ANNUAL REPORT 2011

ACCESS
FINANCIAL SERVICES LTD.

INVEST • NURTURE • GROW

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

CORE VALUES

CUSTOMER FIRST
INTEGRITY
ACCOUNTABILITY
RESPECT
CARING ENVIRONMENT
CONTINUOUS IMPROVEMENT

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at 4:00 pm on June 27, 2012 at the Knutsford Court Hotel, 11 Ruthven Road, Kingston 10, for Shareholders to consider and if thought fit to 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, 2011.

2. To authorise the Directors to negotiate the remuneration of the Auditors BDO who have signified their willingness to continue in office.

3. To approve the interim dividend declared by the Directors on Tuesday March 13, 2012 in the amount of $0.45 per ordinary share, that was paid to Shareholders of the Company on record as of March 27, 2012 on April 5, 2012, as the final dividend for the financial year ended December 31, 2011.

Dated this 13th day of April 2012

By order of the Board

Brian Goldson, Chairman

A form of proxy accompanies this Notice of the Annual General Meeting (see page 65 of the 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.

Five Year Performance Highights

As at December 31, 2011

	2011 $'000	2010 $'000	2009 $'000	2008 $'000	2007 $'000
Interest Income from Loans	418,721	377,901	294,924	220,225	132,579
Net interest Income	400,594	356,854	261,168	192,003	121,019
Operating Expenses	312,850	271,100	220,291	166,697	82,608
Profit before Taxation	162,070	147,206	84,749	51,153	46,155
Taxation	-	-	(18,750)	(18,729)	(13,435)
Net Profit	162,070	147,206	65,999	32,874	32,720
Total Assets	796,347	658,292	608,480	445,227	270,348
Total Liablities	312,100	251,017	334,686	330,345	188,340
Shareholders Equity	484,247	407,275	273,794	114,882	82,008
Earnings per Share	$ 0.59	$ 0.54	$ 0.24	$ 0.12	$ 0.12
Return on Equity	$ 0.33	$ 0.36	$ 0.24	$ 0.29	$ 0.40

We continue to invest in the welfare and development of our staff. The Company has an integrated and holistic human resource development strategy, which enables it to identify talent and allows each employee to realize his/her full potential.

Brian A.L. Goldson
Chairman

Statement to Shareholders

In 2011 Access Financial Services Limited completed its participation in Phase 1 of the Caribbean Microfinance Capacity Building Project (CARIB-CAP), an IDB funded program which seeks to strengthen the technical and financial capabilities of Microfinance Institutions (MFIs) in the English speaking Caribbean.

Phase 1 of the project targeted MFIs in the Bahamas, Barbados, Belize, Guyana, Jamaica, Suriname, Trinidad and Tobago and those within the Organization of Eastern Caribbean States (OECS). Our participation in the program began in 2009 with an assessment of 40 microfinance institutions and credit unions of which 18 were selected to participate in the program.

Our primary goal for the 2011 fiscal year was to gain market share in our core business of micro lending. This necessitated a detailed examination of our clients' needs and how our loan products were positioned to meet those needs. Through close collaborative work with our CARIB-CAP assigned consultant, we began a detailed examination of our loan products with a view to making them more client centric while at the same time reducing their inherent risk.

Our participation in the CARIB-CAP program was a success. Access Financial Services Limited finished 1st out of the 18 institutions which participated in the program and received the CARIB-CAP Good Practice Incentive Award for outstanding performance. Our loan products were enhanced and in July we launched our Partner Loan product which takes a non-traditional approach to securitizing loans. Customers have responded favourably and as at December 31, 2011, this product accounted for approximately 32% of our business loan portfolio.

LOAN PORTFOLIO PERFORMANCE

Despite a challenging economic environment which saw a 1.1% decline in Jamaica's Gross Domestic Product, Access recorded a 35% increase in the number of loans disbursed and a 39% increase in Loans and Advances.

MONEY SERVICE PERFORMANCE

The performance of our Money Services division was also commendable as we recorded an 8% increase in total Western Union payouts which moved from \$4.5b recorded in 2010 to \$4.9b recorded in 2011.

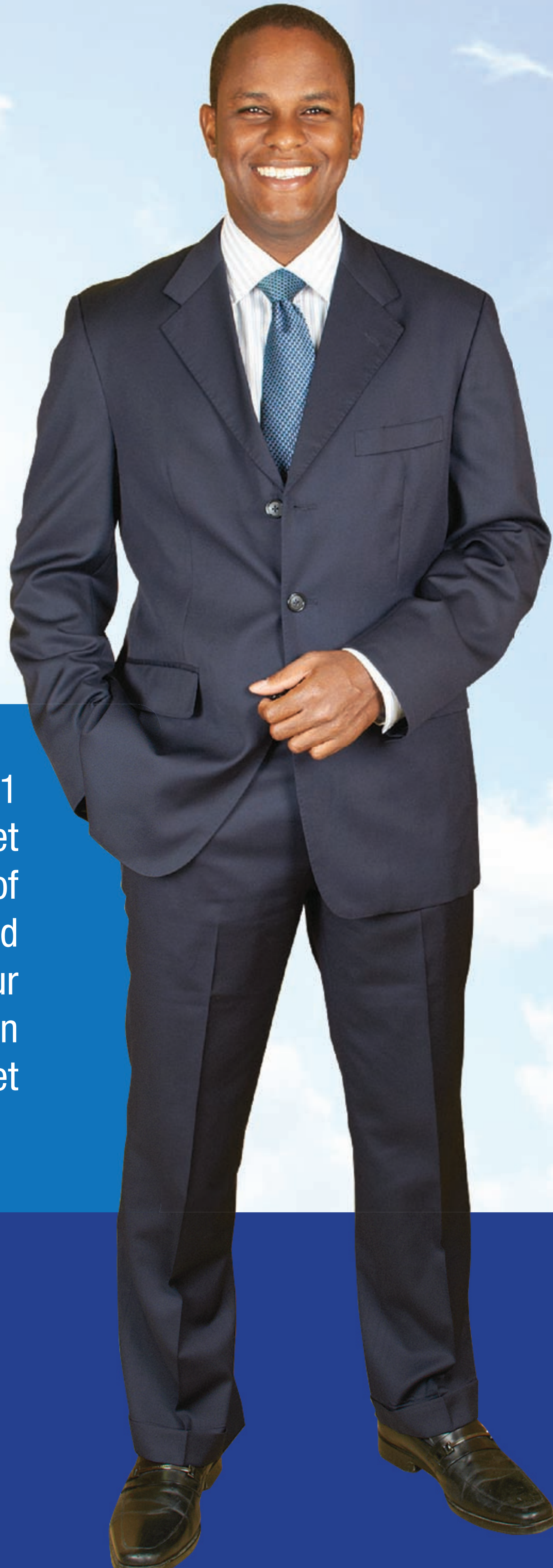
MARKETING

Our marketing focus in 2011 was to increase market share in our core business lines through direct marketing initiatives targeted at specific segments of the market. In addition, we continued with our brand building initiatives which have resulted in increased brand awareness and customer loyalty. Our efforts have resulted in an overall increase in the demand for our products and services.

We will continue to differentiate our Company from the competition by consistently offering excellent customer service and responding quickly to our customers' needs through the development of innovative and timely products.

Our participation in the CARIB-CAP program was a success. Access Financial Services Limited finished 1st out of the 18 institutions which participated in the program.

