar and New Heights.

In an effort to assist, Access contributed towards the offset of expenses associated with the staging of this walk-a-thon. A cash donation of $80,000 was also made directly to the Rotary District's 7020 Disaster Relief Fund to help purchase food, water and other supplies desperately needed by the people of Haiti.

Access team members came together and contributed by donating food, clothing and cash to other Haiti Relief Fund drop off points located island-wide.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43 UNION STREET, MONTEGO BAY, ST. JAMES · 1 INSTITUTION DRIVE (UPSTAIRS PREMIER PHARMACY) SANTA CRUZ, ST. ELIZABETH
SHOP# 5, ISLAND PLAZA SHOPPING COMPLEX, 70 KING STREET, LINSTEAD P.O., ST. CATHERINE · SHOP 17A PORT HENDERSON PLAZA, PORTMORE
SHOP# 7, 23 GREAT GEORGE STREET, SAVANNA-LA-MAR, WESTMORELAND · SHOP # 34B, PORTMORE PINES PLAZA, GREATER PORTMORE, ST. CATHERINE
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Disclosure of Shareholdings

AS AT DECEMBER 31, 2009

Shareholdings of Directors and Senior Management

Directors	Shareholdings	Connected Persons
Marcus James	11,200,000	12,000
Christopher Berry	--	10,760,785
Gary Peart	--	--
Alexander Johnson	5,500	--
Brian Goldson	54,902	--

Senior Management	Shareholding	Connected Persons
Marsha Palmer	50	--
Andrew Donaldson	1,050	--

Top Ten Shareholders

Names	Shareholdings
Marcus James	11,200,000
Mayberry West Indies Limited	10,760,785
Generation 4 Company Limited	1,363,200
Mayberry Managed Client Account	1,124,149
Shooting Star Limited	1,000,000
Butterfly Bliss Limited	370,000
Wakefield Farms Ltd.	327,200
Catherine Adella Peart	272,600
Mark Golding	109,000
Dean Peart	109,000

KPMG
Chartered Accountants
The Victoria Mutual Building
6 Duke Street
Kingston
Jamaica, W.I.

P.O. Box 76
Kingston
Jamaica, W.I.
Telephone +1 (876) 922-6640
Fax +1 (876) 922-7198
+1 (876) 922-4500
e-Mail firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
ACCESS FINANCIAL SERVICES LIMITED

Report on the Financial Statements

We have audited the financial statements of Access Financial Services Limited (the company), set out on pages 34 to 54, which comprise the balance sheet as at December 31, 2009, the statements of comprehensive income, changes in equity and cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and consistently applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

To the Members of
ACCESS FINANCIAL SERVICES LIMITED

Report on the Financial Statements (cont'd)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at December 31, 2009, and of its financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Report on additional requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, proper returns have been received for branches not visited by us and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner so required.

KPMG

February 5, 2010

Balance Sheet
December 31, 2009

	Notes	2009	2008
ASSETS			
Cash and cash equivalents	3	28,824,885	22,620,988
Securities purchased under resale agreements	4	71,758,246	32,000,000
Other accounts receivable		15,248,646	13,701,921
Loans and advances	5	453,784,169	346,533,310
Property, plant and equipment	6(a)	33,036,611	26,153,160
Intangible assets	6(b)	5,828,416	4,218,013
TOTAL ASSETS		$608,480,973	445,227,392
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Bank overdraft		-	23,757,943
Accounts payable and accruals		20,877,856	11,964,111
Taxation payable		5,748,300	12,494,021
Loans payable	7	308,060,301	276,887,301
Deferred taxation	8	-	5,242,268
Total liabilities		334,686,457	330,345,644
SHAREHOLDERS' EQUITY			
Share capital	9	96,050,714	3,137,255
Retained earnings		177,743,802	111,744,493
Total shareholders' equity		273,794,516	114,881,748
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$608,480,973	445,227,392

The financial statements on pages 34 to 54 were approved for issue by the Board of Directors on February 5, 2010, and signed on its behalf by:

Brian Goldson — Chairman

Marcus James — Managing Director

Gary Peart — Director

The accompanying notes form an integral part of the financial statements.

