STUDENT REVOLVING LOAN FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31ST, 2023
(Expressed in Barbados Dollars)

bakertilly

Table of Contents

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INDEPENDENT AUDITORS' REPORT
TO THE MANAGEMENT COMMITTEE OF
STUDENT REVOLVING LOAN FUND

Opinion

We have audited the financial statements of the Student Revolving Loan Fund (the "Fund"), which comprise the statement of financial position as at March 31st, 2023, the statements of changes in funds, profit or loss and other comprehensive income, and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31st, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Chairman's Message, Manager's Report and Five-year Financial summary in the Annual Report 2022 - 2023 but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

Other Information (cont'd)

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Auditors' Responsibilities for the Audit of the Financial Statements

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report is made solely to the Student Revolving Loan Fund Management Committee, as a body, in accordance with the Student Revolving Fund Loan Act Cap 54A, Section 9(1). Our audit work has been undertaken so that we might state to the Fund's management committee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's management committee as a body, for our audit work, for this report, or for the opinion we have formed.

Baker Tilly

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Baker Tilly

Barbados
July 18th, 2023

STUDENT REVOLVING LOAN FUND
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31ST, 2023
With comparative figures for 2022
(Expressed in Barbados Dollars)

	Notes	2023 $	2022 $
ASSETS			
Cash and cash equivalents	4	4,436,862	4,984,743
Investments	5 & 14	54,863,270	49,597,898
Receivables and prepaid expenses	6	239,456	198,994
Staff loans		109,621	62,806
Insurance receivable	7	80,777	97,742
Student loans receivable	8	42,561,824	37,018,554
Property and equipment	12	457,191	427,984
Total Assets		102,749,001	92,388,721
LIABILITIES AND FUNDS			
Liabilities			
Accounts payable and accrued expenses	13	2,435,887	1,746,691
Advances from the Government of Barbados	10	-	-
Total Liabilities		2,435,887	1,746,691
Funds			
Contribution		58,343,698	58,343,698
General fund		41,969,416	32,298,332
Total Funds		100,313,114	90,642,030
Commitments	9	-	-
Total Liabilities and Funds		102,749,001	92,388,721

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

Approved on behalf of the Management Committee on July18th, 2023.

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Chairman

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Chief Executive Officer

STUDENT REVOLVING LOAN FUND
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED MARCH 31ST, 2023
With comparative figures for 2022
(Expressed in Barbados Dollars)

	Contribution Government of Barbados	General Fund	Total
	$	$	$
Balance at April1st, 2021	58,343,698	25,630,791	83,974,489
Comprehensive income	-	6,667,541	6,667,541
Balance at March 31st, 2022	58,343,698	32,298,332	90,642,030
Balance at April 1st, 2022	58,343,698	32,298,332	90,642,030
Comprehensive income	-	9,671,084	9,671,084
Balance at March 31st, 2023	58,343,698	41,969,416	100,313,114

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

STUDENT REVOLVING LOAN FUND
STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31ST, 2023
With comparative figures for 2022
(Expressed in Barbados Dollars)

	Notes	2023 $	2022 $
INCOME			
Interest on student loans	2(d)	3,139,816	3,385,686
Interest on investments		2,070,187	1,679,067
Credit and adjudication fees		139,300	75,055
Gain on Sale of Property & Equipment		63	2,940
Other		490,133	490,495
Total Income		5,839,499	5,633,243
EXPENSES			
Advertising		220,699	77,872
Bad debt expense		64,003	261,617
Decrease (increase) in allowance for uncollectible insurance	7	(50,664)	129,177
Decrease in allowance for loan losses	8	(7,362,503)	(5,027,499)
Bank charges		4,775	5,512
Committee members' expenses		7,840	5,800
Commissions paid		134,065	127,319
Depreciation and amortisation		141,006	168,779
Dues and subscriptions		12,215	13,360
Insurance		9,426	8,235
Miscellaneous		77,173	43,096
Office expenses and supplies		57,517	108,477
Professional fees		127,504	141,811
License fees		65,661	57,211
Repairs and maintenance		83,405	65,761
Salaries and staff benefits		2,541,176	2,736,954
Telephone		27,581	37,222
Travel and entertainment		7,536	4,998
Total Expenses		(3,831,585)	(1,034,298)
Net Income being Comprehensive Income for the Year		9,671,084	6,667,541