Our primary goal for the 2011 fiscal year was to gain market share in our core business of micro lending. This necessitated a detailed examination of our clients' needs and how our loan products were positioned to meet those needs.



MARCUS JAMES
Chief Executive Officer

Statement to Shareholders

The positive results delivered in 2011 have been through the efforts of our committed team members. Our team members continue to strive for excellence focusing on meeting our customers' expectations.

HUMAN RESOURCES

The positive results delivered in 2011 have been through the efforts of our committed team members. Our team members continue to strive for excellence focusing on meeting our customers' expectations.

We continue to invest in the welfare and development of our staff. The Company has an integrated and holistic human resource development strategy which enables it to identify talent and allows each employee to realize his/her full potential. All employees are provided with the opportunity to obtain skills and competencies in order to advance along a predetermined career path based on opportunity and suitability.

2012 STRATEGIC OUTLOOK

In 2011 as a result of increases in revenue from both business units, Access recorded a 14% increase in Net Operating Income and a 10% increase in Net Profit.

In 2012 we anticipate a challenging financial year given the continued contraction of the local economy. Despite the macro-economic outlook we see significant opportunities to continue to grow our core business. Customer satisfaction will play a significant part in our ability to take advantage of these opportunities. Accordingly, we will continue to focus on team building through ongoing training to ensure that our team members are providing our customers with unparalleled service. We will also continue the expansion of our network while increasing operational efficiency.

Board of Directors

ACCESS FINANCIAL SERVICES LTD.

CHRISTOPHER BERRY
Non-Executive Director

BRIAN GOLDSON
Non-Executive Chairman

MARCUS JAMES
Chief Executive Officer

ALEXANDER JOHNSON
Non-Executive Director

GARY PEART
Non-Executive Director and Corporate Secretary

ACCESS FINANCIAL SERVICES LTD.

BRIAN GOLDSON

Brian Goldson was appointed Non-Executive Chairman of the Board in May 2007.

Mr. Goldson holds a Bachelor of Science (B.Sc.) degree in Investment Finance from the University of New Orleans and a Master of Business Administration (M.B.A.) from Georgia State University. He recently served as Non Executive Chairman of the Postal Corporation of Jamaica.

MARCUS JAMES

Marcus James founded the Company in September 2000 and has been a Director since. As a true visionary and leader he has led the Company to be recognized as one of the leading Microfinance Institutions in the Caribbean. Marcus currently serves on the Board of Directors of the British Caribbean Insurance Company Limited, United Way of Jamaica, Crime Stop and Exponential Holdings Limited.

He holds a Master of Business Administration (M.B.A.) (with Distinction) in Banking and Finance from the University of the West Indies and a Bachelor of Business Administration (B.B.A.) degree from Western Carolina University.

ALEXANDER JOHNSON

Alexander Johnson was appointed a Non-Executive Director of the Company in October 2008.

Mr. Johnson holds a Bachelor of Science (B.Sc.) degree in Management Studies from the University of the West Indies and a Master of Business Administration (M.B.A.) from the University of New Orleans. Mr. Johnson is a former Director and Operations Manager at G4S Jamaica Limited (formerly Wackenhut Jamaica Limited).

GARY PEART

Gary Peart was appointed a Non-Executive Director of the Company in September 2006.

Mr. Peart is the Chief Executive Officer of Mayberry Investments Limited, a Director of Lasco Financial Services Limited, Port Authority of Jamaica, Chairman of the Jamaica Bauxite Institute, the Betting Gaming and Lotteries Commission and sits on the Steering Committee for the Junior Market of the Jamaica Stock Exchange and serves as Mr. Berry's alternate on the Board of the Jamaica Stock Exchange.

Mr. Peart holds a Bachelor of Science (B.Sc.) degree in Economics from the University of the West Indies and an Executive Master of Business Administration (E.M.B.A.) from Florida International University.

CHRISTOPHER BERRY

Christopher Berry was appointed Non-Executive Director of the Company in September 2006.

He is Chairman of Mayberry Investments Limited and sits on the Boards of the Jamaica Central Securities Depository, Apex Health Care Associates Limited, Apex Pharmacy Limited, Air Jamaica Limited, Rose Town Foundation for The Built Environment and St. Edmund Trust.

Mr. Berry holds a Bachelor of Science (B.Sc.) degree in Industrial Engineering from Georgia Institute of Technology.

Corporate Governance

The Board of Directors of Access Financial Services Limited has full responsibility and oversight for directing the operations of the company. The Board ensures that the Company operates within a framework of prudent and effective controls and that the Company is fully compliant with all applicable laws and regulatory requirements.

BOARD RESPONSIBILITY

The responsibility of the Board is outlined in an approved Board Mandate which includes the following key duties and functions:

- Establishing and monitoring the Company's strategic goals
- Supporting and reviewing the performance of the Chief Executive Officer
- Ensuring the availability of adequate financial and human resources
- Review and approve the Company's Annual Budget
- Review and approve the Company's Audited Financial Statements
- Ensuring that the obligations of the stakeholders are met
- Establishing Committees of the Board

BOARD OF DIRECTORS MEETINGS HELD FOR 2011

During the year ended December 31, 2011, ten (10) Board of Directors meetings were held.
The table below indicates the attendance of each Director.

BOARD OF DIRECTORS	POSITION	NUMBER OF MEETINGS ATTENDED
Brian Goldson	Chairman	10
Marcus James	Chief Executive Officer	10
Christopher Berry	Director	3
Alexander Johnson	Director	10
Gary Peart	Director	10

COMMITTEES OF THE BOARD

COMPENSATION AND EXPENDITURE COMMITTEE

The Compensation and Expenditure Committee is tasked with overseeing the remuneration of Directors, Officers and Employees and the general expenditure of the Company. The members of the committee are Christopher Berry (Chairman), Brian Goldson and Alexander Johnson.

COMPENSATION AND EXPENDITURE COMMITTEE MEETINGS HELD IN 2011

There were no meetings held during 2011.

COMMITTEE MEMBERS
Christopher Berry
Brian Goldson
Alexander Johnson

AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee is charged with ensuring the compliance with the rules of the Junior Market of the Jamaica Stock Exchange, financial reporting standards, internal audit controls and procedures. The members of this committee are Brian Goldson (Chairman), Gary Peart and Alexander Johnson.

During 2011 Access Financial Services Limited held two (2) Audit and Compliance Committee meetings.

The table below indicates the attendance of each committee member.

COMMITTEE MEMBERS	ATTENDANCE
Christopher Berry	2
Gary Peart	2
Alexander Johnson	2

Corporate Data

BOARD OF DIRECTORS
Non-Executive
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. (Distinction) - Chief Executive Officer

REGISTERED OFFICE
41B Half-Way-Tree Road, Kingston 5, Jamaica

ATTORNEYS-AT-LAW
Patterson, Mair, Hamilton

COMPANY SECRETARY
Gary H. Peart

REGISTRAR AGENT
Jamaica Central Securities Depository Limited
40 Harbour Street
Kingston

BANKERS
RBC Royal Bank (Jamaica) Limited
Bank of Nova Scotia (Jamaica) Limited
National Commercial Bank Jamaica Limited

INTERNAL AUDITORS
PricewaterhouseCoopers
Scotiabank Centre, Duke Street
Kingtgson

EXTERNAL AUDITORS
BDO
26 Beechwood Avenue
Kingston 5

OVERVIEW

COMPANY ACTIVITIES
Access Financial Services Limited is one of the premier providers of loans to Jamaica's Microfinance Sector. Access provides both personal and business loans islandwide through its retail network of fourteen branches.