Statement of Comprehensive Income
Year ended December 31, 2009

	Notes	2009	2008
OPERATING INCOME			
Interest income from loans	2(p)	294,923,712	220,225,178
Interest income from securities		4,360,565	615,703
Total interest income		299,284,277	220,840,881
Interest expense		(38,115,425)	(28,837,498)
Net interest income		261,168,852	192,003,383
Net fees and commissions as loans		5,734,069	2,423,604
		266,902,921	194,426,987
Other operating income:			
Money services fees and commission		37,763,774	23,695,739
Foreign exchange gains/(losses)		374,829	(272,108)
		38,138,603	23,423,631
		305,041,524	217,850,618
OPERATING EXPENSES			
Staff costs	10	84,183,840	68,074,853
Allowance for credit losses	5(c)	39,212,690	16,182,714
Depreciation and amortisation	6(a),(b)	5,642,842	5,313,783
Other operating expenses		91,252,614	77,125,695
		220,291,986	166,697,045
Profit before taxation	11	84,749,538	51,153,573
Taxation	12	(18,750,229)	(18,279,493)
Profit for the year, being total comprehensive income		$ 65,999,309	32,874,080
Earnings per share	13	$ 2.88	1.50

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Shareholders' Equity
Year ended December 31, 2009

	Share capital (note 9)	Retained earnings	Total
Balances at December 31, 2007	3,137,255	78,870,413	82,007,668
Profit for the year, being total comprehensive Income	-	32,874,080	32,874,080
Balances at December 31, 2008	3,137,255	111,744,493	114,881,748
Issue of shares, net of transaction costs	92,913,459	-	92,913,459
Profit for the year, being total comprehensive Income	-	65,999,309	65,999,309
Balances at December 31, 2009	$96,050,714	177,743,802	273,794,516

The accompanying notes form an integral part of the financial statements.

Statement of Cash Flows

Year ended December 31, 2009

	Note	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		65,999,309	32,874,080
Adjustments for:			
Depreciation and amortisation	6(a),(b)	5,642,842	5,313,783
Tax expense	12	18,750,229	18,279,493
Increase in allowance for loan losses	5(c)	39,212,690	16,182,714
Interest income		(299,284,277)	(220,840,881)
Interest expense		38,115,425	28,837,498
		(131,563,782)	(119,353,313)
Change in loans and advances		(146,463,549)	(134,735,696)
Change in other accounts receivable		(1,973,849)	(8,146,756)
Changes in loans payable, net		31,173,000	101,615,049
Change in accounts payable		5,843,026	1,998,252
		(242,985,154)	(158,622,464)
Income taxes paid		(30,738,218)	(5,984,361)
Interest received		299,711,401	221,223,274
Interest paid		(35,044,706)	(26,498,608)
Net cash (used)/provided by operating activities		(9,056,677)	30,117,841
CASH FLOW FROM INVESTING ACTIVITIES			
Securities purchased under resale agreements		(39,758,246)	(26,937,071)
Acquisition of property, plant & equipment and intangible assets	6(a),(b)	(14,136,696)	(19,259,635)
Net cash used by investing activities		(53,894,942)	(46,196,706)
CASH FLOW FROM FINANCING ACTIVITY			
Share issue, net of expenses		92,913,459	-
Increase/(decrease) in cash and cash equivalents for the year		29,961,840	(16,078,865)
Cash and cash equivalents at the beginning of the year		(1,136,955)	14,941,910
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		$ 28,824,885	(1,136,955)
Comprised of:			
Cash and bank balances		28,824,885	22,620,988
Bank overdraft		-	(23,757,943)
		$ 28,824,885	(1,136,955)

The accompanying notes form an integral part of the financial statements.