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

STUDENT REVOLVING LOAN FUND
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31ST, 2023
With comparative figures for 2022
(Expressed in Barbados Dollars)

	Notes	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		9,671,084	6,667,541
Adjustments for:			
Depreciation and amortisation		141,006	168,779
Interest income on investments		(2,070,187)	(1,679,067)
Interest income on student loans receivable		(3,139,816)	(3,385,686)
Bad debts expense		64,003	261,617
Decrease/(Increase) in allowance uncollectible insurance		(50,664)	129,177
Gain on disposal of plant and equipment		(63)	(2,940)
Decrease in allowance loan losses		(7,362,503)	(5,027,499)
Operating loss before working capital changes		(2,747,140)	(2,868,078)
Decrease/(increase) in receivables and prepaid expenses		(40,462)	(28,374)
(Increase)/decrease in staff loans		(46,815)	45,587
Decrease in insurance receivable		67,629	58,856
Increase in accounts payable and accrued expenses		689,196	453,466
Net student loan receipts		4,895,046	10,569,251
Net Cash from Operating Activities		2,817,454	8,230,708
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(170,625)	(95,215)
Proceeds from sale of plant and equipment		475	2,940
Increase in investments portfolio		(11,874,000)	(8,377,903)
Proceeds on maturity of investments		7,769,898	2,000,000
Interest paid from investment receipts		(67)	(11)
Interest received on investments		908,984	535,904
Net Cash used in Investing Activities		(3,365,335)	(5,934,285)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of the Government of Barbados Loan		-	(2,250,000)
Net Cash used in Financing Activities		-	(2,250,000)
Net (Decrease)/Increase in Cash and Cash Equivalents		(547,881)	46,423
Cash and Cash Equivalents - Beginning of Year		4,984,743	4,938,320
Cash and Cash Equivalents - End of Year		4,436,862	4,984,743

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

1. Incorporation and Principal Activity

The Student Revolving Loan Fund (the "Fund") was established under the Student Revolving Loan Fund Act, 1976-20. The Fund is also governed by the Student Revolving Loan Fund (Amendment) Act 1984-38 and the Student Revolving Loan Fund (Amendment) Act 1991-5.

The Fund provides financial assistance to eligible Barbadians pursuing full-time studies in post-secondary, technical, vocational, undergraduate and graduate programmes. Its registered office is located at the Elsie Payne Complex, Constitution Road, St. Michael.

2. Significant Accounting Policies

(a) Basis of Preparation

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") promulgated by the International Accounting Standards Board. They have been prepared under the historical cost convention. They were authorised for issue by the Fund's Management Committee on July 18th, 2023.

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

(b) Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the financial statements and accompanying notes. Actual amounts may differ from these estimates.

Estimates and judgments 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. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and judgments that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Impairment of Financial Assets

Please refer to significant accounting policy note 2(f).

2. Significant Accounting Policies (cont'd)

(c) Foreign Currency Translation

Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates ('the functional currency'). The financial statements are presented in Barbados dollars, which is the Fund's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from 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 Profit or Loss and Other Comprehensive Income.

Translation of balances in United States currency has been made at the rate of US$1 = BDS$2, which is the official fixed rate of the Barbados Dollar (BDS$).

(d) Revenue Recognition

Interest revenue

Interest on student loans is recognised on the accrual basis. At the end of each financial year all loans which have instalments in arrears for 90 days or over are classified as loans of doubtful value (LDV). Interest on loans classified as LDV is recognised only to the extent that cash is received.

Credit fees

Credit fees are recognised on an accrual basis.