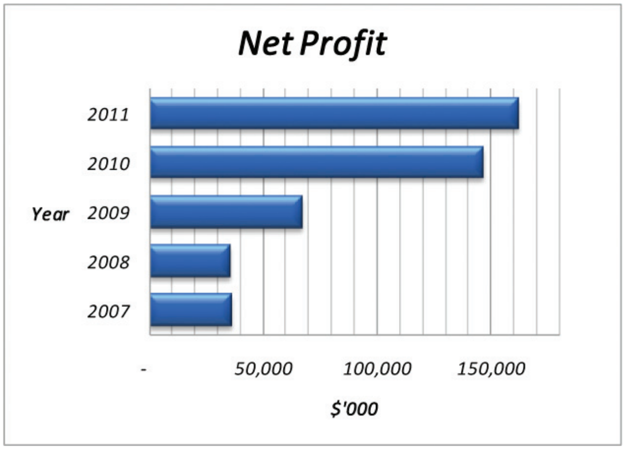
STRATEGIC DIRECTION
In 2011, the Company's loan performance was positively impacted by the introduction of successful products. Access is an innovative financial institution that possesses a dedicated team of high performers which are driven to achieve the Company's strategic objectives.

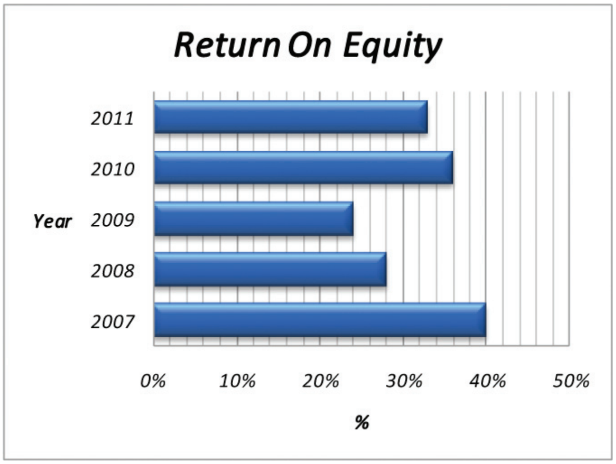
Our primary goal for 2012 is to increase our market share in our core business lines. Our focus will be on building awareness of our brand through advertising, public relations and media events.

Our company will be differentiated from the competition by not only offering excellent customer service but also by improving the efficiency with which we conduct business.

We will continue to offer innovative products designed to meet the needs of our customers.

Our primary goal for 2012 is to increase our market share; creating added value to our customers and our stakeholders.





The Company's total assets increased by $138 million or 21%, to $796 million as at December 31, 2011 up from $658 million in 2010. Growth was mainly attributable to loans and advances and Fixed Assets line items. Our loan portfolio net of allowances for credit losses grew by $185 million or 39%: from $475 million in 2010 to $660 million in 2011. Fixed Assets increased from $45 million as at December 31, 2010 to $68 million as at December 2011; an increase of $23 million or 52%. A total of 16,000 loans were disbursed representing a 35% increase when compared to 2010.

TOTAL INCOME

Total income was $474 million for the year under review which is an increase of $56 million over the prior year figure of $418 million. This growth is attributable to increases in interest income from loans of $40 million and Money Service fees and commissions of $7 million. In 2011, we disbursed a total of $1.1 billion which was an increase of 30% over the $880 million disbursed in 2010.

OPERATING EXPENSES

Operating Expenses for the year totaled $312 million reflecting an overall increase of $41 million over the $271 million recorded in the prior year. This increase in Operating Expenses was primarily driven by the expansion of our network which occurred in the last quarter of 2010. This expansion resulted in the hiring of new staff and an increase in the associated branch operating costs.

RISK MANAGEMENT

The Company's risk management framework was established to ensure that its operating activities are managed in accordance with the Board's risk appetite and that an appropriate balance between risk and rewards is maintained in an effort to maximize shareholder returns.

Our risk management process incorporates the following components:
(1) Oversight by Board of Directors and Senior Management
(2) Policies, procedures and limits
(3) Risk measuring, monitoring and management of information systems
(4) Internal controls and audits

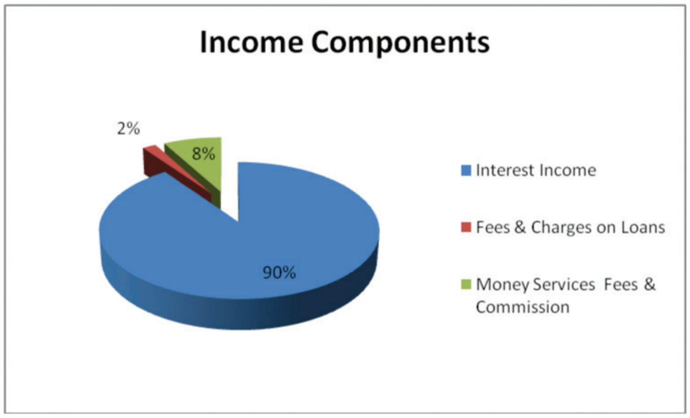
These components are encompassed in a comprehensive risk management framework which ensures that the Company's credit, market, liquidity and operational risks are appropriately monitored and managed.

OVERSIGHT BY BOARD OF DIRECTORS AND SENIOR MANAGEMENT

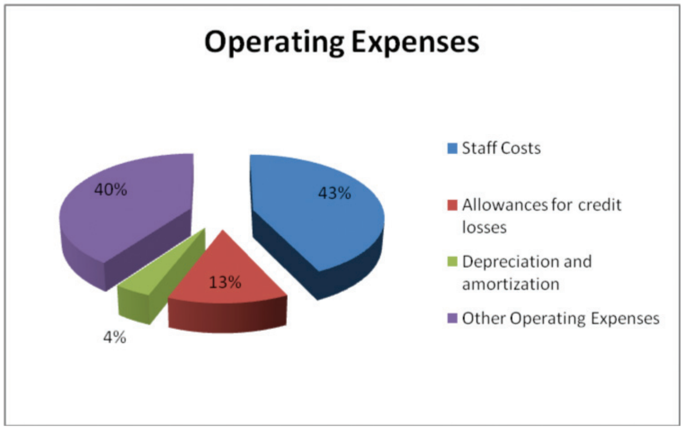
The Board of Directors is responsible for ensuring that the Company is managed in conformity with established risk tolerance limits. In order to meet this responsibility, the Board established the Audit and Compliance Committee and the relevant management structures to ensure accountability. The Board also approves policies to mitigate risks and allocate resources in accordance with its approved policies and strategies.

The Company's senior management team is responsible for developing and implementing procedures and practices that translates the Board's goals, objectives and risk tolerances into operating standards that are well understood by the Company's personnel. The senior management team also establishes effective internal controls over the various risk management processes and ensures adherence to the lines of authority established for measuring, managing and reporting risk exposures.

Income Components 2011



Operating Expenses Components 2011



POLICIES, PROCEDURES AND LIMITS

The senior management team develops and implements policies and procedures that specify how the various risks will be monitored. Prior to implementation, the policies and procedures are approved by the Board in order to ensure that they are consistent with the Board's risk management philosophy and company's business strategies.

