SIGNIA
FINANCIAL GROUP INC.

Quality solutions for your financial needs

ANNUAL REPORT
2013
LOOKING TO THE FUTURE

The future is not an inheritance; it is an opportunity and an obligation.

Technology has revolutionized the way in which we live and work.

Barbados is a world-class business centre with a modern and constantly improving infrastructure. It is a well respected and preferred location for businesses in the areas of Information Technology, Manufacturing and Financial Services.

Air Transport

Aviation provides the only worldwide transportation network, which makes it essential for global business and tourism. It plays a vital role in facilitating economic growth, particularly in well developed economies like Barbados.

Air transport is one of the world’s most important industries. Its development and its technical and service achievements make it one of the greatest contributors to the advancement of modern societies.

Contents

1ST Floor Carlisle House l Hincks Street, Bridgetown, Barbados
1 & 2 Old Barbados Hardware Complex, Haggatt Hall, St. Michael
Tel: (246) 434-2360 l Fax: (246) 434-0057
Email: info@signiafinancial.com l www.signiafinancial.com

Vision

To be the leading regional finance company shaping Caribbean communities, through financial education, innovation and trusted financial solutions.

Mission

To lead the finance company market and maximize shareholder value, by providing high quality innovative financial solutions and an excellent customer experience through empowered, motivated employees.

Our Core Values

Integrity
We exhibit integrity by always interacting with others ethically and honourably.

Trust
We promise to exemplify trustworthiness in all our dealings.

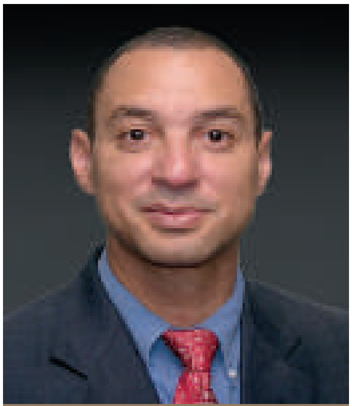
Respect
We promise always to exhibit respect by empathizing and fully considering the diverse needs of others.

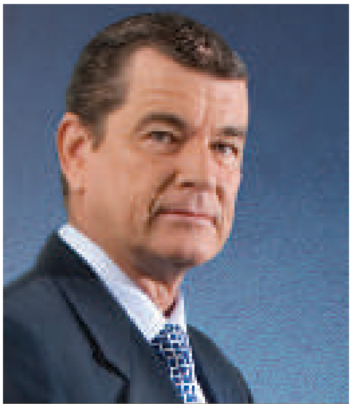
Commitment
We are fully committed to achieving success for our customers, our community, our staff and ourselves.

Board of Directors

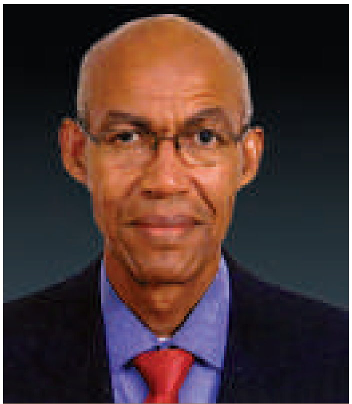

Geoffrey Cave
Chairman


Roger Cave
Director, Cave Shepherd


Don Wehby
Director, GraceKennedy


Frere Delmas
Director, United Insurance


John Williams
Director, Cave Shepherd


Dwight Richardson
Director, Independent

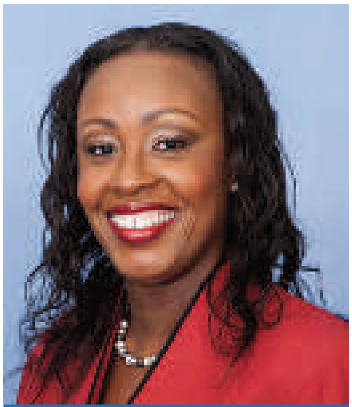

Desirée Cherebin
Director, Independent


Courtney Campbell
Director, GraceKennedy


Frank James
Director, GraceKennedy

Signia's Management Team

Paul Ashby
Chief Executive Officer



Jacqueline Holder
Chief Operating Officer

Margaret Wharton
Retail Banking Manager

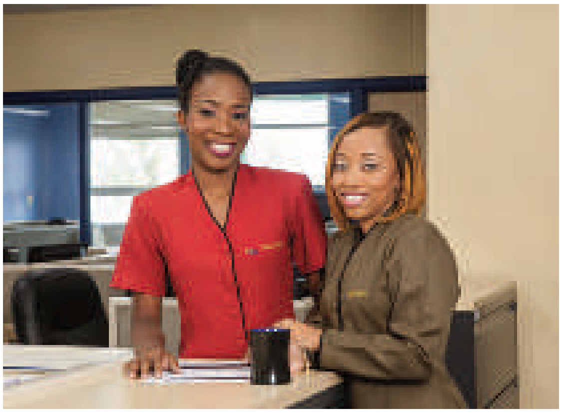
Ayesha Maycock
Commercial & Investment Manager

Damian Branford
Chief Financial Officer

Signia's Teams

From left Quetta Rawlins (Assistant Manager Internal Control), Shana Sobers (Credit Control Officer), Caroline Bowen (Internal/Credit Control Assistant), Tanya Allen (Internal Control Assistant), Jacqueline Holder (Chief Operations Officer), Akeisha Thompson (Credit Control Assistant), Bhari Dyall (Internal Control Assistant) and sitting Lauriel Small (internal Control Assistant).

INTERNAL & CREDIT CONTROL



From left, Krystal Bryan (Foreign Exchange Officer) and Samantha Inniss (Business Development Officer / Foreign Exchange Trader)

FX & BUSINESS DEVELOPMENT

From left, Ada Holder (Office Attendant), Jacqueline Holder (Chief Operations Officer), Joan Brewster (Regulatory Officer) and Karen Johnson (Personal Assistant).

COMPLIANCE & OPERATIONS

Signia's Teams

ACCOUNTS

From left, Shivram Bhajan (Reconciliation Officer), Kiera Jones (Reconciliation Officer), Damian Branford (Chief Financial Officer) and Renee Trotman (Financial Accountant).

RETAIL BANKING

From left, Sacha Simmons (Senior Relationship Officer), Natalie Stowe (Relationship Officer), sitting Sonia Bishop (Relationship Officer) and Margaret Wharton (Retail Banking Manager).

COMMERCIAL & INVESTMENT

From left, Terry Williams (Investment & Wealth Management Officer), Sherika Armstrong (Commercial & Investment Assistant), Cherian Austin (Commercial Officer), Orrie Chandler (Commercial Officer) and sitting Ayesha Maycock (Commercial & Investment Manager).

Signia's Teams

From left, Tracia Grant (Assistant Manager Retail Banking), Salena Rice (Personal Banking Assistant) and Ann Johnson (Office Attendant).

HAGGATT HALL LOANS CENTRE

From left, Deborah Clarke (Assistant Manager Deposits), Damian Branford (Chief Financial Officer).

DEPOSITS

From top: Jelan Blenman (Administrative Assistant), Carolyn Edey (Recoveries Assistant), Sabrina Mason (Administrative Assistant), Carol Prescod (Assistant - Manager – Client Services), Romar Morris (Recoveries Assistant), Michelle Roachford (Receptionist/Admin. Assistant), Donelle Michael (Recoveries Officer) and Elisia Alleyne (Recoveries Assistant) (Missing Andrea Harewood Recoveries Assistant)

CLIENT SERVICES

Automobiles

Using hybrid and plug-in electric vehicles can help increase energy security, improve fuel economy, lower fuel costs, and reduce emissions. Hybrid and plug-in electric vehicles typically achieve better fuel economy than similar conventional vehicles.

Signia has well crafted, competitive financial packages to ensure that their customers have every opportunity to purchase a green vehicle.

Chairman's/CEO's Report

The financial year 2013 was a solid year's performance for the Management and staff of Signia Financial Group Inc. Not only did this budding company celebrate ten (10) steady years of operation but for the first time in its short but impactful history, the company surpassed the $185M mark in Total Assets, recording $186M at the end of December. This amount represented a noteworthy 11.38% jump against the $167M recorded for the 2012 year. This was enhanced by a Loans and Vehicles Display Centre which was successfully opened in Haggatt Hall, St. Michael during the course of the year. This branch was created for added convenience and increased visibility for the company, overall it has contributed positively to the company's bottom line.

Amidst the backdrop of an economy which experienced reduced tourist arrivals and tourist spend, declining foreign reserves and wavering corporate profits, Signia Financial recorded an 11.68% increase in loans, ending the year at $153M compared to the $137M a year earlier. There was strong demand on the retail side of the business particularly for vehicle loans. The commercial portfolio recovered credibly in 2013 demonstrating the ability of the company to still write quality business in a challenging environment.

In April 2013 the decision taken by the Central Bank to allow the financial institutions greater flexibility in determining the minimum deposit rate, prompted the search of higher investment returns. Signia Financial was the beneficiary of this move with several new depositors during the year contributing to the 11.26% advance in the company's Deposit base from $142M in 2012 to $158M as at December 31, 2013.

A concerted effort to maintain interest spreads was manifested in the rise of Net Interest Income to $9.5M, 7.95% higher than the 2012 amount of $8.8M. Signia Financial continues to trade actively in the Foreign Exchange sector and on the Stock Brokerage market which contributed to an increase of 2.58% in its Non-Interest Income to close the year at $1.19M.

With rising delinquency a distinct characteristic of the lending industry, Signia lingers below the sector average, working even closer with its customers to find quality solutions while remaining sensitive to any change in their circumstances. Vigilance and prudence dictate provisions where necessary, with loan impairment losses ending the 2013 year at $1.36M, some 20.35% above the $1.13M recorded in 2012. Nonetheless, Net Profit grew 4.80% to $3.27M from the $3.12M in 2012.