1. The company

Access Financial Services Limited (the company) is incorporated and domiciled in Jamaica and its registered office is situated at 41B Half Way Tree Road, Kingston 5, Jamaica, W.I. The company is listed on the Junior Market of the Jamaica Stock Exchange.

The principal activity of the company is retail lending to the micro enterprise sector for personal and business purposes. Funding is provided by financial institutions, government entities and non-governmental organisations.

2. Statement of compliance, basis of preparation and significant accounting policies

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board and comply with the provisions of the Jamaican Companies Act.

Certain new IFRS, and interpretations of and amendments to existing standards which were in issue, came into effect for the current financial year. The standard considered relevant to company is as follows:

- *Revised IAS 1 – Presentation of Financial Statements* requires presentation of all non-owner changes in equity either in a single statement of comprehensive income, or in an income statement and a statement of comprehensive income. Revised IAS 1 also requires that a statement of financial position must be presented at the beginning of the comparative period when the entity restates the comparatives, a disclosure for reclassification adjustments and a disclosure of dividends and related per share amounts to be disclosed on the face of the statement of changes in equity or in the notes to the financial statements. IAS 1, effective for accounting periods beginning on or after January 1, 2009, was considered in preparing these financial statements.

At the date of authorisation of the financial statements the following new standards, amendments to standards and interpretations, which were in issue, are not yet effective and have not been adopted early. Those standards and interpretations are effective for the accounting periods beginning on or after the dates indicated below:

- *IFRS 9, Financial Instruments* (effective January 1, 2013) introduces new requirements for classifying and measuring financial assets. The standard also amends some of the requirements of *IFRS 7 Financial Instruments: Disclosures* including added disclosures about investments in equity instruments designated as fair value through other comprehensive income.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(a) Statement of compliance (cont'd):

- *IAS 24, Related Party Disclosure, revised* (effective January 1, 2011) introduces changes to the related party disclosure requirements for government-related entities and amends the definition of a related party. The standard also expands the list of transactions that require disclosure.

The adoption of IFRS 9, and IAS 24 revised is expected to result in adjustments and additional disclosures to the financial statements. Management has not completed its evaluation of the impact of adopting these standards on the financial statements.

(b) Basis of preparation:

The financial statements are prepared under the historical cost basis.

(c) Functional and presentation currency:

These financial statements are presented in Jamaica dollars ($), which is the company's functional currency.

(d) Use of estimates and judgements:

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, contingent assets and contingent liabilities at the balance sheet date and the income and expenses for the year then ended. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(d) Use of estimates and judgements (cont'd):

Allowance for impairment losses on loan receivables:

In determining amounts recorded for impairment losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators to suggest a potential measurable decrease in the estimated future cash flows from loan receivables, for example, because of default or adverse economic conditions. Management makes estimates of the likely estimated future cash flows from impaired receivables as well as the timing of such cash flows.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and comply in all material respects with IFRS.

(e) Property, plant and equipment and intangible assets:

(i) Items of property, plant and equipment, and intangible asset are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(ii) Depreciation is recognised in profit or loss on the straight-line basis, over the estimated useful lives of property, plant and equipment. The depreciation rates are as follows:

Furniture and fixtures	10%
Leasehold improvement	10%
Computer equipment	20%
Motor vehicle	25%
Computer software	20%

Depreciation methods, useful lives and residual values are reassessed at each balance sheet date.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(f) Securities purchased under resale agreements:

Securities purchased under resale agreements are short-term transactions whereby the company buys securities and simultaneously agrees to resell the securities on specified dates and at specified prices. Resale agreements are accounted for as short-term collateralised lending and measured at amortised cost. Interest is recognised in the statement of comprehensive income over the life of each agreement using the effective interest rate method.

(g) Loans:

Loans are stated at amortised cost, net of any unearned income and impairment losses, if any.

(h) Allowance for loan losses:

The company maintains an allowance for credit losses, which in management's opinion, is adequate to absorb credit related losses in its portfolio. This consists of specific provisions established as a result of reviews of individual loans and is based on an assessment which takes into consideration factors including collateral held and business and economic conditions.