RISK MEASUREMENT, MONITORING AND MANAGEMENT INFORMATION SYSTEMS

The Company's risk management framework includes the preparation of monitoring reports which summarizes risk exposures, demonstrates compliance with all risk limits, assesses results of strategies and communicates risk and return on capital. These reports are prepared monthly by the Finance, Operations and Human Resources departments and are reviewed by the Board on a monthly basis.

INTERNAL CONTROLS

Operational risk is the risk of loss, due to external events, human error, the inadequacy or failure of processes, procedures, systems or controls. In order to mitigate this risk, the Company has policies, standards, internal controls, internal and external audits which ensures that operational risk is appropriately identified, managed and controlled.

The Company's senior management team is responsible for implementing properly structured internal controls that safeguard company assets, promote effective operations, foster reliable financial and regulatory reporting and ensures compliance with laws, regulations and internal policies. Quarterly audits are conducted by our internal audit department which reports to the Audit Committee while annual audits are conducted by the Company's external auditors.

The senior management team develops and implements policies and procedures that specify how the various risks will be monitored.

Senior Management Team

Tresia Beckford
Human Resources Manager

Reginald Hird
Credit Manager

Deveta McLaren
Marketing Manager

Catherine Thomas
Operations Manager

Alicia Henry-Wright
Chief Accountant

Managers

SITTING - FROM LEFT

Angela Lindsay-Brown	– Branch Manager, Brown's Town and Linstead
Keisha Popley	– Regional Manager, Portmore Pines and Port Henderson
Mitchel Henriques	– Branch Supervisor, Kingston
Karene Shim-Johnson	– Regional Manager, Montego Bay
Carolyn Plummer	– Branch Manager, Savanna-la-mar

STANDING – FROM LEFT

Simone Brown	– Paralegal and Collections Supervisor
Tamara Hooker-Lindsay	– Branch Manager, Mandeville
Dian James-Powell	– Branch Manager, May Pen
Aldria Brown	– Manager, Savanna-la-mar Money Services
Amelia Ellis	– Branch Manager, Duke Street Kingston
Rupert Pitter	– Systems Administrator, Head Office
Michelle Nelson	– Manager, Portmore Money Services
Ravhi Istrow	– Internal Auditor, Head Office
Colette Harris	– Branch Supervisor, Spanish Town
Aretha Douglas	– Branch Manager, Ocho Rios
Marlene Higgins	– Branch Manager, Kingston

Shevaun Hart
Branch Manager, Santa Cruz

Sonia Lopez – Manager, May Pen
and Kingston Money Services

Mechell Mckenzie-Clarke
Branch Supervisor, Old Harbour

Team Members

HEAD OFFICE DEPARTMENTS

ACCOUNTS
Margaret Blackwood
Wayne Stephens
Faeiona Clarke
Sasha Godfrey
Crystal Murdock
Sherene Reid
Terry-Ann Bisnaught
Yashorna Guy

CEO'S OFFICE
Nordia Dennie

COLLECTIONS
Dane Hinds
Tennille Martell
Tashawna Clemetson-McDonald
Errol Ellington
Inie-Ann Case
Deverton Pasley
Andrea Johnson

HUMAN RESOURCES
Sheree McLean

IT
Jhanoy Nicholson

MARKETING
Michelle Brown
Lissa Harris
Suzette Beckford

OPERATIONS
Melisa Daley
Enola Gray
Anique Wilson
Jodian Anglin
Everton Black
Michael Collington
Beatrice Clarke-Francis
Melissa Davis
Lee Allen
Alsene Walcott
Andrea Simpson
Devordene Wynter
Sheryl Cameron-Oliver
Baheerah Milwood
Jude-Anthony Lewis

CREDIT BRANCHES

HALF WAY TREE
Kisha Davis
Delroy Douglas
Sofia Hinds
Tanya Hinds
Dian Lindsay
Racquel Lugg
Sherene Sinclair
Carol Wallace
Shannique Wilmot
Hope Graham

BROWN'S TOWN
Nadine Brown-Hanniford
Curdelecia Cole
Beverley Johnson
KedeshaL indsay

DUKE STREET
Rochelle Bucknor
Loraine Thorpe
Jodi-Ann Umraugh

LINSTEAD
Claire Bryan
Terri-Ann Harris
Romone Morgan-Cameron
Marcia Gardner

MANDEVILLE
Cordel Cohen
Brenda King
Vaughn White
Orenthia Williamson-Gray

MAY PEN
Kenisha Brown
Marcielyn Evans
Marshalee Gordon
Jasmine Graham
Kerieffe Yarrau
Andrene Smickle

MONTEGO BAY
Julane Daley
Samantha Hutchinson
Carla Samms

OCHO RIOS
Nickoy Brown
Jacqueline Brown
Beverlin Gayle
Claudia Grant-Morris
Nickeisha Hobson-Campbell

OLD HARBOUR
Carla Howell
Bridgette Manradge
Patrice Mitchell

PORT HENDERSON
Shelita Billings
Kerisha Cooper

PORTMORE PINES
Naja Blackstock
Opal Haughton
Karen McLeod
Sabrina Nunes

SANTA CRUZ
Tracy-Ann Bright
Janice Hart-Griffiths
Latoya Levy

SAVANNA-LA-MAR
Deanolyn Crooks
Sherene Nathan
Julian Gordon

SPANISH TOWN
Atasha Alveranga-Brown
Latoya Blair
Veronica Christian
Nessa Richards

MONEY SERVICES

KINGSTON MONEY SERVICES
Renaldo Allen
Jacqueline Barrett
Shawneca Hamilton
Danville Johnson

MAY PEN MONEY SERVICES
Jamie Banton
Lisan Dixon
Tara Rowe-Badson
Lisa Walker

PORTMORE MONEY SERVICES
Kevon Blackwood
Nordia Denton
Latoya Douglas
Anautia Nathan-Morgan
Kadian Thomas
Felicia Williams

SAVANNA-LA-MAR MONEY SERVICES
Venese Chambers-Miller
Thorna Davis
Colette Ricketts
Jumana Chin
Yanique Wilson
Loraine Wright

Our People

STAFFING

We continue to invest in the welfare and development of our team. The Company has an integrated and holistic human resource development strategy which enables it to develop the potential of each employee. All employees are provided with the opportunity to obtain skills and competencies in order to advance along a predetermined career path.

Several promotions and transfers were made to enhance job satisfaction, staff enrichment and motivation. Our staff complement grew by 20% over the year as a result of the expansion of our branch network.

TRAINING AND DEVELOPMENT

In conjunction with our CARIB-CAP Consultant, Pierre Markowski of Desjardins, delinquency control workshops were held to reinforce and equip our team with the various portfolio management strategies.

To ensure that our team delivers excellent customer service to our clients, we conduct continuous training sessions on our products and services and in the critical areas of customer service and delinquency management.

EMPLOYEE RELATIONS

We are committed to providing opportunities for personal and professional growth for our team. Managers are required to conduct regular scheduled meetings with their team members to foster dialogue and teamwork.

We continue to invest in the welfare and development of our team.

STAFF INCENTIVE/RECOGNITION

Our incentive programme recognizes and rewards the exceptional work of our employees. Our awards function was held on January 15, 2012 at which our outstanding team members were recognized for their contribution during 2011.

Business Loan Officer of the year – Vaughn White

Administrative Officer of the year – Kedesha Lindsay

Giving Back

Access Financial Services Limited is committed to the support of communities in which we conduct business. We strongly believe that by enhancing the lives of our customers and their families we will foster lasting mutually beneficial relationships.