The company continues to boast of being well capitalized, consistently above the minimum capital adequacy ratio of 8%, reflecting 15.55% as at year end.

The year 2014 could prove to be a difficult year with flat growth expected for an economy characterised by increasing consolidation and restructuring of Government and some private sector companies. With this in mind, Signia will continue its drive to bring targeted campaigns in a cost efficient and effective way and to solidify the partnerships with key players in the spaces within which the company operates.

Ten years of existence is no ordinary feat and on behalf of the Board of Directors, we wish to thank our loyal customers for their continued patronage and for their journey with us over the last decade. Very special thanks as well to the Management and staff of Signia for their dedication, enthusiasm and unwavering commitment to the company's success. Your Board is proud of you and we look forward to reaching more milestones together.

Geoffrey Cave

Geoffrey Cave
Chairman
March 27, 2014
Bridgetown, Barbados

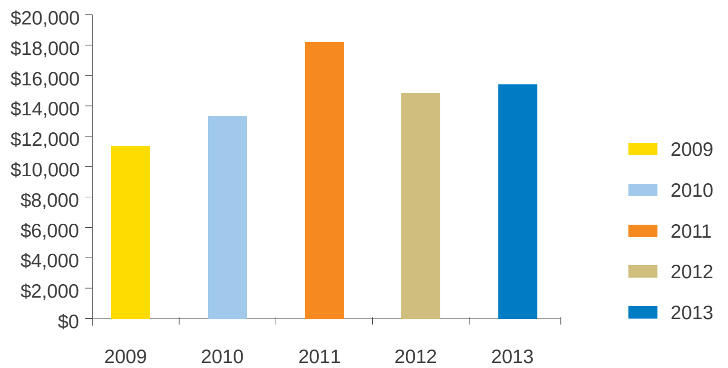
Paul Ashby
Chief Executive Officer
March 27, 2014
Bridgetown, Barbados

Five Year Highlights

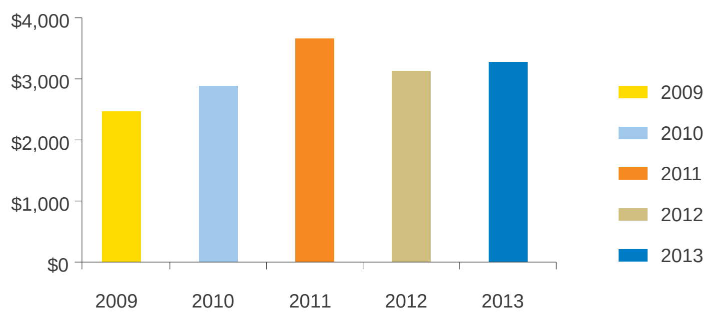
Expressed in thousands of Barbados dollars.

Operating Results	2013	2012	2011	2010	2009
	$	$	$	$	$
Interest Income	15,821	14,826	18,474	13,472	11,447
Interest Expense	6,323	6,063	7,562	5,578	4,911
Net interest income	9,498	8,762	10,911	7,893	6,535
Profit before Tax	4,336	4,160	4,823	3,858	3,317
Profit after tax	3,274	3,125	3,661	2,884	2,463
Financial Position					
Loans and advances to customers	153,050	136,613	138,067	128,758	106,013
Total Assets	186,252	167,280	159,779	150,482	128,029
Deposits from Customers	158,362	141,800	135,205	128,440	110,009
Total Liabilites	161,196	144,305	138,679	133,043	112,474

Interest Income 2009 - 2013



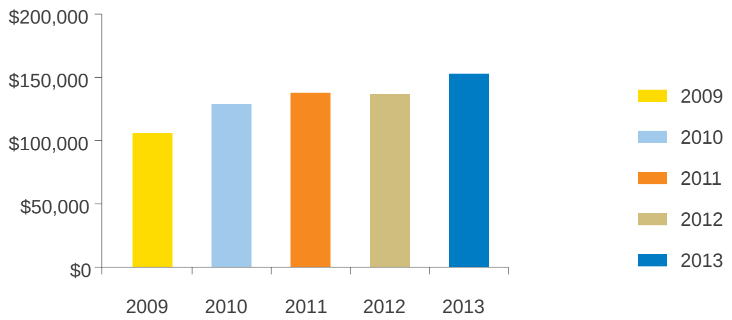
Net Income 2009 - 2013



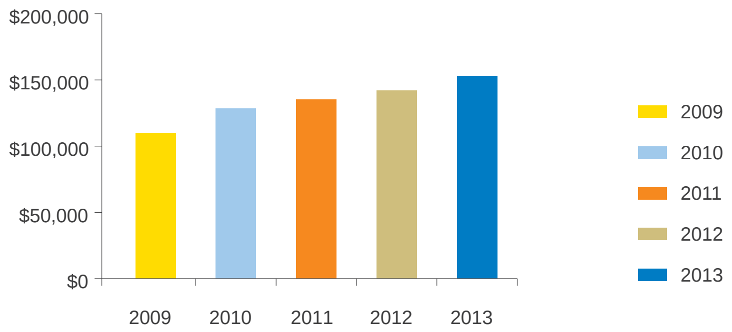
Five Year Highlights

Expressed in thousands of Barbados dollars.

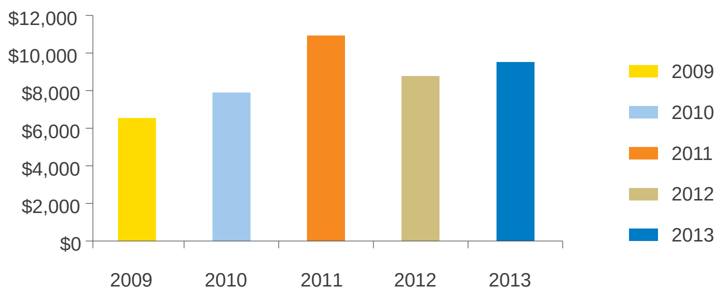
Loans 2009 - 2013



Deposits 2009 - 2013



Net Interest Income 2009 - 2013



INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
Signia Financial Group Inc.

We have audited the accompanying financial statements of **Signia Financial Group Inc.,** which comprise the balance sheet as at December 31, 2013, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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 for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's 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 auditor's 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 auditor considers internal control 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 control. 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Signia Financial Group Inc.** as at December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers SRL

March 27, 2014
Bridgetown, Barbados

BALANCE SHEET

As of December 31, 2013 l (Amounts in Barbados dollars)

	Notes	December 31 2013 $	December 31 2012 $
Assets			
Cash resources	4	**22,962,032**	20,489,154
Treasury bills		**5,975,519**	5,471,642
Due from parent company	5	**–**	79,775
Loans and advances to customers	6	**153,049,631**	136,613,101
Property, plant and equipment	7	**536,933**	552,079
Intangible assets	8	**172,735**	296,681
Operating lease assets	9	**914,622**	1,470,709
Other assets	10	**2,611,097**	2,307,290
Deferred tax asset	13	**29,546**	–
Total assets		**186,252,115**	167,280,431
Liabilities			
Due to customers	11	**158,362,062**	141,799,777
Other liabilities	12	**2,192,480**	2,053,289
Current tax payable		**641,862**	350,979
Deferred tax liability	13	**–**	101,391
Total liabilities		**161,196,404**	144,305,436
Equity			
Share capital	14	**9,210,857**	9,210,857
Statutory and other reserves	15	**3,396,414**	2,905,357
Retained earnings		**12,448,440**	10,858,781
		25,055,711	22,974,995
Total liabilities and equity		**186,252,115**	167,280,431

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors on March 27, 2014.

Geoffrey Cave Director

Director

STATEMENT OF CHANGES IN EQUITY

For the Year Ended December 31, 2013 | (Amounts in Barbados dollars)

	Share capital $	Statutory and other reserves $	Retained earnings $	Total $
Balance at December 31, 2011	**9,210,857**	**2,436,660**	**9,452,832**	**21,100,349**
Dividends (13.57 cents per share)	–	–	(1,250,000)	(1,250,000)
Profit and total comprehensive income for the Year	–	–	3,124,646	3,124,646
Transfer to statutory reserves (note 15)	–	468,697	(468,697)	–
Balance at December 31, 2012	**9,210,857**	**2,905,357**	**10,858,781**	**22,974,995**
Dividends (12.95 cents per share)	–	–	(1,193,000)	(1,193,000)
Profit and total comprehensive income for the year	–	–	3,273,716	3,273,716
Transfer to statutory reserves (note 15)	–	491,057	(491,057)	–
Balance at December 31, 2013	**9,210,857**	**3,396,414**	**12,448,440**	**25,055,711**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2013 l (Amounts in Barbados dollars)

	Notes	December 31 2013 $	December 31 2012 $
Interest income		**15,820,558**	14,825,836
Interest expense		**(6,322,760)**	(6,063,338)
Net interest income	16	**9,497,798**	8,762,498
Impairment losses on loans and advances	6	**(1,363,449)**	(1,133,160)
Net interest income after loan impairment charges		**8,134,349**	7,629,338
Fee and commission income	17	**118,417**	139,574
Fee and commission expense	17	**(44,294)**	(37,140)
Net fee and commission income		**74,123**	102,434
Net lease income	18	**124,846**	161,190
Other operating loss	19	**(41,056)**	(466,860)
Foreign exchange and brokerage income	20	**1,187,510**	1,160,272
Operating expenses	21	**(5,143,438)**	(4,426,554)
Profit before corporation tax		**4,336,334**	4,159,820
Corporation tax expense	13	**(1,062,618)**	(1,035,174)
Profit and total comprehensive income for the year		**3,273,716**	3,124,646