(i) Accounts receivable:

Accounts receivable are stated at amortised cost less impairment losses, if any.

(j) Accounts payable:

Trade and other payables are stated at amortised cost.

(k) Provisions:

A provision is recognised if, as a result of a past event, the company has a 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. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the liability.

(l) Borrowings:

Borrowings are recognised initially as the proceeds received net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method with any difference between proceeds net of transaction costs, and the redemption value recognised in income along with regular interest charges over the period of the borrowings.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributed to the issue of ordinary shares are recognised as a deduction from equity.

(n) Impairment:

(i) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows from that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(ii) Non-financial assets:

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(o) Foreign currencies:

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of those transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Jamaica dollars at the exchange rate at that date. Gains and losses arising from fluctuations in exchange rates are recognised in the statement of comprehensive income.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(p) Financial instruments:

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. The company's financial instruments comprise cash and cash equivalents, resale agreements, loans and advances, other receivables, accounts payable and loans payable.

A financial instrument is recognised if the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the company's rights to the cash flows from the financial assets expire or if the company transfers the financial asset to another party without retaining substantial risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e., the date that the company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the company's obligations specified in the contract expire or are discharged or cancelled.

(q) Revenue recognition:

Interest income is recognised on the accrual basis, by reference to the principal outstanding and the interest rate applicable, to produce the effective interest over the life of the loan.

(r) Interest expense:

Interest expense comprise interest payable on borrowings calculated using the effective interest method.

(s) Operating leases:

Leases where a significant portion of the risks and rewards of ownership are retained by the legal owner are classified as operating leases. Payments under operating leases are charged to the income statement on the straight line basis over the period of the leases.

(t) Employee benefits:

Employee benefits include current or short-term benefits such as salaries, statutory contributions paid, annual vacation and sick leave, and non-monetary benefits such as medical care and housing.

The company operates a defined-contribution pension scheme for the benefit of qualifying employees. The scheme is administered by Mayberry Investments Limited. Contributions to the scheme, made on the basis provided for in the rules, are recognised as expense when due.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(u) Income tax expense:

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity, in which case it is charged or credited to equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted at balance sheet date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be received.

(v) Determination of fair value:

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. Some financial instruments lack an available trading market. These instruments have been valued using present value or other valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

3. Cash and cash equivalents

	2009	2008
Short-term deposits	74,086	74,086
Cash at bank	28,750,799	22,546,902
	$28,824,885	22,620,988

The weighted average interest rate on short-term deposits was 7.85% (2008: 11.5%).

4. Securities purchased under resale agreements

The fair values of the underlying collateral of securities purchased under resale agreements approximate their carrying value.

5. Loans and advances

Analysis of loan by class of business and sector are as follows:

	2009	2008
Person loans	372,523,173	316,128,070
Business loans		
Agriculture	7,206,235	2,042,563
Services	32,572,889	12,597,900
Trading	59,211,572	37,111,353
Manufacturing	7,369,761	1,782,016
Other	1,522,192	6,012,158
	107,882,649	59,545,990
	$480,405,822	375,674,060

(a) Loans and advances are comprised of and mature as follows:

Remaining term to maturity	2009	2008
Due within 1 month	227,905,648	76,770,837
1 to 3 months	34,943,560	37,414,107
3 to 12 months	98,361,619	112,151,758
Over 12 months	119,194,995	149,337,358
Gross loans and advances	480,405,822	375,674,060
Less: Allowance for loan losses	(26,621,653)	(29,140,750)
	$453,784,169	346,533,310

(b) Impairment losses on loans and advances

The ageing of loans and advances and the related impairment allowances at the reporting date were as follows:

	2009		2008	
	Gross	Impairment	Gross	Impairment
Current	415,650,448	-	76,770,837	-
1 to 3 months past due	52,006,086	13,872,365	37,414,107	-
3 to 12 months past due	12,749,288	12,749,288	112,151,758	4,202,108
Over 12 months past due	-	-	149,337,358	24,938,642
	$480,405,822	26,621,653	375,674,060	29,140,750

No impairment allowance has been made for loans that are not past due and there were no loans renegotiated during the year.