In 2011, our team members extended their support through various community initiatives. Among the initiatives undertaken was an island-wide participation in Labour Day activities. The Company also donated a much needed water tank to the St. Clair Preparatory School in Old Harbour, St Catherine.

Team members from the May Pen Branch assisted with renovations of the Church of God of Prophecy Basic School, May Pen.

Team members from the Spanish Town Branch give a face lift to a premises in Lauriston, St. Catherine.

ACCESS FINANCIAL SERVICES LIMITED IS COMMITTED TO THE SUPPORT OF COMMUNITIES IN WHICH WE CONDUCT BUSINESS.

Access Highlights

Access Financial Services Limited was the recipient of several awards both locally and internationally in 2011.

The Company participated in the Inter American Development Bank's (IADB) Caribbean Capacity Building Program (CARIB-CAP), which seeks to strengthen the technical and financial capabilities of Microfinance Institutions in the English speaking Caribbean. Access placed 1st out of the 18 shortlisted institutions which participated in the program and received the CARIB-CAP *Good Practice Incentive Award* for outstanding performance in capacity building.

Access placed 3rd in the Investor's Choice Champion Company (ICCC) awards for 2010. The ICCC awards are given to top performing companies that achieve real growth, efficient use of capital, labour and the provision of solid returns to shareholders.

CEO Marcus James was recognized as the Young Entrepreneur of 2011 by the Young Entrepreneurs Association and received the *2011 Entrepreneurial Spirit Award* for unwavering entrepreneurial vision and enterprise development.

The May Pen branch of Access Money Services received the *Western Union and You Award* for being the top location in Jamaica for 2011.

Marcus James, CEO, receives the CARIB-CAP *Good Practice Incentive Award* in recognition of outstanding performance in capacity building.
The presentation was made by Mr. Ehurd Cunningham, Financial Secretary, Ministry of Finance of the Bahamas, at the 2011 Caribbean Micro Finance Forum.

Mrs. Colleen Brown Jackson of Virgen Advertising presents Access CEO Marcus James (centre) and Operations Manager Catherine Thomas (right) with an award for copping the 3rd place in the Investor's Choice Company Awards 2010.

Access Money Services May Pen branch won the *Western Union and You Award* for top location in Jamaica for 2011. Branch Manager Sonia Lopez (middle) and Tara Rowe Badson, Customer Service Representative (right) are presented with the award by Courtney Campbell, CEO of GraceKennedy Money Services.

ACCESS FINANCIAL SERVICES LTD.

The Young Entrepreneurs Association of Jamaica (YEA) presented Marcus James with the *2011 Entrepreneurial Spirit Award*. The award was presented by Winsome Gibbs, Business Development Manager, JIIC and Samuel Coates, President of the YEA.

Marcus James shared the moment with team members.
From left: Alicia Henry-Wright, Lissa Harris, Nordia Dennie, Reginald Hird, Terry-Ann Bisnaught and Margaret Blackwood.

ACCESS FINANCIAL SERVICES LTD.

Disclosure of Shareholdings

as at December 31, 2011

DIRECTORS	SHAREHOLDINGS	CONNECTED PERSONS
Brian Goldson	80, 089	
Marcus James	112,421,260	120,000
Christopher Berry	---	---
Gary Peart	1,363,200	
Alexander Johnson	---	---

SENIOR MANAGEMENT	SHAREHOLDINGS	CONNECTED PERSONS
Catherine Thomas	---	---
Alicia Henry-Wright	---	---
Tresia Beckford	---	---

TOP TEN SHAREHOLDERS	SHAREHOLDINGS
Marcus James	112,421,260
Mayberry West Indies Limited	108,243,754
Shooting Star Limited	10,000,000
Mayberry Managed Clients Account	8,086,781
Generation 4 Company Limited	6,823,500
Butterfly Bliss Limited	3,700,000
Wakefield Farms Limited	2,632,900
Catherine Adella Peart	2,000,000
Winston Hoo	2,000,000
Konrad Berry	1,363,200

FINANCIAL STATEMENTS

31 DECEMBER 2011

BDO

Tel: (876) 926-1616/7. 926-4421
Fax: (876) 926-7580
Website: www.bdo.com.jm

Chartered Accountants
P.O. Box 351
Kingston 5, Jamaica

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 set out on pages 33 to 63, which comprise the statement of financial position as at 31 December 2011, the statements of comprehensive income, changes in shareholder's equity and cash flows for the year then ended, and 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 these 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 misstatements, 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 these 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 about whether 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' judgement, including the assessment of the risk 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 company'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 company'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.

BDO

Tel: (876) 926-1616/7. 926-4421
Fax: (876) 926-7580
Website: www.bdo.com.jm

Chartered Accountants
P.O. Box 351
Kingston 5, Jamaica

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Access Financial Services Limited

Opinion

In our opinion, the financial statements give a true and fair view of the company's financial position as at 31 December 2011, and of its financial performance, changes in shareholders' equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the provisions of 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 kept, proper returns have been received for branches not visited by us and the financial statements are in agreement therewith and give the information required by the Act, in the manner so required.

BDO

Chartered Accountants

28 February 2012

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2011

	Note	2011 $	2010 $
OPERATING INCOME:			
Interest income from loans	3(o)	418,721,391	377,901,170
Interest income from securities		4,386,322	4,968,212
Total interest income		423,107,713	382,869,382
Interest expense		(22,513,234)	(26,015,321)
Net interest income		400,594,479	356,854,061
Net fees and commissions on loans		22,024,637	18,231,448
		422,619,116	375,085,509
Other operating income:			
Money services fees and commission		49,849,062	42,174,422
Foreign exchange gains		1,585,090	1,045,872
Other income		866,698	-
		52,300,850	43,220,294
		474,919,966	418,305,803
OPERATING EXPENSES:			
Staff costs	12	134,164,769	112,324,096
Allowance for credit losses	7(c)	40,898,175	45,305,863
Depreciation and amortization	8(a),(b)	12,561,689	9,248,501
Other operating expenses		125,225,551	104,221,219
		312,850,184	271,099,679
Profit before taxation	13	162,069,782	147,206,124
Taxation	14	-	-
Net profit for the year, being total comprehensive income		162,069,782	147,206,124
Earnings per share	15	$0.59	$0.54

STATEMENT OF FINANCIAL POSITION

YEAR ENDED 31 DECEMBER 2011

		$	$
ASSETS			
Cash and cash equivalents	4	36,985,384	48,387,045
Financial investments	5	15,013,462	67,336,168
Other accounts receivable	6	14,777,575	22,148,890
Loans and advances	7	660,697,045	475,058,293
Property, plant and equipment	8(a)	60,687,834	37,065,447
Intangible assets	8(b)	8,185,663	8,296,268
TOTAL ASSETS		796,346,963	658,292,111
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES:			
Accounts payable and accruals	9	36,098,413	22,243,884
Loans payable	10	276,001,670	228,773,079
Total liabilities		312,100,083	251,016,963
SHAREHOLDERS' EQUITY:			
Share capital	11	96,050,714	96,050,714
Retained earnings		388,196,166	311,224,434
Total shareholders' equity		484,246,880	407,275,148
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		796,346,963	658,292,111

Approved for issue by the Board of Directors on 28 February 2012 and signed on its behalf by:

Marcus James Chief Executive Officer

Alexander Johnson Director

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

YEAR ENDED 31 DECEMBER 2011

	Note	Share Capital $	Retained Earnings $	Total $
Balance at 1 January 2010		96,050,714	177,743,802	273,794,516
Net profit for the year, being total comprehensive income		-	147,206,124	147,206,124
Dividends	16	-	(13,725,492)	(13,725,492)
Balance at 31 December 2010		96,050,714	311,224,434	407,275,148
Net profit for the year, being total comprehensive income		-	162,069,782	162,069,782
Dividends	16	-	(85,098,050)	(85,098,050)
Balance at 31 December 2011		96,050,714	388,196,166	484,246,880

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2011

	2011 $	2010 $
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the year	162,069,782	147,206,124
Adjustments for:		
Depreciation and amortisation	12,561,689	9,248,501
Increase in allowance for loan losses	40,898,175	45,305,863
Interest income	(423,107,713)	(382,869,382)
Interest expense	22,513,234	26,015,321
	(185,064,833)	(155,093,573)
Change in loans and advances	(226,536,927)	(66,579,987)
Change in other accounts receivable	7,372,116	(6,722,010)
Change in loans payable, net	47,228,591	(79,287,222)
Change in accounts payable	13,649,142	1,366,028
	(343,351,911)	(306,316,764)
Income taxes paid	-	(5,748,300)
Interest received	423,106,912	382,691,148
Interest paid	(22,307,847)	(26,015,321)
Net cash provided by operating activities	57,447,154	44,610,763
CASH FLOWS FROM INVESTING ACTIVITIES:		
Financial investments	52,322,706	4,422,078
Acquisition of property, plant and equipment and intangible assets	(36,073,471)	(15,745,189)
Net cash provided by/(used in) investing activities	16,249,235	(11,323,111)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(85,098,050)	(13,725,492)
Net cash used in financing activities	(85,098,050)	(13,725,492)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR	(11,401,661)	19,562,160
Cash and cash equivalents at beginning of year	48,387,045	28,824,885
CASH AND CASH EQUIVALENTS AT END OF YEAR (note 4)	36,985,384	48,387,045

1. **IDENTIFICATION AND PRINCIPAL ACTIVITIES:**

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 organizations. The company is also a licenced cambio dealer and its money services division offers remittance and bill payment services.

2. **REPORTING CURRENCY:**

These financial statements are presented using Jamaican dollars which is considered the currency of the primary economic environment in which the company operates ("the functional currency").

3. **SIGNIFICANT ACCOUNTING POLICIES:**

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented. Where necessary, prior year comparatives have been restated and reclassified to conform to current year presentation.

(a) Basis of preparation -

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board, and have been prepared under the historical cost convention. They are also prepared in accordance with provisions of the Jamaican Companies Act.

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgement in complexity or areas where assumptions are significant to the financial statements are discussed below:

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) Basis of preparation (cont'd) -

(i) Allowance for impairment losses on loan receivables

In determining amounts recorded for impairment losses on receivables in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be measurable decrease in estimated future cash flows from receivables, for example, through unfavourable economic conditions and default. Management will apply historical loss experience to individually significant receivables with similar characteristics such as credit risk where impairment indicators are not observable in their respect.

(ii) Expected useful life and residual value of property, plant and equipment

The expected useful life and residual value of an asset are reviewed at least at each financial year end. Useful life of an asset is defined in terms of the asset's expected utility to the company.

(iii) Fair value of financial assets

The management uses its judgment in selecting appropriate valuation techniques to determine fair values of financial assets adopting valuation techniques commonly used by market practitioners supported by appropriate assumptions.

Standards, interpretations and amendments to published standards effective in the reporting period

During the reporting period, new standards, interpretations and amendments were applied for the first time from 1 January 2011. None of these had a material effect on the financial statements but have given rise to revised or additional disclosures.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) Basis of preparation (cont'd) -

Standards, interpretations and amendments to published standards that are not yet effective

At the date of authorization of these financial statements, there were certain new standards, interpretations and amendments to existing standards which were in issue but which were not yet effective. Those which are considered relevant to the company are as follows:

IAS 1 (Amended)	Presentation of Financial Statements (effective for annual reporting periods beginning on or after 1 July 2012), amendments to revise the way other comprehensive income is presented.
IAS 32 (Amended)	Financial Instruments: Presentation (effective for annual reporting periods beginning on or after 1 January 2014), amendments to application guidance on the off-setting of financial assets and financial liabilities.
IFRS 7 (Amended)	Financial Instruments: Disclosures (effective 1 July 2011), requires additional disclosures for transfers of financial assets. It lists transferred assets that are derecognized in their entirety and those not derecognized in their entirety.
IFRS 9 (Amended)	Financial Instruments (effective 1 January 2013), introduces new requirements for classifying and measuring financial assets. It also includes guidance on classification and measurement of financial liabilities designated as fair value through profit or loss. 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.
IFRS 13	Fair Value Measurement (effective for annual reporting periods beginning on or after 1 January 2013), defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements.

The directors anticipate that the adoption of the standards, interpretations and amendments, which are relevant in future periods, is unlikely to have any material impact on the financial statements.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(b) Property, plant and equipment and intangible assets -

(i) Items of property, plant and equipment, and intangible assets 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 an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognized in the income statement as incurred.

(ii) Depreciation and amortization are recognized in the income statement 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 vehicles	25%
Computer software	20%

Depreciation methods, useful lives and residual values are reassessed at the end of each reporting period.

(c) 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 collateralized lending and measured at amortised cost. Interest is recognized in the statement of comprehensive income over the life of each agreement using the effective interest rate method.

(d) Loans -

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

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(e) 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.

(f) Other receivables -

Other receivables are stated at amortised cost less impairment losses, if any.

(g) Accounts payable -

Trade and other payables are stated at amortised cost.

(h) Provisions -

A provision is recognized 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.

(i) Borrowings -

Borrowings are recognized initially at 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 recognized in income along with regular interest charges over the period of the borrowings.

(j) Share capital -

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

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(k) 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 recognized.

(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 recognized 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 recognized in the statement of comprehensive income. The recoverable amount of an asset or its 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.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(l) Foreign currencies -

Transactions in foreign currencies are converted into the functional currency at exchange rates at the dates of those transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currency are translated using the exchange rates ruling at that date. Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on settled foreign currency monetary assets and liabilities are recognized in the statement of comprehensive income.

(m) Financial instruments -

A financial instrument is any contract that gives rise to both a financial asset for one entity and a financial liability or equity instrument of another entity.

Financial assets

The company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Financial assets at fair value through profit or loss

This category includes financial assets held for trading.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), also incorporate other types of contractual monetary asset. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(m) Financial instruments (cont'd) -

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other categories. Changes in the fair value of financial assets classified as available-for-sale are recognized in other comprehensive income.

Financial liabilities

The company's financial liabilities are initially measured at fair value, and are subsequently measured at amortized cost using the effective interest method. These liabilities are classified as payables and long term loans and included in current and non-current liabilities on the statement of financial position.

(n) Cash and cash equivalents -

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash at bank, in hand, deposits and short term highly liquid investments with original maturities of three months or less.

(o) Revenue recognition -

Interest income is recognized 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.

(p) Interest expense -

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

(q) 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.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(r) 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.

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 recognized as expense when due.

(s) Taxation -

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges. Current and deferred taxes are recognised as income tax expense or benefit in the statement of comprehensive income except where they relate to items recorded in equity, in which case, they are also charged or credited to equity.