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2013 l (Amounts in Barbados dollars)

	December 31 2013 $	December 31 2012 $
Cash flows from operating activities		
Profit before taxation	**4,336,334**	4,159,820
Adjustments for:		
Depreciation of property, plant and equipment and operating lease assets	**771,467**	748,364
Impairment loss on loans	**1,363,449**	1,133,160
Provision on VAT recoverable	**47,985**	–
Loss/(gain) on disposal of property, plant and equipment	**1,105**	(42,394)
Interest income	**(15,820,558)**	(14,825,836)
Interest expense	**6,322,760**	6,063,338
Loss/(gain) on sale of operating leased assets and repossessed stock	**(39,964)**	99,145
	(3,017,422)	(2,664,403)
Changes in working capital		
Increase in restricted cash	**(349,675)**	(47)
Decrease/(increase) in due from parent company	**79,775**	(23,519)
(Increase)/decrease in loans and advances to customers	**(17,696,676)**	286,509
Decrease/(increase) in other assets	**(177,075)**	797,858
Net change in leased assets	**11,313**	(595,893)
Increase in due to customers	**16,469,411**	4,871,349
Increase/(decrease) in other liabilities	**191,178**	1,283,692
Fees received during the year	**533,601**	366,716
Taxation paid	**(902,670)**	(1,617,228)
Interest paid	**(6,359,341)**	(5,978,007)
Interest received	**15,258,242**	14,456,627
Net cash generated from operating activities	**4,040,661**	11,183,654
Cash flows used in investing activities		
Purchase of property, plant and equipment	**(223,408)**	(565,695)
Proceed from sale of property, plant and equipment	–	45,235
Purchase of treasury bills	**(19,337,850)**	(18,835,100)
Maturity of treasury bills	**18,836,800**	18,341,200
Purchase of investments	**(17,000,000)**	(12,545,448)
Maturity of investments	**17,000,000**	12,545,448
Net cash used in investing activities	**(724,458)**	(1,014,360)

For the Year Ended December 31, 2013 | (Amounts in Barbados dollars)

Cash flows from financing activities		
Payment of dividend	**(1,193,000)**	(1,250,000)
Net increase/(decrease) in cash	**2,123,203**	8,919,294
Cash and cash equivalents - beginning of year	**15,999,624**	7,080,330
Cash and cash equivalents - end of year	**18,122,827**	15,999,624
Represented by:		
Cash at bank (Note 4)	**13,094,830**	10,948,754
Short term deposits	**5,027,997**	5,050,870
	18,122,827	15,999,624

The accompanying notes are an integral part of these financial statements.

1 Incorporation, ownership and principal activities

Signia Financial Group Inc. (the Company) was incorporated under the Laws of Barbados on September 13, 1996. On January 2, 1998 the Company was granted a licence under the Financial Institutions Act 1996 to carry on business as a finance company. Its principal activities are the provision of term finance, motor vehicle leasing and the acceptance of deposits. The Company is also an authorized foreign exchange dealer and licensed stock broker.

The Company is wholly-owned by CSGK Finance Holdings Limited, which is a company incorporated under the Laws of Barbados and is a joint venture between Cave Shepherd & Company Limited, United Insurance Company Limited, companies incorporated under the Laws of Barbados, and GraceKennedy & Company Limited, a company incorporated in Jamaica.

The Company's principal place of business is located on the First Floor, Carlisle House, Hincks Street, Bridgetown, Barbados.

2 Summary of significant accounting policies

These financial statements are prepared in accordance with International Financial Reporting Standards, ("IFRS"). Significant accounting policies are set out below and have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The financial statements comprise the balance sheet, statement of comprehensive income, the statement of changes in equity, the cash flow statement and the notes.

These financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2 Summary of significant accounting policies …*continued*

a) Basis of preparation …*continued*

Standards, amendments and interpretations effective in 2013

The following amendments to published standards are mandatory for the Company's accounting periods beginning on or after January 1, 2013.

The amendments below did not have a significant impact on the financial statements:

- IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.
- Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustment.)
- IFRS 7 "Disclosures-Offsetting Financial Assets and Financial Liabilities," these amendments require entities to disclose information so that users of its financial statements are able to evaluate the effect or potential effect of netting arrangements and similar agreements on the entity's financial position.

Standards, interpretations and amendments to existing standards that are effective and not relevant to the Company's operations

- IFRS 10 - Consolidated Financial Statements effective from January 1, 2013.
- IFRS 11 - Joint Arrangements effective from January 1, 2013.
- IFRS 12 - Disclosure of Interest in Other Entities effective from January 1, 2013.
- IAS 19 - Employee Benefits effective from January 1, 2013.

There are no standards that are not yet effective and that have been early adopted by the Company's operations.

Standards, amendments and interpretations not yet effective but will be relevant to the Company.

- IFRS 9 - "Financial instruments".
- IFRIC 21 - " Levies" effective from January 1, 2014.

b) Foreign currency translation

i) *Functional and presentation currency*

Items included in the Company's financial statements are measured using the currency of the economic environment in which the Company operates. The statements are presented in Barbados Dollars which is the Company's functional and presentation currency.

ii) *Transactions and balances*

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2 Summary of significant accounting policies *…continued*

c) Financial assets

The Company classifies its financial assets in accordance with IAS 39 categories. Management determines the classification of its financial instruments at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Purchases and sales of financial assets are recognised on settlement-date, the date on which the Company settles the purchase or sells the asset. Loans and receivables are reported in the balance sheet as loans and advances to financial institutions or customers or as investment securities. Financial assets are initially recognised at fair value plus transaction costs for all financial assets. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has transferred substantially all risks and rewards of ownership.

Loans and receivables are initially recognised at fair value and subsequently carried at amortised cost.

d) Financial liabilities

Financial liabilities are measured at amortised cost, and are deposits from customers or banks.

e) Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired, individually or collectively.

The Company assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and collectively for financial assets that are not individually significant.

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

2 Summary of significant accounting policies …*continued*

e) Impairment of financial assets …*continued*

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower;
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position;
- Deterioration in the value of collateral;

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the Statement of Comprehensive Income.

2 Summary of significant accounting policies …*continued*

f) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax is realised or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation of property, plant and equipment, operating lease assets and tax losses carried forward.

Income tax payable on profits, based on the applicable tax law is recognised as an expense in the period in which the profits arise. The tax effects of tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

g) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate. All other repairs and maintenance are charged to the income statement during the period in which they are incurred.

Depreciation is provided on the straight-line method at the following annual rates considered appropriate to write off the cost of the assets over their estimated useful lives as follows:

Leasehold improvements	-	20% or over the life of the lease
Computer	-	14% - 33%
Furniture and equipment	-	10% - 50%
Motor vehicles	-	20%
Leased vehicles and equipment	-	Over the term of the lease agreement.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

h) Intangible assets

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years.

2 Summary of significant accounting policies *…continued*

i) Leases

i) *The Company is the lessor*

The leases entered into by the company are primarily finance leases. When assets are held subject to a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present values of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

ii) *The Company is the lessee*

The total payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made by the lessee by way of penalty is recognised as an expense in the period in which termination has taken place.

j) Repossessed property

In certain circumstances, property is repossessed following the foreclosure on loans or leases that are in default. Repossessed properties are measured at the lower of carrying amount and fair value less costs to sell and reported within ‘Other assets’.

k) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with three months or less maturity from the date of acquisition, including, amounts due from other banks.

l) Share capital

i) Share issue costs

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax from the proceeds.

ii) Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company’s directors.

2 Summary of significant accounting policies *…continued*

m) Fees and Commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Loan commitment fees are recognised over the life of the loan. Commission and fees arising from third party transactions such as the collection of payments for service providers are recognised on completion of the transactions.

n) Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income for all interest bearing financial instruments using the effective interest method. Income from leasing of motor vehicles and from term deposits and investments is recognised using the effective interest method.

Once a financial asset has been written down as a result of impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring its impairment loss.

o) Employee retirement benefits

The Company's employees are members of the Fortress Caribbean Pension Fund which is a defined contribution plan. The plan is administered by Duty Free Caribbean and investments are held by an independent Custodial Trustee. Contributions to the plan are based on pensionable salary adjusted to reflect National Insurance contributions and are recognised as an employee benefit expense when they are due.

p) Provisions

Provisions for legal claims are recognized when the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. The Company recognizes no provisions for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3 Critical accounting estimates, and judgements in applying accounting policies

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Impairment losses on loans and advances

The Company reviews its loan portfolio to assess impairment at least on a monthly basis. In determining whether an impairment loss should be recorded in the income statement, the company makes judgements as to whether there is a measurable decrease in the estimated future cash flows from individual loans before the decrease can be identified with the collective loans in that portfolio. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any difference between loss estimates and actual loss experience. To the extent management's estimate of cash flows differ by +/- 5%, the net income for the year would have increased by **$173,606**, (2012 - $126,259) and (decreased) by, **$178,839** (2012 - $130,363).

Outstanding principal and interest on a loan over 90 days in arrears at the balance sheet date, was settled (made current) subsequent to the balance sheet date. As a result management did not assess this loan as impaired. If this loan was impaired, the specific provision would have increased by approximately $319,000.

b) Corporation taxes

The Company is subject to corporation taxes in the jurisdiction in which it operates. Estimates are required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences are recognised in the statement of comprehensive income.

c) Provision

The Company is subject to VAT and recognises a liability or receivable during assessment periods. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the amount of VAT receivable or payable in the period in which such determination is made. Where the actual final outcome differs from management's estimates by 10%, the company will need to decrease or increase the VAT receivable by **$52,019**.