5. Loans and advances (cont'd)

(c) Specific allowances for loan losses:

	2009	2008
Balance at beginning of year	29,140,750	12,958,036
Allowance made during the year	39,212,690	16,182,714
Loans written off during the year	(41,731,787)	-
Balance at the end of the year	$ 26,621,653	29,140,750

6. Property, plant and equipment and intangible asset

(a) Property, plant and equipment:

	Leasehold improvements	Computer equipment	Furniture & fixtures	Motor vehicles	Total
Cost:					
December 31, 2007	3,848,411	2,384,077	4,703,788	4,059,500	14,995,776
Additions	8,115,697	5,029,662	4,495,637	-	17,640,996
December 31, 2008	11,964,108	7,413,739	9,199,425	4,059,500	32,636,772
Additions	3,756,589	2,693,975	4,775,104	110,000	11,335,668
December 31, 2009	15,720,697	10,107,714	13,974,529	4,169,500	43,972,440
Depreciation:					
December 31, 2007	294,503	1,642,436	658,371	180,302	2,775,612
Charge for the year	923,473	1,084,391	685,261	1,014,875	3,708,000
December 31, 2008	1,217,976	2,726,827	1,343,632	1,195,177	6,483,612
Charge for the year	1,142,593	1,399,618	878,262	1,031,744	4,452,217
December 31, 2009	2,360,569	4,126,445	2,221,894	2,226,921	10,935,829
Net book values:					
December 31, 2009	$13,360,128	5,981,269	11,752,635	1,942,579	33,036,611
December 31, 2008	$10,746,132	4,686,912	7,855,793	2,864,323	26,153,160

6. Property, plant and equipment and intangible asset (cont'd)

(b) Intangible assets:

This comprises acquired computer software as follows:

	2009	2008
Cost:		
At beginning of the year	7,418,206	5,799,567
Additions	2,801,028	1,618,639
At end of the year	10,219,234	7,418,206
Amortisation:		
At beginning of the year	3,200,193	1,594,410
Charge for the year	1,190,625	1,605,783
At end of the year	4,390,818	3,200,193
Net book value	$ 5,828,416	4,218,013

7. Loans payable

(a) Loans are comprised as follows:

	2009	2008
Director's loan [see note (i)]	51,892,183	50,527,763
Mayberry Investments Limited [see note (i)]	2,174,463	84,854,436
Development Options Limited [see note (ii)]	115,609,254	93,866,315
Pan Caribbean Merchant Bank [see note (iii)]	70,519,950	41,632,414
National Insurance Fund [see note (iv)]	24,671,544	9,850,649
Development Bank of Jamaica [see note (v)]	47,244,570	-
	312,111,964	280,731,577
Less: Unamortised transaction costs	(4,051,663)	(3,844,276)
	$308,060,301	276,887,301

(i) This represents funds drawn down from a $100 million line of credit, established by Mayberry Investments Limited (MIL) and a director. Interest is paid at 22% (2008: 18%) per annum on the Jamaican dollar loan and 11% on the US dollar loan. Interest is due monthly. The facility is renewable annually. These loans are unsecured.

(ii) This loan attracts interest at 9% per annum and repayable within nine to fifteen months. The available line of credit is $115 million, of which $80 million is unsecured and $35 million is secured by guarantee from MIL.

7. Loans payable (cont'd)

(a) Loans are comprised as follows (cont'd):

(iii) This loan attracts interest at 9% per annum and is secured by promissory notes and letter of commitment executed by the borrower under seal. The available line of credit is $80 million.

(iv) This is part of a facility of $40 million. Advances bear interest at 4% and are repayable quarterly over 48 months. The facility expires on April 30, 2012 and is secured by the assignment of loans made to customers.