(i) Current income taxes

Current income tax is the expected taxation payable on the taxable income for the year, using tax rates enacted at the year end date, and any adjustment to tax payable and tax losses in respect of previous years.

(ii) Deferred income taxes

Deferred tax liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognised for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilised.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled based on enacted rates.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(t) Dividends -

Dividends are recognized when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by shareholders at the Annual General Meeting.

(u) Segment reporting -

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

Based on the information presented to and reviewed by the CODM, the entire operations of the company are considered as one operating segment.

4. **CASH AND CASH EQUIVALENTS:**

	2011 $	2010 $
Short term deposits	85,894	85,894
Cash at bank	36,899,490	48,301,151
	36,985,384	48,387,045

The weighted average interest rate on short-term deposits was 4.36% (2010 – 5.38%).

5. **FINANCIAL INVESTMENTS:**

	2011 $	2010 $
Available-for-sale investments		
Quoted equities	2,005,509	-
Securities purchased under resale agreements	13,007,953	67,336,168
	15,013,462	67,336,168

Market values of quoted investments are computed using listed bid prices.

6. **OTHER ACCOUNTS RECEIVABLE:**

	2011 $	2010 $
Taxation recoverable	3,963,017	4,806,201
Prepayments and deposits	4,439,207	5,364,005
Money services – Western Union	6,136,956	10,453,425
Other	238,395	1,525,259
	14,777,575	22,148,890

7. **LOANS AND ADVANCES:**

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

	2011 $	2010 $
Personal loans	640,372,667	448,507,518
Business loans -		
Agriculture	10,521,873	7,414,800
Services	37,117,095	21,503,162
Trading	79,520,683	54,487,994
Manufacturing	5,990,418	6,787,844
Other	-	8,284,491
	133,150,069	98,478,291
	773,522,736	546,985,809

7. **LOANS AND ADVANCES (CONT'D):**

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

Remaining term to maturity

	2011 $	2010 $
Due within 1 month	576,190,181	409,151,180
1 to 3 months	107,380,715	72,041,634
3 to 12 months	41,154,640	42,431,633
Over 12 months	48,797,200	23,361,362
Gross loans and advances	773,522,736	546,985,809
Less: Allowance for loan losses	(112,825,691)	(71,927,516)
	660,697,045	475,058,293

(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:

	2011		2010	
	Gross $	Impairment $	Gross $	Impairment $
Current	579,773,476	-	414,010,103	-
1 to 3 months past due	104,008,198	23,084,629	79,880,586	18,832,396
3 to 12 months past due	40,985,816	40,985,816	29,723,758	29,723,758
Over 12 months past due	48,755,246	48,755,246	23,371,362	23,371,362
	773,522,736	112,825,691	546,985,809	71,927,516

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

7. **LOANS AND ADVANCES (CONT'D):**

(c) Specific allowances for loan losses:

	2011 $	2010 $
Balance at beginning of year	71,927,516	26,621,653
Allowance made during the year	40,898,175	45,305,863
Balance at the end of the year	112,825,691	71,927,516

8. **PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS:**

(a) Property, plant and equipment

	Leasehold Improvement	Computer Equipment	Furniture and Fixtures	Motor Vehicles	Total
	$	$	$	$	$
At cost -					
31 December 2009	15,720,697	10,107,714	13,974,529	4,169,500	43,972,440
Additions	3,356,894	3,429,881	3,929,384	-	10,716,159
31 December 2010	19,077,591	13,537,595	17,903,913	4,169,500	54,688,599
Additions	1,335,368	2,142,056	1,134,022	28,230,000	32,841,446
31 December 2011	20,412,959	15,679,651	19,037,935	32,399,500	87,530,045
Depreciation -					
31 December 2009	2,360,569	4,126,445	2,221,894	2,226,921	10,935,829
Charge for the year	1,674,110	2,251,830	1,719,008	1,042,375	6,687,323
31 December 2010	4,034,679	6,378,275	3,940,902	3,269,296	17,623,152
Charge for the year	1,910,239	2,836,264	1,961,223	2,511,333	9,219,059
31 December 2011	5,944,918	9,214,539	5,902,125	5,780,629	26,842,211
Net Book Value -					
31 December 2011	14,468,041	6,465,112	13,135,810	26,618,871	60,687,834
31 December 2010	15,042,912	7,159,320	13,963,011	900,204	37,065,447

8. **PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (CONT'D):**

(b) Intangible assets:

This comprises acquired computer software as follows:

	2011 $	2010 $
Cost:		
At beginning of the year	15,248,264	10,219,234
Additions	3,232,025	5,029,030
At end of the year	18,480,289	15,248,264
Amortisation:		
At beginning of the year	6,951,996	4,390,818
Charge for the year	3,342,630	2,561,178
At end of the year	10,294,626	6,951,996
Net book value	8,185,663	8,296,268

9. **PAYABLES:**

	2011 $	2010 $
Payables and accruals	21,889,997	22,243,884
Advance payments	14,208,416	-
	36,098,413	22,243,884

10. **LOANS PAYABLE:**

Loans are comprised as follows:

	2011 $	2010 $
Mayberry Investments Limited	12,367,188	-
Development Options Limited [see note (i)]	612,679	42,583,395
Pan Caribbean Merchant Bank Limited [see note (ii)]	68,800,753	56,366,725
National Insurance Fund [see note (iii)]	9,108,766	15,145,274
Development Bank of Jamaica Limited [see note (iv)]	145,571,384	114,677,685
Micro Investment Development Agency (v)]	39,540,900	-
	276,001,670	228,773,079

(i) This loan attracts interest at 9% per annum and is 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 Mayberry Investments Limited.

(ii) 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.

(iii) 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 30 April 2012 and is secured by promissory note and Deeds of assignment of loans.

(iv) This loan bears interest at 10% and is repayable quarterly over twelve months. This loan is secured by a lien on all deposits made and collected in jointly held current and savings accounts.

(v) This loan attracts interest at 9% per annum and is repayable within 15.87 months. It is secured by Promissory Note, Assignment of Receivables and Participation Agreement.

10. **LOANS PAYABLE (CONT'D):**

	2011 $	2010 $
Within 1 month	12,367,188	3,641,659
1 to 3 months	15,433,010	83,643,470
3 to 12 months	203,878,137	121,714,627
	231,678,335	208,999,756
Over 12 months	44,323,335	19,773,323
	276,001,670	228,773,079

11. **SHARE CAPITAL:**

	2011 $	2010 $
Authorised share capital:		
350,000,000 ordinary shares		
Stated capital, issued and fully paid:		
274,509,840 ordinary shares	96,050,714	96,050,714

12. **STAFF COSTS:**

	2011 $	2010 $
Wages, salaries and statutory contributions	119,184,982	88,124,257
Pension contributions	1,824,579	777,257
Other staff benefits	13,155,208	23,422,582
	134,164,769	112,324,096

The average number of persons employed by the company during the year was as follows:

	2011	2010
Permanent	121	104
Temporary	16	18
	137	122

13. PROFIT BEFORE TAXATION:

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

	2011 $	2010 $
Auditors' remuneration	2,200,000	2,200,000
Depreciation and amortization	12,561,689	9,248,501
Directors' emoluments	11,681,761	10,082,417

14. TAXATION:

(a) Taxation for the year comprises:

	2011 $	2010 $
Current tax expense	-	-
Prior year under provision	-	-
Deferred tax arising from temporary differences	-	-
	-	-

(b) Reconciliation of actual tax expense:

	2011 $	2010 $
Profit before tax	162,069,782	147,206,124
Expected tax expense @ 33 1/3%	54,023,261	49,068,708
Adjusted for difference in treatment of:		
Depreciation and capital allowances	1,572,742	(37,302)
Other	13,439,890	2,419,988
	69,035,893	51,451,394
Adjustment for the effect of tax remission:		
Current tax	(69,035,893)	(51,451,394)
	-	-

14. **TAXATION (CONT'D):**

(c) Remission of income tax:

The company's shares were listed on the Jamaica Stock Exchange Junior Market, effective 30 October 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.