December 31, 2013 l (Amounts in Barbados dollars)

4 Cash resources

	December 31 2013 $	December 31 2012 $
Cash	**13,094,830**	10,948,754
Short term deposits	**5,027,997**	5,050,870
Restricted cash	**4,839,205**	4,489,530
Total Cash resources	**22,962,032**	20,489,154

The Company is required to maintain mandatory reserve deposits with the Central Bank of Barbados representing a percentage of deposits liabilities as cash or deposits with the central bank. These funds are not available to finance the Company's day- to- day operations and as such, are excluded from cash resources to arrive at cash and cash equivalents. At December 31, 2013 mandatory deposits amounted to **$4,765,787** (2012 - $4,316,713)

5 Due from parent company

Amounts due from parent company bear no interest and have no stated terms of repayment.

6 Loans and advances to customers

	Corporate 2013 $	Individual 2013 $	Total December 2013 $
Gross loans and advances	41,203,721	115,469,425	156,673,146
Less: impairment	(1,362,219)	(2,261,296)	(3,623,515)
Balance, end of year	**39,841,502**	**113,208,129**	**153,049,631**

	Corporate 2012 $	Individual 2012 $	Total December 2012 $
Gross loans and advances	36,895,895	102,554,587	139,450,482
Less: impairment	(739,548)	(2,097,833)	(2,837,381)
Balance, end of year	36,156,347	100,456,754	136,613,101

December 31, 2013 l (Amounts in Barbados dollars)

6 Loans and advances to customers *…continued*

Analysis of Loans by industry sector

	December 31 2013 $	December 31 2012 $
Recreational, personal and community work	**10,096**	16,639
Education	**22,970**	10,290
Electricity gas and water supply	**29,056**	39,170
Other financial corporations	**519,011**	573,662
Manufacturing	**895,551**	698,436
Transport, storage and communication	**1,532,475**	1,145,786
Hotels and restaurants	**1,879,997**	1,953,039
Agriculture	**2,042,337**	2,280,626
Health and social work	**2,304,466**	2,225,764
Construction	**2,162,699**	2,314,416
Real estate, renting and other business	**28,750,524**	25,562,681
Individuals and individual trusts	**116,523,964**	102,629,973
	156,673,146	139,450,482
Receivable 12 months or less after the reporting period	**40,115,674**	34,006,144
Receivable more than 12 months after the reporting period	**116,557,472**	105,444,338
	156,673,146	139,450,482

Loans and advances to customers are predominantly secured by the vehicles and title deeds financed under the individual contracts.

Impairment losses on loans and advances

	December 31 2013 $	December 31 2012 $
Increase in impairment losses on loans and advances	**1,427,344**	1,091,545
Amounts written off during the year as uncollectible	**28,267**	103,669
	1,455,611	1,195,214
Amounts received on loans previously written off	**(92,162)**	(62,054)
	1,363,449	1,133,160

December 31, 2013 l (Amounts in Barbados dollars)

6 Loans and advances to customers *…continued*

Allowance for impairment

Movement in allowance impairment:

			December 31			December 31
	2013	2013	2013	2012	2012	2012
	$	$	$	$	$	$
	Specific	Collective	Total	Specific	Collective	Total
Balance, beginning of year	**1,946,304**	**891,077**	**2,837,381**	1,287,464	962,059	2,249,523
Increase/decrease in impairment losses	**1,349,021**	**(11,551)**	**1,337,470**	1,072,557	(70,982)	1,001,575
Loans written off during the year as uncollectible	**(551,336)**	–	**(551,336)**	(413,017)	–	(413,017)
Amounts recovered during the year	–	–	–	(700)	–	(700)
Balance, end of year	**2,743,989**	**879,526**	**3,623,515**	1,946,304	891,077	2,837,381

At December 31, 2013, non-accrual loans amounted to **$5,303,463** (2012 - $2,132,225). There were no corporate loans written off during 2013.

December 31, 2013 l (Amounts in Barbados dollars)

6 Loans and advances to customers *…continued*

Loans and advances to customers include finance lease receivables as follows:

Gross investment in finance leases receivable:

	December 31 2013 $	December 31 2012 $
No later than 1 year	**3,013,741**	2,957,152
Later than 1 year and no later than 5 years	**4,622,882**	4,495,756
	7,636,623	7,452,908
Unearned future finance income on finance leases	**(1,025,225)**	(890,800)
Net investment in finance leases	**6,611,398**	6,562,108

The net investment in finance leases may be analysed as follows:

No later than 1 year	**2,562,460**	2,518,617
Later than 1 year and no later than 5 years	**4,048,938**	4,043,491
	6,611,398	6,562,108

December 31, 2013 | (Amounts in Barbados dollars)

7 Property, plant and equipment

	Leasehold improvements $	Computers $	Furniture & equipment $	Motor vehicles $	Total $
At 31 December 2011					
Cost	359,534	441,295	405,809	374,614	1,581,252
Accumulated depreciation	(250,319)	(397,397)	(218,820)	(177,872)	(1,044,408)
Net book value	109,215	43,898	186,989	196,742	536,844
Year ended December 2012					
Opening net book amount	109,215	43,898	186,989	196,742	536,844
Additions	–	21,871	6,748	160,000	188,619
Disposals	–	(2,839)	–	–	(2,839)
Depreciation charge	(28,067)	(19,948)	(41,686)	(80,844)	(170,545)
End of year	81,148	42,982	152,051	275,898	552,079
At 31 December 2012					
Cost	359,534	459,997	412,557	433,825	1,665,913
Accumulated depreciation	(278,386)	(417,015)	(260,506)	(157,927)	(1,113,834)
Net book value	81,148	42,982	152,051	275,898	552,079
Year ended December 2013					
Opening net book amount	81,148	42,982	152,051	275,898	552,079
Additions	29,682	7,781	106,952	78,993	223,408
Disposals	–	(194)	(911)	–	(1,105)
Depreciation charge	(57,426)	(23,432)	(69,827)	(86,764)	(237,449)
End of year	**53,404**	**27,137**	**188,265**	**268,127**	**536,933**
At 31 December 2013					
Cost	370,308	436,711	502,470	512,817	1,822,306
Accumulated depreciation	(316,904)	(409,574)	(314,205)	(244,690)	(1,285,373)
Net book value	**53,404**	**27,137**	**188,265**	**268,127**	**536,933**

December 31, 2013 l (Amounts in Barbados dollars)

8 Intangible assets

Computer software

	December 31 2013 $	December 31 2012 $
Cost		
Beginning of period	**377,076**	–
Additions	–	**377,076**
Disposals	–	–
End of period	**377,076**	**377,076**
Accumulated depreciation		
Beginning of period	**80,395**	–
Charge for the period	**123,946**	**80,395**
Disposals	–	–
End of period	**204,341**	**80,395**
Net book values		
End of period	**172,735**	**296,681**
Beginning of period	**296,681**	–

December 31, 2013 l (Amounts in Barbados dollars)

9 Operating lease assets

Leased vehicles and equipment

	December 31 2013 $	December 31 2012 $
Cost		
Beginning of period	**2,435,643**	3,250,055
Additions	**790,453**	595,891
Transfer to repossessed stock	**(395,002)**	(1,311,158)
Disposals	**(1,592,693)**	(99,145)
End of period	**1,238,401**	2,435,643
Accumulated depreciation		
Beginning of period	**964,934**	990,963
Charge for the period	**410,073**	497,425
Transfer to repossessed stock	**(156,128)**	(523,454)
Disposals	**(895,100)**	–
End of period	**323,779**	964,934
Net book values		
End of period	**914,622**	1,470,709
Beginning of period	**1,470,709**	2,259,092

10 Other assets

	December 31 2013 $	December 31 2012 $
VAT recoverable	–	124,852
Prepaid expenses	**369,777**	287,230
Other receivables	**904,210**	437,760
Repossessed or end of lease stock	**1,337,110**	1,457,448
	2,611,097	2,307,290
Receivable 12 months or less after the reporting period	**2,601,661**	2,295,305
Receivable more than 12 months after the reporting period	**9,436**	11,985

December 31, 2013 l (Amounts in Barbados dollars)

11 Due to customers

	December 31 2013 $	December 31 2012 $
Financial institutions		
Payable at fixed dates	**36,602,275**	23,204,063
Individuals		
Payable with notice	**1,446,240**	992,861
Payable at fixed dates	**71,576,629**	66,498,662
Business and government		
Payable with notice	**3,831,001**	3,638,914
Payable at fixed dates	**41,987,919**	43,387,957
Other		
Payable at fixed dates	**2,917,998**	4,077,320
Deposits due to customers	**158,362,062**	141,799,777
Payable with notice	**5,277,241**	4,631,775
Payable at fixed dates	**153,084,821**	137,168,002
	158,362,062	141,799,777
Payable 12 months or less after the reporting period	**98,098,203**	94,220,900
Payable more than 12 months after the reporting period	**60,263,859**	47,578,877
	158,362,062	141,799,777

The rates of interest on fixed deposits vary in accordance with the length and value of the deposit from **3.5%** to **5.5%** (2012 - 3.5% to 6.65%). **$10,988,193** (2012 - $7,772,324) of these deposits are held as security on loans and advances.

December 31, 2013 l (Amounts in Barbados dollars)

12 Other liabilities

	December 31 2013 $	December 31 2012 $
Due to brokers and related customers	**637,026**	309,828
ICF loan	**1,253,237**	1,382,692
Other payables	**290,932**	360,769
VAT payable	**11,285**	–
	2,192,480	2,053,289
Payable 12 months or less after the reporting period	**1,068,663**	800,017
Payable more than 12 months after the reporting period	**1,123,817**	1,253,272

Industrial Credit Fund (ICF) loan represents variable rate loans on special terms due to the Central Bank of Barbados used to finance specific loans in designated sectors of the economy. Interest on amounts advanced is charged at 3.25% per annum.