(v) This loan bears interest at 12% and is repayable quarterly over six months. This loan is secured by a lien on all deposits made and collected in jointly held current and savings accounts. The available line of credit is $75 million.

	2009	2008
Within 1 month	31,644,488	2,161,811
1 to 3 months	70,153,164	46,112,759
3 to 12 months	105,812,405	96,890,545
	207,610,057	145,165,115
Over 12 months	104,501,907	135,566,462
	$312,111,964	280,731,577

8. Deferred taxation

	2007	Recognised in income	2008	Recognised in income	2009
Property, plant and equipment	(1,161,162)	2,202,567	1,041,405	(1,041,405)	-
Interest receivable	6,953,007	(1,654,573)	5,298,434	(5,298,434)	-
Interest payable	(932,072)	(165,499)	(1,097,571)	1,097,571	-
	$4,859,773	382,495	5,242,268	(5,242,268)	-

9. Share capital

	2009	2008
Authorised share capital: 35,000,000 (2008: 3,137,255) shares		
Stated capital, issued and fully paid:		
1,600,000 "A" ordinary shares	-	1,600,000
1,537,255 "B" ordinary shares	-	1,537,255
27,450,984 ordinary shares	103,148,458	-
Less: Transaction costs of share issue	(7,097,744)	-
	$ 96,050,714	3,137,255

On September 23, 2009 the company unanimously passed the following resolutions as written resolutions of the company in accordance with Article 85 of the Articles of Incorporation of the company:

(a) That each of the existing ordinary class A and B shares in the capital of the company be divided into 7 ordinary shares.

(b) That the authorised share capital of the company be increased from 3,137,355 to 35,000,000 shares.

10. Staff costs

	2009	2008
Wages, salaries and statutory contributions	62,752,390	48,255,210
Pension contributions	525,729	500,927
Other staff benefits	20,905,721	19,318,716
	$84,183,840	68,074,853

11. Profit before taxation

(a) The following have been charged in arriving at the profit before taxation:

	2009 $	2008 $
Auditors' remuneration:		
Current year	3,100,000	2,200,000
Prior period	300,000	300,000
Depreciation and amortisation	5,524,714	5,313,783
Directors' emoluments	6,134,750	5,383,000

(b) During the prior year, the company suffered losses of cash balances in its cambio operations amounting to $17,408,048, after insurance recoveries of $2,500,000. The net effect of the losses was recognised in the income statement.

12. Taxation

(a) Taxation for the year comprises:

	2009	2008
Current tax expense	23,977,648	17,896,998
Prior year under provision	14,849	-
Deferred tax arising from temporary differences	(5,242,268)	382,495
	$18,750,229	18,279,493

(b) Reconciliation of actual tax expense:

	2009	2008
Profit before tax	$84,749,538	51,153,573
Expected tax expense @ 33⅓%	28,249,846	17,051,191
Adjusted for difference in treatment of:		
Depreciation and capital allowances	(693,614)	1,603,941
Other	1,327,731	(375,639)
Prior period under provision	14,849	-
	28,898,712	18,279,493
Adjustment for the effect of tax remission:		
Current tax	(4,906,215)	-
Deferred tax	(5,242,268)	-
	$18,750,229	18,279,49

12. Taxation (cont'd)

(c) Remission of income tax:

The company's shares were listed on the Jamaica Stock Exchange Junior Market, effective October 30, 2009. Consequently, the company is entitled to a remission of taxes for ten (10) years in the proportions set out below, provided the shares remain listed for at least 15 years:

Year 1 to 5	100%
Years 5 to 6	50%

The financial statements have been prepared on the basis that the company will have the full benefit of the tax remissions.

13. Earnings per share

This is computed by dividing the profit for the year by the weighted average number of shares in issue for the year of 22,893,367 (2008: 21,960,785). The weighted average number of shares for both years reflects the 7:1 split in the number of shares in issue up to September 23, 2009.