Years 1 to 5	100%
Years 5 to 10	50%

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

15. **EARNINGS PER SHARE:**

This is computed by dividing the profit for the year by the number of shares in issue for the year of 274,509,840 (2010 - 274,509,840).

16. **DIVIDENDS:**

	2011 $	2010 $
In respect of 2009	-	13,725,492
In respect of 2010	85,098,050	-
	85,098,050	13,725,492

17. **RELATED PARTY TRANSACTION AND BALANCES:**

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions. The following transactions were carried out with related parties.

	2011 $	2010 $
Transactions:		
Compensation for key management (including director):		
Short-term benefits	11,681,761	10,082,417
Pension contributions	780,000	908,242
Operating lease expenses	8,078,274	6,605,611
Operating lease income	840,547	-
Interest expenses	-	4,738,262
Year-end Balances:		
Financial Investment		
Mayberry Investments Limited	13,007,953	67,336,168
Loans payable		
Mayberry Investments Limited	12,367,188	-

18. **FINANCIAL RISK MANAGEMENT:**

(a) Financial risk factors -

The company's activities expose it to a variety of financial risks: market risk (including currency risk and price risk), credit risk, liquidity risk, interest rate risk and operational risk. The company's overall risk management policies are established to identify and analyze the risks faced by the company and to set appropriate risk limits and controls and to monitor risk and adherence to limits. The risk management framework is based on guidelines set by the Board of Directors together with management and seeks to minimize potential adverse effects on the company's financial performance.

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
- Interest rate risk

18. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(a) Financial risk factors (cont'd):

(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 the end of the reporting period.

Securities purchased under resale agreements represent contracts with a related financial institution and a non-related financial institution.

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

	2011 $	2010 $
Cash and cash equivalents	36,985,384	48,387,045
Financial investments	15,013,462	67,336,168
Loans and advances	660,697,045	475,058,293
Other accounts receivable	14,777,575	22,148,890
	727,473,466	612,930,396

18. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(a) Financial risk factors (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 or 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.

18. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(a) Financial risk factors (cont'd):

(ii) Liquidity risk (cont'd):

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:

	2011					
	Carrying Amount $	Contractual Cash flows $	Less than 3 months $	3 to 12 months $	1 to 2 years $	Over 2 years $
Loans payable	(276,001,670)	(294,537,096)	(14,843,409)	(226,911,972)	(38,731,378)	(14,050,337)
Accounts payable and accruals	(35,212,329)	(35,212,329)	(21,003,913)	(14,208,416)	-	-
	(311,213,999)	(329,749,425)	(35,847,322)	(241,120,388)	(38,731,378)	(14,050,337)

	2010					
	Carrying Amount $	Contractual Cash flows $	Less than 3 months $	3 to 12 months $	1 to 2 years $	Over 2 years $
Loans payable	(228,773,079)	(252,611,697)	(3,641,659)	(227,831,290)	(21,138,748)	-
Accounts payable and accruals	(22,243,884)	(22,243,884)	(22,243,884)	-	-	-
	(251,016,963)	(274,855,581)	(25,885,543)	(227,831,290)	(21,138,748)	-

18. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(a) Financial risk factors (cont'd):

(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 to market risk.

(iv) 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 periods.

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

	Carrying Amount	
	2011	2010
	$	$
Fixed rate instruments:		
Financial assets	675,710,507	542,394,461
Financial liabilities	(276,001,670)	(228,773,079)
	399,708,837	313,621,382

18. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(a) Financial risk factors (cont'd):

(iv) Interest rate risk (cont'd):

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.

(b) Fair value of financial instruments:

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

The following table provides an analysis of financial instruments held at the end of the reporting period that, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observed, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical instrument;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the instrument either directly (i.e., as prices) or indirectly (i.e., derived from prices). There were no financial instruments held by the company in this category.

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the instruments that are not based on observable market data (unobservable inputs). There were no financial instruments held by the company in this category.

18. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(b) Fair value of financial instruments (cont'd):

	2011			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Available-for-sale instruments -				
Quoted equities	2,005,509	-	-	2,005,509

	2010			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Available-for-sale instruments -				
Quoted equities	-	-	-	-

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represents actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current bid price. These instruments are grouped in Level 1.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	$	$	$	$
Cash & cash equivalents	36,985,384	36,985,384	48,301,151	48,301,151
Financial investments	15,013,462	15,013,462	67,422,062	67,422,062
Loans and advances	660,697,045	660,697,045	475,058,293	475,058,293
Other accounts receivable	14,777,575	14,777,575	22,148,890	22,148,890
Accounts payable and accruals	(36,098,413)	(36,098,413)	(22,243,884)	(22,243,884)
Loans payable	(276,001,670)	(276,001,670)	(228,773,079)	(228,773,079)
	415,373,383	415,373,383	361,913,433	361,913,433

19. **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.

20. **LEASE COMMITMENTS:**

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

	2011 $	2010 $
Within 1 year	17,709,290	15,333,020
Subsequent years (2-5)	23,719,159	17,680,870
	41,428,449	33,013,890

21. **SEGMENT INFORMATION:**

The company is a retail lending institution to the micro enterprise sector for personal and business purposes. It also operates a Cambio and its money services division offers remittance and bill payment services.

Based on the information presented to and reviewed by the CODM, the entire operations of the company are considered as one operating segment.

Financial information related to the operating segment results from continuing operations for the two years ended 31 December 2011, can be found in the statement of comprehensive income. There are no differences in the measurement of the reportable segment results and the company's results.

Details of the segment assets and liabilities for the two years ended 31 December 2011, can be found in the statement of financial position and related notes. There are no differences in the measurement of the reportable segment assets and liabilities and the company's assets and liabilities.

Entity-wide disclosures:

The revenue for operations can be found in the statement of comprehensive income.
The company does not have any customers from which revenue exceeds 10% of total revenue.

NOTES

FORM OF PROXY

ACCESS FINANCIAL SERVICES LIMITED (THE "COMPANY")

I/We...
of...
being a Shareholder(s) of the above-named Company, hereby appoint..
....
of...
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 4:00 p.m on the 27th day of June 2012 at the Knutsford Court Hotel, 11 Ruthven Road, Kingston 10 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 year ended December 31, 2011.	☐ For ☐ Against
2.	To authorise the Directors to negotiate the remuneration of the Auditors BDO who have signified their willingness to continue in office.	☐ For ☐ Against
3.	To approve the interim dividend declared by the Directors on Tuesday, March 13, 2012 in the amount of $0.45 per ordinary share, that was paid to Shareholders of the Company on record as of March 27, 2012 on April 5, 2012, as the final dividend for the financial year ended December 31, 2011.	☐ For ☐ Against

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

Signed this day of 2012:

....

Signature of Shareholder