13 Taxation

	December 31 2013 $	December 31 2012 $
Current tax	**1,193,555**	1,050,607
Deferred tax (credit)	**(130,937)**	(15,433)
	1,062,618	1,035,174

The tax on the profit before taxation differs from the theoretical amount that would arise using the basic tax rate as follows:

	December 31 2013 $	December 31 2012 $
Profit before taxation	**4,336,334**	4,159,820
Corporation tax at a tax rate of 25% (2012 - 25%)	**1,084,084**	1,039,956
Income subject to tax at different rate	**(20,753)**	(20,512)
Expenses not deductible for tax	**(15,500)**	15,508
Prior year under/(over) provision	**14,787**	222
Taxation charge for the year	**1,062,618**	1,035,174

December 31, 2013 l (Amounts in Barbados dollars)

13 Taxation …*continued*

The movement on the deferred tax account is as follows:

	December 31 2013 $	December 31 2012 $
Balance - beginning of year	**101,391**	**116,824**
Credit for the year	**(130,937)**	**(15,433)**
Balance (asset)/liability - end of year	**(29,546)**	**101,391**

The deferred tax (asset)/liability consists of the following components:

	December 31 2013 $	December 31 2012 $
Accelerated tax depreciation	**761,339**	**1,296,642**
Bad debt provision	**(879,525)**	**(891,076)**
	(118,186)	**405,566**
Deferred tax (asset)/liability at corporation tax rate of 25% (2012 - 25%)	**(29,546)**	**101,391**

14 Share capital

Authorised:

The Company is authorised to issue an unlimited number of common shares of no par value.

Issued:

	December 31 2013 $	December 31 2012 $
9,210,857 common shares issued (2012 - 9,210,857)	**9,210,857**	9,210,857

December 31, 2013 l (Amounts in Barbados dollars)

15 Statutory and other reserves

Statutory reserve fund

	December 31 2013 $	December 31 2012 $
Balance, beginning of year	**2,905,357**	2,436,660
Transfer from retained earnings	**491,057**	468,697
Balance, end of year	**3,396,414**	2,905,357

Section 33 of the Financial Institutions Act, 1996 requires that a minimum of 15% of annual net income be appropriated to a reserve fund until the balance of such fund equals the Company's share capital.

General loan reserve fund

	December 31 2013 $	December 31 2012 $
Balance, beginning of year	–	257,291
Transfer (to)/from retained earnings	–	(257,291)
Balance, end of year	–	–

	December 31 2013 $	December 31 2012 $
Total reserves	**3,396,414**	2,905,357

The general loan reserve represents transfers from retained earnings to meet qualifying loan impairment requirements under the Financial Institutions Act, 1996. The amount transferred is the excess of Financial Institutions Act, 1996 provisioning requirement over the IAS 39 provisioning requirement.

December 31, 2013 l (Amounts in Barbados dollars)

16 Net interest income

	December 31 2013 $	December 31 2012 $
Interest income		
Cash and other short term funds	**156,171**	118,248
Investment securities	**364,115**	278,952
Finance lease income	**723,793**	754,855
Credit related fees	**555,283**	513,064
Loans and advances	**14,021,196**	13,160,717
	15,820,558	14,825,836
Interest expense		
Customers	**(6,322,760)**	(6,063,338)
Net interest income	**9,497,798**	8,762,498

At December 31, 2013, interest income accrued on impaired financial assets amounted to **$37,658** (2012 - $21,443).

17 Fee and commission income

	December 31 2013 $	December 31 2012 $
Fee and commission income		
Creditor life and other commission	**118,417**	139,574
	118,417	139,574
Fee and commission expense		
Dealer commissions	**44,294**	37,140
	44,294	37,140

December 31, 2013 l (Amounts in Barbados dollars)

18 Net lease income

	December 31 2013 $	December 31 2012 $
Operating lease income	**534,919**	659,143
Depreciation expense	**(410,073)**	(497,425)
Lease repair expenses	**–**	(528)
	124,846	161,190

19 Other operating (loss)/income

	December 31 2013 $	December 31 2012 $
Loss on sale of operating leased assets & repossessed stock	**(80,153)**	(472,753)
Lease penalty and other charges	**39,097**	5,893
	(41,056)	(466,860)

20 Foreign exchange and brokerage income

	December 31 2013 $	December 31 2012 $
Foreign exchange transaction gains and losses	**958,139**	1,039,980
Brokerage fees	**229,371**	120,292
	1,187,510	1,160,272

21 Operating expenses

	December 31 2013 $	December 31 2012 $
Staff costs (Note 22)	**2,767,633**	2,400,308
Administrative expenses	**2,014,411**	1,775,306
Provision for VAT recoverable	**–**	–
Depreciation of property, plant and equipment	**361,394**	250,940
	5,143,438	4,426,554

December 31, 2013 l (Amounts in Barbados dollars)

22 Staff costs

	December 31 2013 $	December 31 2012 $
Salaries and wages	**2,450,331**	2,202,992
National insurance contributions	**152,420**	83,792
Pension costs:		
- defined contribution plan	**61,598**	50,679
Other	**103,284**	62,845
	2,767,633	2,400,308

23 Related party transactions

A number of transactions are entered into with related parties in the normal course of business. These include loans, deposits, and administrative services. The volumes of related party transactions and outstanding balances at year end and related expenses and income for the year are as follows:

	Directors and key management personnel	
	December 31 2013 $	December 31 2012 $
Loans		
Loans outstanding at beginning of period	**58,746**	35,649
Loans issued during the period	**30,449**	40,000
Loan repayments during the period	**(6,181)**	(16,903)
Loans outstanding at end of period	**83,014**	58,746
Interest income earned	**4,324**	3,665

No provisions have been recognised in respect of loans given to related parties in 2013 and 2012.

Interest is payable at **6.5%** per annum (2012 - 7.75%). These loans are secured predominantly by vehicles and have fixed terms of repayment.

Amounts due from parent company

	December 31 2013 $	December 31 2012 $
CSGK Finance Holdings Ltd	–	79,775

Amounts due from parent company bear no interest and have no stated terms of repayment.

December 31, 2013 l (Amounts in Barbados dollars)

23 Related party transactions …*continued*

	Directors and key management personnel	
	December 31 2013 $	**December 31 2012 $**
Deposits		
Deposits at beginning of period	**306,052**	373,464
Deposits received during the period	**117,537**	87,728
Deposits repaid during the period	**(74,596)**	(155,140)
Deposits at end of period	**348,993**	306,052
Interest expense on deposits	**14,286**	9,553

	December 31 2013 $	**December 31 2012 $**
Key management compensation		
Salaries and benefits	**1,018,381**	1,014,154

Directors' remuneration

In 2013, the total remuneration to the directors was **$44,635** (2012 - $51,000).

December 31, 2013 l (Amounts in Barbados dollars)

24 Contingent liabilities and commitments

a) *Legal proceedings*

No contingent liabilities associated with legal action has been disclosed as professional advice indicates that it is unlikely that any significant loss will arise.

b) *Commitments*

Rental expense is as follows:

	December 31 2013 $	**December 31 2012 $**
Within one year	**282,229**	220,230
Later than one year no later than five years	**276,760**	494,059
	558,989	714,289

At December 31, 2013, the Company had loan commitments as follows:

	December 31 2013 $	**December 31 2012 $**
Loan commitments	**6,634,580**	9,177,381
	6,634,580	9,177,381

25 Financial instruments, financial risk and capital management

By its nature, the Company's activities expose it to a variety of financial risks such as credit risk, market risk (predominantly cash flow interest rate risk) and liquidity risk. The Company accepts deposits from customers at fixed interest rates over varying terms of maturity and seeks to earn the appropriate interest margin through lending to commercial and retail borrowers at fixed rates over varying terms of maturity and by investing funds in high quality assets. This note presents information about the Company's exposure to each of the above financial risks, the Company's objectives, policies and procedures for measuring and managing these risks, as well as the Company's management of its capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Credit Committee and the Asset and Liability Committee ("ALCO") both of which contains non-executive members and regularly report to the Board of Directors on their activities. In addition, the Board has established an Audit Committee to assist the directors in overseeing the reliability of the Company's financial statements, compliance with legal and regulatory requirements, external auditor independence, as well as business practices and ethical standards. The Audit Committee also oversees compliance with the Company's risk management policies and procedures, as well as reviews the adequacy of the risk management framework in relation to the potential risks which the company faces.

a) Credit risk:

Credit risk arises from the possibility that counterparties may default on their obligations to the Company resulting in a financial loss to the Company. Credit risk is considered to be the most significant of the financial risks which the Company faces and as a result, the Company's financial risk management focuses heavily on managing its exposure to credit risk. Credit risk arises primarily from the Company's lending activities that result in loans and advances to customers, including finance leases, as well as investment activities that bring fixed income securities into the Company's investment portfolio.

The Board of Directors has delegated the responsibility for and oversight of credit risk management and control to the Credit Committee. In addition, the Credit Committee has responsibility for:

- reviewing internal credit policies and establishing approval limits;
- establishing portfolio composition limits;
- monitoring and assessing the loan portfolio to ensure that the company's lending policies and practices are adhered to;
- reviewing and vetting the company's lending policies and procedures for submission to the Board of Directors;
- approving or declining loan applications submitted to the Committee;
- reviewing and analyzing delinquency statistics; and
- providing general guidance on lending practices.

December 31, 2013 l (Amounts in Barbados dollars)

25 Financial instruments, financial risk and capital management *…continued*

a) Credit risk: …continued

The Company has formulated commercial and retail lending credit policies and guidelines. These policies and guidelines measure, manage, limit and control credit risk and the potential for concentration therein. These polices also cover collateral requirements, credit evaluations and ongoing credit assessments, risk grading and reporting, documentary and legal procedures, as well as compliance with regulatory requirements.