14. Related party balances and transactions

Significant related party balances and transactions were as follows:

(a) Balances

	2009	2008
Advances to key management personnel	$ 387,472	387,472
Due to related parties:		
Mayberry Investments Limited	2,184,951	84,854,436
Director	52,371,887	50,527,763
	$54,556,838	135,382,199
Due from related parties:		
Mayberry Investments Limited	$ 268,307	-
Accounts payable:		
Director	$ 1,000,000	-

(b) Transactions:

	2009 $	2008 $
Compensation for key management (including director):		
Short-term benefits	6,134,750	5,383,000
Pension contributions	201,429	167,678
Operating lease expenses	5,253,167	8,388,288

15. Financial instruments

(a) Financial instrument risks:

The company has exposure to the following financial risks from its use of financial instruments and its insurance contracts:

- Credit risk
- Liquidity risk
- Market risk

(i) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The company monitors its credit risk by evaluating applicants for credit before disbursement and by reviewing its loan portfolio with a view to controlling its credit risk. Collateral is obtained for business loans and certain personal loans are collected through salary deductions by employers of the borrowers. Cash and cash equivalents, and securities purchased under resale agreements are held with substantial financial institutions, which are considered to present minimal risk of default.

The carrying amount of financial assets represents the maximum credit exposure. The company has some degree of credit risk concentration associated with loans receivable, as the company's loan portfolio includes micro-business and personal loans. There are no significant balances with any single entity or group of entities. There was no individual loan balance that exceeded 10% of the total loans owing to the company at balance sheet date.

Securities purchased under resale agreements represent contracts with a single related financial institution.

The maximum exposure to credit risk at the reporting date was:

	2009	2008
Cash & cash equivalents	28,824,885	22,620,988
Securities purchased under resale agreements	71,758,246	32,000,000
Loans and advances	453,784,169	346,533,310
Other accounts receivable	15,248,646	13,701,921
	$569,615,946	414,856,219

15. Financial instruments (cont'd)

(a) Financial instrument risks (cont'd):

(ii) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash resources and marketable securities, and the availability of funding through an adequate amount of committed facilities.

The company manages this risk by maintaining a substantial portion of its financial assets in liquid form and by maintaining committed lines of credit to finance its operations.

The following are the contractual maturities of financial liabilities, including interest payments:

	2009					
	Carrying amount	contractual cash flows	less than 3 months	3 to 12 months	1 to 2 years	Over 2 years
	$	$	$	$	$	$
Loans payable	(308,060,301)	(339,781,423)	(112,047,563)	(120,193,738)	(93,241,144)	(14,298,978)
Accounts payable & provisions	(20,877,856)	(20,877,856)	(20,877,856)	-	-	-
	(328,938,157)	(360,659,279)	(132,925,419)	(120,193,738)	(93,241,144)	(14,298,978)

	2008					
	Carrying amount	contractual cash flows	less than 3 months	3 to 12 months	1 to 2 years	Over 2 years
	$	$	$	$	$	$
Bank overdraft	(23,757,943)	(23,757,943)	(23,757,943)	-	-	-
Loans payable	(276,887,301)	(325,558,044)	(59,415,669)	(118,761,376)	(79,486,898)	(67,894,101)
Accounts payable & provisions	(11,964,111)	(11,964,111)	(11,964,111)	-	-	-
	(312,609,355)	(361,280,098)	(95,137,723)	(118,761,376)	(79,486,898)	(67,894,101)

(iii) Market risk:

Market risk is the risk that changes in market prices, such as interest rate, foreign exchange rates and equity prices will affect the value of the company's assets, the amount of its liabilities and/or the company's income. Market risk arises from fluctuations in the value of liabilities and the value of investments held. The company is exposed to market risk on certain of its financial assets. There is no significant exposure to foreign currency risk or equity price risk. Derivative financial instruments are not used to reduce exposure market risk.