Authorized lending limits are established by the Credit Committee and approved by the Board of Directors. The Chief Executive Officer assigns lending limits to selected credit officers within which they can approve loans that conform to the Company's credit policies and guidelines. Management closely monitors the composition of the loan portfolio by industry sector and potential concentration of credit risk therein on a monthly basis - see Note 6 for analysis of loans by industry sector as of December 31, 2013 and December 31, 2012. All loans and advances are made to customers located within Barbados and as a result, there is no need to monitor the loan portfolio by geographic sector.

Exposure to credit risk from loans and advances to customers, including net investment in finance leases, is further managed through the regular analysis of the ability of potential and existing borrowers to meet their contractual obligations. The Company's maximum exposure to credit risk is indicated by the carrying amount of its financial assets. The following table illustrates the worst case scenario of credit risk exposure to the Company at December 31, 2013 and 2012, without taking into account any collateral held or other credit enhancements which may be in place. This table also includes the impact of loan commitments which are not recognized on the balance sheet.

	December 31 2013 $	December 31 2012 $
Credit risk exposure relative to financial assets reported on the balance sheet are as follows:		
Cash and cash equivalents	**18,122,872**	15,999,624
Treasury bills	**5,975,519**	5,471,642
Due from parent company	–	79,775
Loans and advances to customers	**153,049,631**	136,613,101
Other assets	**801,332**	341,514
	177,949,354	158,505,656
Credit risk exposure relative to off-balance sheet items are as follows:		
Loan commitments	**6,634,580**	9,177,381
	184,583,934	167,683,037

December 31, 2013 l (Amounts in Barbados dollars)

25 Financial instruments, financial risk and capital management *…continued*

a) Credit risk: …continued

The Company's main source of credit risk arises from its loans and advances which are inclusive of net investment in finance leases and when combined with loan commitments, represent 87% (2012 - 87%) of the Company's maximum exposure to credit risk. As mentioned before, the analysis does not take into account any security or collateral which is normally required by the Company on loans in an attempt to mitigate credit risk. The Company has specific policies in place detailing the requirement for acceptable collateral. Loans and advances to customers are typically secured by bills of sale on the underlying vehicles and mortgages over the underlying properties, as well as other forms of security such as stocks, bonds, mutual funds and the cash surrender values on borrower's life insurance policies. In order to further minimize credit risk, the Company may seek additional collateral from a borrower as soon as there is objective evidence of impairment or other similar indicators. The Company has not issued any financial guarantees.

Cash and cash equivalents as well as short term deposits are all placed with other reputable financial institutions which have been pre-approved by the ALCO committee and which are considered to be financially secure. The level of credit risk arising from the remaining financial assets is not considered to be significant.

Loans and advances to customers are summarized as follows:

December 31, 2013

	Loans and advances		Finance Leases		
	Corporate	Individual	Corporate	Individual	Total
	$	$	$	$	$
Neither past due nor impaired	12,400,987	77,034,140	4,641,819	45,673	**94,122,619**
Past due but not Impaired	20,158,231	34,761,107	1,461,195	82,002	**56,462,535**
Impaired	1,758,068	3,490,903	572,977	–	**5,821,948**
	34,317,286	115,286,150	6,675,991	127,675	**156,407,102**
Less: allowances for impairment	(1,367,090)	(2,064,158)	(192,267)	–	**(3,623,515)**
Total loans and advances to customers	32,950,196	113,221,992	6,483,724	127,675	**152,783,587**
Other loans and Advances					**266,044**
Total loans and advances to customers					**153,049,631**

December 31, 2013 l (Amounts in Barbados dollars)

25 Financial instruments, financial risk and capital management *…continued*

a) *Credit risk: …continued*

December 31, 2012

	Loans and advances		Finance Leases		
	Corporate	Individual	Corporate	Individual	Total
	$	$	$	$	$
Neither past due nor impaired	11,761,360	65,650,806	3,863,027	64,688	81,339,881
Past due but not impaired	16,608,808	34,085,115	2,054,111	23,425	52,771,459
Impaired	1,644,430	2,682,596	746,185	–	5,073,211
	30,014,598	102,418,517	6,663,323	88,113	139,184,551
Less: allowances for impairment	(728,354)	(1,894,455)	(214,572)	–	(2,837,381)
Total loans and advances to customers	29,286,244	100,524,062	6,448,751	88,113	136,347,170
Other loans and advances					265,931
Total loans and advances to customers					136,613,101

All other classes of financial assets are considered to be neither past due nor impaired.

The Company currently utilizes the Central Bank of Barbados Asset Classification and Provisioning Guidelines rating system to assess its loan portfolio. Under this system, customers are segmented into the five rating categories, as summarized in the table below, which reflect the full range of default probabilities. The Company assesses the probability of default of individual customers based on the aging of the portfolio of loans and advances which is then mapped to the Central Bank of Barbados' rating categories. This exercise is supplemented by the judgement of experienced credit officers within the Company. The table below shows the Company's internal rating and the associated impairment provision on loans and advances at December 31, 2013.

		Impairment Allowance			
Company's rating	**Description**	**2013 $**	**2013 %**	**2012 $**	**2012 %**
1	Pass	–	–	–	–
2	Special mention	–	–	–	–
3	Substandard	**1,446,123**	**53%**	542,314	28%
4	Doubtful	**108,132**	**4%**	102,926	5%
5	Loss	**1,189,734**	**43%**	1,275,819	67%

December 31, 2013 l (Amounts in Barbados dollars)

25 Financial instruments, financial risk and capital management …*continued*

a) Credit risk: …*continued*

Over time, exposures to default can migrate between classes as the probability of default increases for selected customers. The provisioning guidelines of the Central Bank of Barbados, while used internally for credit rating, can be contrasted with the impairment allowances required under IAS 39, which are based on losses that have been incurred at the balance sheet date rather than expected impairment losses.

The category of Pass typically includes loans which are current and loans where the financial condition of the borrower is generally sound. The Special Mention category includes loans which although up to date, may present credit challenges in the future either as a result of a potential deterioration in the borrower's ability to service the loan or through the impairment of the collateral associated with the loan. Loans are assigned to the Substandard category where well defined credit weaknesses exist such as insufficient cash flow to service the loan and where the Company may have to renegotiate the terms of the loan or obtain the collateral. The Doubtful category consists of loans where the collection of the full contractual amounts due is questionable or improbable. In this category, the possibility of incurring a financial loss exists but other factors may be present which could improve the current situation. Finally, the category of Loss is used where the loan is deemed uncollectible and it is not considered practical or desirable to pursue further recovery efforts.

Based on this system, the credit quality of the Company's loans and advances to customers which are neither past due nor impaired can be categorized as follows:

					December 31 2013
	Loans and advances		**Finance Leases**		**Total**
	Corporate	**Individual**	**Corporate**	**Individual**	
	$	$	$	$	**$**
Internal rating scheme					
1. Pass	9,858,127	73,800,233	4,641,819	45,673	**88,345,852**
2. Special Mention	2,542,860	3,128,767	–	–	**5,671,627**
3. Sub-standard	–	105,140	–	–	**105,140**
4. Doubtful	–	–	–	–	**–**
5. Loss	–	–	–	–	**–**
	12,400,987	**77,034,140**	**4,641,819**	**45,673**	**94,122,619**

December 31, 2013 l (Amounts in Barbados dollars)

25 Financial instruments, financial risk and capital management …*continued*

a) Credit risk: …continued

	Loans and advances		Finance Leases		December 31 2012
	Corporate	Individual	Corporate	Individual	Total
	$	$	$	$	$
Internal rating scheme					
1. Pass	8,221,366	63,290,452	3,863,027	64,688	**75,439,533**
2. Special Mention	3,535,261	2,279,830	–	–	**5,815,091**
3. Sub-standard	4,733	80,524	–	–	**85,257**
4. Doubtful	–	–	–	–	–
5. Loss	–	–	–	–	–
	11,761,360	**65,650,806**	**3,863,027**	**64,688**	**81,339,881**

61% (2012 - 59%) of the Company's overall portfolio of loans and advances to customers, (i.e. not just the portion identified as neither past due nor impaired loans) are categorized within the two top grades of the internal rating system.

Included within the table above, are loans with renegotiated terms amounting to **$2,261,611** (2012 - $1,964,862). Loans with renegotiated terms are considered to be loans which have been restructured due to deterioration in the borrower's financial position and where the Company may have made concessions that it would not otherwise consider under normal circumstances.

A financial asset is considered to be past due when a counterparty has failed to make a payment when contractually due. Impairment may not be considered appropriate where the level of security/collateral available is adequate and/or where the stage of collection efforts is sufficiently advanced. The table below summarizes the carrying value of loans and advances to customers which are past due but which management, based on individual assessments, does not consider impaired.