15. Financial instruments (cont'd)

(a) Financial instrument risks (cont'd):

(iii) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is affected where there is a mismatch between interest earning assets and interest bearing liabilities, which are subject to interest rate adjustment within a specified period. The company manages this risk by maintaining a portfolio of interest earning assets that exceeds interest-bearing liabilities. Loans are advanced for relatively short period.

At the reporting date the interest profile of the company's interest bearing financial instruments was:

	Carrying amount	
	2009	2008
Fixed rate instruments:		
Financial assets	525,542,415	378,733,310
Financial liabilities	(308,060,301)	(276,887,301)
	217,482,114	101,846,009

Interest rate sensitivity

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value and all its financial instruments are carried at amortised cost. Therefore, a change in interest rates at the reporting date would not affect profit for the year or equity.

Cash flow sensitivity of variable rate financial instruments

The company does not hold any variable rate instruments that are subject to material changes in interest rate. Therefore, a change in market interest rates at the reporting date would not affect profit or equity.

5. Financial instruments (cont'd)

(b) Fair value of financial instruments:

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet as follows:

	2009		2008	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash & cash equivalents	28,824,885	28,824,885	22,620,988	22,620,988
Securities purchased under resale agreements	71,758,246	71,758,246	32,000,000	32,000,000
Loans and advances	453,784,169	453,784,169	346,533,310	346,533,310
Other accounts receivable	15,248,646	15,248,646	13,701,921	13,701,921
Bank overdraft	-	-	(23,757,943)	(23,757,943)
Accounts payable & provisions	(20,877,856)	(20,877,856)	(11,964,111)	(11,964,111)
Loans payable	(308,060,301)	(308,060,301)	(276,887,301)	(276,887,301)
	$240,677,789	240,677,789	102,246,864	102,246,864

16. Capital management

The company manages capital adequacy by retaining earnings from past profits and by managing the returns on borrowed funds to protect against losses on its core business, so as to be able to generate an adequate level of return for its shareholders. The company is required to meet the capital requirement of at least $50,000,000 for listing on the Jamaica Stock Exchange Junior Market. There was no other externally imposed capital requirements and no change in the company's capital management process during the year.

17. Lease commitments

Operating lease commitments, which are subject to formally agreed terms at year end expire as follows:

	2009	2008
Within 1 year	17,548,307	8,388,288
Subsequent years (2-5)	35,763,637	20,000,000
	$53,311,944	28,388,288

Notes

Notes

Notes

Form of Proxy

ACCESS FINANCIAL SERVICES LTD.

J$ 100 STAMP

I/We...(insert name)
of...(address)
being a shareholder(s) of the above-named Company, hereby appoint:
....(proxy name)
of...(address)
or failing him/her,...(alternate proxy name)
....(address)
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 2:00 p.m. on the 21st day of April 2010 at the Knutsford Court Hotel, 85 Chelsea Avenue, Kingston 5 and at any adjournment thereof . I desire this form to be used for/against the resolutions as follows:

No.	Resolution details	Vote for or against (tick as appropriate)	
1.	To receive the report of the Directors and the audited accounts of the Company for the financial year ended December 31, 2009.	☐ FOR	☐ AGAINST
2.	To authorise the Directors to appoint the Auditors of the Company based on the results of tenders sent out to auditing firms, and to authorise the Directors to determine their remuneration.	☐ FOR	☐ AGAINST
3.	To approve the interim dividend declared by the Directors on February 22, 2010 in the amount of $0.50 per ordinary share, that was paid to shareholders of the Company on record as of March 12, 2010 on March 31, 2010 as the final dividend for the financial year ended December 31, 2009.	☐ FOR	☐ AGAINST
4.	As special business, to consider the following resolution: that each of the ordinary shares in the capital of the Company be subdivided into 10 shares.	☐ FOR	☐ AGAINST

Unless otherwise directed the proxy will vote as he thinks fit.

Signed this..........day of..........................2010:

…..

Signature of Shareholder

Credits:

Design and Layout By:

Uru Multimedia

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