December 31, 2013 l (Amounts in Barbados dollars)

25 Financial instruments, financial risk and capital management *…continued*

a) Credit risk: …continued

December 31, 2013

	Corporate	Individuals	Total Loans
	$	$	**$**
Past due 1 to 5 days	15,549,921	22,757,667	**38,307,588**
Past due 6 to 30 days	2,073,103	7,939,819	**10,012,922**
Past due 31 to 60 days	65,000	228,102	**293,102**
Past due 61 to 90 days	472,383	2,745,135	**3,217,518**
Past due over 90 days	1,997,824	1,090,384	**3,088,208**
	20,158,231	34,761,107	**54,919,338**

	Finance leases
	$
Past due 1 to 5 days	**1,255,315**
Past due 6 to 30 days	**287,882**
Past due over 30 days	**–**
	1,543,197

December 31, 2012

	Corporate	Individuals	Total Loans
	$	$	$
Past due 1 to 5 days	9,933,614	22,997,172	**32,930,786**
Past due 6 to 30 days	4,031,479	7,271,259	**11,302,738**
Past due 31 to 60 days	54,916	543,174	**598,090**
Past due 61 to 90 days	2,118,072	1,831,702	**3,949,774**
Past due over 90 days	470,726	1,441,807	**1,912,533**
	16,608,807	34,085,114	**50,693,921**

	Finance Leases
	$
Past due 1 to 5 days	**1,647,012**
Past due 6 to 30 days	**430,524**
Past due over 30 days	**–**
	2,077,536

December 31, 2013 l (Amounts in Barbados dollars)

25 Financial instruments, financial risk and capital management *…continued*

a) *Credit risk: …continued*

Impairment and provisioning policies:

Where there is objective evidence of impairment, as a result of one or more events that have occurred subsequent to the initial recognition of a loan, the Company establishes an allowance for impairment losses that represents its estimate of the incurred losses within its loan portfolio. Objective evidence that a loan is impaired includes observable data that comes to the attention of the Company that a loss event has occurred such as significant financial difficulty of a borrower or a breach of the loan agreement by way of default or delinquency in interest and principal payments. The main components of this allowance are a specific loss component that relates to individually significant exposures and a collective loan loss allowance established for groups of homogeneous loans in respect of losses that have been incurred but have not been identified on loans subject to the specific impairment assessment. The specific loss component is determined by comparing the individual carrying amount of each loan which is past due 90 days or later with its recoverable amount. The recoverable amount is in turn calculated by comparing the fair value of the collateral to the carrying value or assessing the present value of the future expected cash flows associated with each past due loan. In determining the collective loan loss allowance, observable historical data, experience and judgement is employed.

As at December 31, 2013, the total allowance for impairment against loans and advances to customers amounted to **$3,623,515** (2012 - $2,837,381) of which **$2,743,990** (2012 - $1,946,304) represents individually impaired loans and the remaining amount of **$879,526** (2012 - $891,077) represents the portfolio provision. Included within Note 6 is an analysis showing the movement in this allowance during the year ended December 31,2013.

The fair value of the collateral for individually impaired loans is as follows:

	2013	**2012**
	$	**$**
Fair value of collateral	**2,697,249**	**1,606,299**

25 Financial instruments, financial risk and capital management …*continued*

b) Market risk:

Market risk is the risk that changes in market prices such as interest rate, equity prices and foreign exchange rates will affect the Company's income or the value of its financial instruments. The Company is not exposed to price risk in that it holds no equity investments. Similarly, the Company is not directly exposed to changes in foreign exchange rates given that the Company does not hold significant foreign currency denominated monetary assets or liabilities. The most significant type of market risk to which the Company is exposed is interest rate risk, which generally includes cash flow interest rate risk and fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates, whereas fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. All of the Company's financial instruments are measured at amortized cost and as a result, the company is not directly exposed to fair value interest rate risk. However, the Company is exposed to fluctuations in the prevailing levels of market interest rates whereby net interest margins may increase as a result of these changes or may be reduced in the event that unexpected movements take place.

Interest rate risk

Assuming that the interest bearing financial assets and liabilities as at December 31, 2013 were to remain until maturity or settlement without any action by the Company to alter the resulting interest rate risk exposure, an immediate and sustained increase/decrease of 100 basis points in market rates across all maturities would result in an insignificant increase/decrease in the net income of the following year.

Management closely monitors net interest margins, as well as other related ratios such as interest earned to average loans and interest incurred to average deposits. The ALCO Committee's responsibilities include ensuring adherence to the Company's policies and procedures concerning asset and liability management, which in addition to liquidity risk, addresses interest rate risk.

December 31, 2013 l (Amounts in Barbados dollars)

25 Financial instruments, financial risk and capital management …*continued*

b) Market risk: *…continued*

Interest rate risk

The table below summarises the Company's exposure to interest rate risks. It includes the Company's financial instruments at carrying amounts categorised by the earlier of maturity or contractual repricing:

December 31, 2013

	Up to 3 months $	3-12 months $	1-5 years $	Over 5 years $	Non interest bearing $	Total $
Assets						
Cash and short term deposits	18,122,827	–	–	–	–	**18,122,827**
Treasury bills	5,975,519	–	–	–	–	**5,975,519**
Loans and advances to customers	10,552,914	27,973,395	88,212,390	26,310,932	–	**153,049,631**
Other assets	–	–	–	–	801,332	**801,332**
Total financial assets	34,651,260	27,973,395	88,212,390	26,310,932	801,332	**177,949,309**
Liabilities						
Customer deposits	25,909,074	72,189,129	60,263,859	–	–	**158,362,062**
Other liabilities	1,253,241	–	–	–	818,176	**2,071,417**
Total financial liabilities	27,162,315	72,189,129	60,263,859	–	818,176	**160,433,479**
Total repricing gap	7,488,945	(44,215,734)	27,948,531	26,310,932	(16,844)	**17,515,830**

December 31, 2013 l (Amounts in Barbados dollars)

25 Financial instruments, financial risk and capital management …*continued*

b) Market risk: …continued

Interest rate risk

December 31, 2012

	Up to 3 months $	3-12 months $	1-5 years $	Over 5 years $	Non interest bearing $	Total $
Assets						
Cash and short term deposits	15,999,624	–	–	–	–	**15,999,624**
Treasury bills	5,471,642	–	–	–	–	**5,471,642**
Due from parent	–	–	–	–	79,775	**79,775**
Loans and advances to customers	7,744,763	24,613,532	82,472,395	21,782,411	–	**136,613,101**
Other assets	–	–	–	–	386,664	**386,664**
Total financial assets	29,216,029	24,613,532	82,472,395	21,782,411	466,439	**158,550,806**
Liabilities						
Customer deposits	18,575,654	75,645,245	47,578,878	–	–	**141,799,777**
Other liabilities	1,382,696	–	–	–	569,721	**1,952,417**
Total financial liabilities	19,958,350	75,645,245	47,578,878	–	569,721	**143,752,194**
Total repricing gap	9,257,679	(51,031,713)	34,893,517	21,782,411	(103,282)	**14,798,612**

25 Financial instruments, financial risk and capital management *…continued*

b) Market risk: …continued

Foreign exchange risk:

The Company is exposed to foreign exchange risk arising primarily from exposure to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Management manages this risk by limiting its exposure to US Dollars which has a fixed parity to the functional currency of the Company. This fixed parity allows management to predict with relative certainty the potential outcome of foreign exchange transactions and its likely impact on the Company's performance. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. At December 31, 2013, all the companies' financial assets and liabilities are denominated in BBD with the exception of **$2.088** million in cash and **$2.011** million in liabilities.

c) Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations as they fall due.

The Board of Directors has delegated the responsibility for and oversight of liquidity risk management to the ALCO. The ALCO's responsibilities include but are not limited to:

- monitoring management's adherence to policies and procedures that are established to ensure adequate liquidity at all times;
- establishing asset and liability pricing policies to protect the liquidity structure, as well as to assess the probability of various 'liquidity shocks' and interest rate scenarios;
- ensuring compliance with the Company's asset and liability policies and procedures which address the management of liquidity, foreign exchange and interest rate risk;
- managing the balance sheet and ensuring that business strategies are consistent with liquidity requirements; and
- establishing and monitoring relevant liquidity and prudential ratios, as well as specific balance sheet targets.

The Company is exposed to daily requirements for its available cash resources arising from maturing customer deposits, the advancement of loans and other cash settled transactions. The Company does not maintain sufficient cash resources to meet all of these liquidity needs, as historical industry and company-specific experience has shown that a high level of reinvestment of maturing funds can be predicted with a high level of certainty. The Company, however, has two committed lines of credit in the combined amount of $8 million upon which it can draw to meet unforeseen and unexpected liquidity needs; the line of credit of $3 million currently has an effective rate of 6.8%. The line of credit of $5 million currently has an effective rate of 7.7%.

December 31, 2013 l (Amounts in Barbados dollars)

25 Financial instruments, financial risk and capital management *…continued*

c) *Liquidity risk: …continued*

No amounts have been drawn down on these facilities at December 31, 2013. The table below shows the undiscounted cash flows on the basis of their earliest contractual maturities. Expected cash flows from these instruments can vary significantly from this analysis. For example, customer deposits are expected to maintain a stable or increasing balance and unrecognized loan commitments are not all expected to be drawn down immediately.

Management prepares daily cash flow forecasts to assess liquidity needs in the period ahead. These cash flow forecasts report the current level of liquid resources along with customer deposits maturing within 90 days and after 90 days and maturing investments in the period ahead. Additionally, management closely monitors net free cash flows, as well as the concentration of customer deposits.

The table below represents the Company's cash flows payable under non-derivative financial liabilities by remaining contractual maturities at the balance sheet date.

	Up to three months $	Three to twelve months $	One to five years $	Total $
As at December 31, 2013				
Liabilities				
Due to customers	26,009,627	73,388,879	67,440,067	**166,838,573**
Other liabilities	714,681	278,001	1,246,672	**2,239,354**
Total financial liabilities	26,724,308	73,666,880	68,686,739	**169,077,927**
As at December 31, 2012				
Due to customers	18,637,983	77,051,929	52,054,079	147,743,991
Other liabilities	43,559	129,103	1,458,089	1,630,751
Total financial liabilities	18,681,542	77,181,032	53,512,168	149,374,742

December 31, 2013 l (Amounts in Barbados dollars)

25 Financial instruments, financial risk and capital management *…continued*

c) Liquidity risk: …continued

The Company holds a diversified portfolio of cash and high-quality highly-liquid securities to support payment obligations and contingent funding in a stressed market environment. The Company's assets held for managing liquidity risk comprise:

- Cash resources excluding restricted cash
- Certificate of deposits
- Treasury bills
- Committed lines of available credit

d) Financial instruments by category and fair value:

At December 31, 2013 the Company's financial assets amounting to **$177,949,354**, (2012 - $158,505,656) all fall within the IAS 39 category of 'loans and receivables' whereas the Company's financial liabilities amounting to **$160,433,479** (2012 - $143,752,194) all fall within the IAS 39 category of 'financial liabilities measured at amortized cost'. The following table sets out the carrying value of the Company's loans and advances to customers and due to customers along with their estimated fair values:

	Carrying value		**Fair value**	
	December 31 2013 $	**December 31 2012 $**	**December 31 2013 $**	**December 31 2012 $**
Financial assets				
Loans and advances to customers				
Individuals	**113,208,128**	100,456,754	**115,661,932**	101,151,585
Corporate and other entities	**39,841,503**	36,156,347	**40,223,602**	35,251,092
Financial liabilities				
Due to customers				
Financial Institutions	**36,602,275**	23,204,063	**35,941,532**	22,914,643
Individuals	**73,022,869**	67,491,523	**71,174,791**	65,906,077
Business and government	**45,818,920**	47,026,872	**44,843,033**	46,606,638
Other	**2,917,998**	4,077,320	**2,868,710**	4,068,365

The fair values of loans and deposits are estimated by applying current loan and deposit rates on the existing portfolio, while taking into consideration current payments and time to maturity. These fair values are classified within level 3 hierarchy.

25 Financial instruments, financial risk and capital management …*continued*

d) Financial instruments by category and fair value …continued

The methods and assumptions used to estimate the fair value of each class of financial instruments for which it is practical to estimate fair value are as follows:

i) Short-term financial assets and liabilities

The carrying value of these assets and liabilities is a reasonable estimate of their fair value because of the short maturity of these instruments. Short-term financial assets comprise cash and cash equivalents, short term deposits, treasury bills, amounts due from parent company and other liabilities.

ii) Longer-term financial assets and liabilities

The estimated fair value of loans and advances to customers represents the discounted amount of the estimated future cash flows expected to be received. Loans and advances are reported net of provisions for impairment.

iii) The estimated fair value of customer deposits with no stated maturity, which includes non interest bearing deposits, is the amount repayable with notice. The estimated fair value of customer deposits represents the discounted amount of the principal and interest due to customers on fixed rate deposits using interest rates for new debt.

e) Capital management:

The Company's objectives when managing its capital are to:

- comply with the capital requirements established by the Central Bank of Barbados;
- safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to its shareholders and benefits to other stakeholders; and
- maintain a strong capital base to support the growth and development of its business, as well as to maintain customer and market confidence.

Capital adequacy and the use of regulatory capital are reviewed and monitored monthly by the Company's management so as to ensure compliance with the capital requirements imposed externally by the Central Bank of Barbados. The required information concerning capital adequacy is reported to the ALCO and filed with the Central Bank of Barbados on a quarterly basis.

December 31, 2013 l (Amounts in Barbados dollars)

25 Financial instruments, financial risk and capital management …*continued*

e) Capital management…*continued*

The Central Bank of Barbados requires that the Company:

- hold no less than a minimum level of stated capital of $2,000,000; and
- maintain a ratio of regulatory capital to risk-weighted assets at or above the prescribed minimum requirement of 8%.

The Company's regulatory capital consists entirely of Tier 1 capital, which is comprised of share capital, retained earnings and other reserves created by the appropriation of retained earnings. As at December 31, 2013, the Company's capital adequacy ratio was **15.55%** (2012 - 15.76%).

Throughout the current year the Company complied with the capital requirements relevant to its licensing and there has been no material change in the Company's management of capital during the year compared with the prior year.

The table below summarises the composition of regulatory capital of the Company.

	December 31 2013 $	December 31 2012 $
Tier 1 Capital		
Common shares	9,210,857	9,210,857
Statutory and other reserves	3,396,414	2,905,357
Retained earnings	12,448,440	10,858,781
Total qualifying Tier 1 capital	25,055,711	22,974,995
Risk-weighted assets		
On-balance sheet	154,542,843	136,565,159
Off-balance sheet	6,634,580	9,177,381
Total risk-weighted assets	161,177,423	145,742,540
Capital adequacy ratio	15.55%	15.76%

Farming

One of the most fundamental links that sustains a country's economy is agriculture. Hydroponic technology has evolved and is far more commonplace than most people might imagine in Barbados. Hydroponic methods of raising crops, reduce the risk of crop failure from soil-born diseases, promising a higher level of profitability in the economy.

Signia In the Community

Margaret Wharton, Retail Banking Manager, cutting the ceremonial ribbon at the opening prayer ceremony of the Haggatt Hall Loans Centre.

Health Checks at Signia's Customer Appreciation Day.

Signia's Presentation of a Trolley & Hamper to the staff at the Geriatric Hospital.

Signia's 10th Anniversary year was marked with a series of activities and heart-warming community-based events geared towards building on the company's strengths and forging exciting, new directions for the future.

Signia's growth during the last decade has been due to its staff's dedication to customers who in turn spread the word about the quality of service that the company has to offer. Signia expressed its gratitude to all its loyal customers for 10 years of partnership by opening a new Loans and Vehicles Display Centre for added convenience in Haggatt Hall, St. Michael in February 2013. In addition, a Customer Appreciation Day was held at the Bridgetown branch where clients were treated to health checks and shared in tasty treats including a custom cake designed for the Anniversary celebrations.

Throughout 2013, the staff at Signia, being ever mindful that quality service reflects caring, created meaningful avenues to turn caring into positive action. Sometimes this support goes to those who can often be overlooked. In this vein, the Geriatric Hospital as well as The Nightengale Children's Home were chosen as beneficiaries. A serving trolley and a hamper of useful toiletries were donated to Ward 10A of the Geriatric Hospital while at Nightengale, the team at Signia donated their time and energy to painting the facility, an action that lifted the spirits of the parties on both sides.

Quality service is also a form of support, and Signia extended its service orientation to the wider community. In this regard, Signia's corporate support included a focus on developing and

Signia In the Community

Signia's staff and family working at the Nightengale Children's Home.

supporting small businesses, an area where financing can be critical to success. In collaboration with the Youth Entrepreneurship Scheme and the Small Business Association, Signia assisted the "Book Line" team in visiting Guatemala to compete in the Hemispheric Talent and Innovation Challenge Competition.

Signia also focused on developing young talent through sponsorship. In March 2013 KB Sharp launched the Hit Island Radio Show powered by Signia. This 30-minute radio show was aired weekly on Saturdays on the popular HOTT 95.3 and featured only local artistes. Since the launch of this show, some of these artistes have gone on to perform at different events and in some schools.

The Launch of the Hit Island Radio Show.

The Book Line Team.

They have grown in confidence and their performance levels have improved remarkably.

The desire to provide more financial guidance also came to the forefront in 2013 as Signia created its own niche within the Gospelfest calendar by hosting the first ever music and business workshop for local artistes during the annual festival. The workshop was held on Saturday, 25th May 2013 at the Grand Salle – Tom Adams Financial Centre and was well attended with over 50 persons taking part. Kellie Cadogan, vocal coach, conducted and facilitated one of the training sessions at the Frank Collymore Hall. This intensive workshop incorporated instruction in theory and performance techniques and discussion of what it means to be a musician in today's global culture. The workshop also encouraged young artistes to explore a diverse range of musical expression and opened new avenues for students approaching performance and careers in music.

The business portion of the workshop was presented by a member of the Signia Management team, Ayesha Maycock, the Commercial and Investment Manager, who spoke to the participants about the importance of financial planning and investments in order to be successful and sustainable.

Signia In the Community (continued)

Finalists of the Automotive Art Entrepreneurship Competition with Signia's Commercial Team. From Left: Commercial Officers, Orrie Chandler and Cherian Austin; Commercial and Investment Manager, Ayesha Maycock; third place winner, Khahil Bryan, Caribbean Transit; second place winner, Ebony Kellman, Makeup Doll Cosmetics; first place winners, Malou Morgan and Sheena Clarke, Island Sitters; Marc Estwick, Caribbean Transit; Investment and Wealth Management Officer, Terry Williams and Paul Ashby, Chief Executive Officer.

Signia sponsored the Gospelfest Music and Business Workshop held at the Frank Collymore Hall. Pictured in front, Kellie Cadogan, Vocal Coach, conducting a session.

Signia closed the year 2013 by participating in the exciting Automotive Art Entrepreneurship Competition, a business plan contest open to persons over the age of 18 years. Signia was a proud co-sponsor and also assisted the top three awardees by hosting an intimate financial planning session at the company's headquarters in Carlisle House, Bridgetown. Signia's participation in the competition was part of the company's ongoing commitment to support young entrepreneurs while showcasing the range of services that are offered. The Commercial and Investment team presented the various products that Signia offers to companies and assured the participants of Signia's continued support. The participants expressed deep appreciation for what they learnt from entering the competition and the value that it gave to their respective enterprises.

The Management team also took the opportunity to extend their suite of financial services to the winners and offered an "open door" should they require the company's expertise as they continue to grow their businesses. Signia is firm in its belief that structured guidance from financial institutions is an essential part of the development of the entrepreneurial culture in Barbados, and will continue to assist small and emerging businesses wherever possible.

Sea Port

The relevance of seaports in the efficient working of Barbados' economy cannot be understated since all goods transported by sea require the use of, at least one or two ports.

Most international trade (export/import), is done through maritime transport. For long-haul shipments, there are no alternative transport modes to ships, with the exception of high value and small volume cargoes. With continued advancements at our ports we are poised to face the future with confidence.