Investment Income

Investment income is recorded in the Statement of Profit or Loss and Other Comprehensive Income for all interest-bearing instruments on an accrual basis using the effective interest method. Interest income includes coupons earned on fixed income investments and accrued discount and premium on treasury bills and other discounted instruments.

2. Significant Accounting Policies (cont'd)

(d) Revenue Recognition (cont'd)

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts) through the expected life of the instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

(e) Cash and cash equivalents

COVID-19 Considerations

There is no significant risk over this account however, there has been reduced cash flows due to collectability during the COVID-19 pandemic.

Cash and cash equivalents include cash in hand and at bank.

(f) Financial Instruments

COVID-19 Considerations

Due to the pandemic, the Fund had to make a few changes to its business model which in turn will impact the credit risk that arises from the transactions that it enters into, and the way it manages those risks in the next year. For example, changes to the repayment terms and conditions of outstanding loans from the usual debt collection processes will impact its asset base.

The Fund has a marginally increased credit risk due to the impact of the present economic conditions being experienced by borrowers resulting from the pandemic. The Fund has extended several accommodations for debt relief to customers such as deferred payments, suspension of interest, reduced payments, interest and insurance only payments, graduated payments and Loan Restructure/Consolidation.

In its forward-looking perspective, the Fund does not anticipate requiring government intervention and believes that there will be a return to longer-term 'normal' economic trends.

Recognition and Measurement

Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Fund becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value less transaction costs that are directly attributable to its acquisition or issue.

2. Significant Accounting Policies (cont'd)

(f) Financial Instruments (cont'd)

Classification and Subsequent Measurement

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset. At initial recognition, the Fund measures a financial asset or financial liability as its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities are carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, any expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

Financial assets are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit and loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated at fair value through profit or loss:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

- its contractual terms give rise to specified dates to cash flows that are solely for payments of principal and interest on principal outstanding.

On initial recognition of an equity investment that is not held for trading the Fund may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment by investment basis.

2. Significant Accounting Policies (cont'd)

(f) Financial Instruments (cont'd)

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. On initial recognition the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise occur.

All of the Fund's financial assets are measured at amortised cost.

The table below explains the original measurement categories under IAS 39 and the new categories under IFRS 9 for each class of the Funds financial assets and financial liabilities:

	Classification Under IAS 39	Classification Under IFRS 9
Financial Assets		
Cash and cash equivalents	Loans and Receivables	Amortised Cost
Investments	Held to Maturity	Fair Value through OCI
Receivables	Loans and Receivables	Amortised Cost
Student Loans Receivable	Loans and Receivables	Amortised Cost
Financial Liabilities		
Accounts payable and accrued expenses	Amortised Cost	Amortised Cost
Advances from the Government of Barbados	Amortised Cost	Amortised Cost

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

2. Significant Accounting Policies (cont'd)

(f) Financial Instruments (cont'd)

Financial Assets - Subsequent measurement and gains and losses

Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial Liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss. A financial liability is classified as at fair value through profit or loss if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial Assets

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expired, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Fund enters transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

2. Significant Accounting Policies (cont'd)

(f) Financial Instruments (cont'd)

Financial Liabilities

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Fund also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

(g) Plant and Equipment

Recognition and Measurement

All assets are stated at cost less accumulated depreciation and impairment losses. Any gain or loss on disposal of an item of plant and equipment is recognised in profit or loss.

Subsequent Expenditure

Subsequent cost is included in an asset's carrying amount or recognised as a separate asset only when it is probable that future economic benefits will flow to the Fund.

Depreciation

Depreciation is computed using the straight-line method at rates considered adequate to write off the cost of depreciable assets over their estimated useful lives.

The annual rates used are:

Computer equipment	-	10% & 33.3%
Furniture and fixtures	-	20%
Motor vehicles	-	20%
Leasehold improvement	-	10%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2. Significant Accounting Policies (cont'd)

(h) Impairment of Non-Financial Assets

At each reporting date, the Fund reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Impairment of Financial Assets

Allowance for loan losses

IFRS 9, Financial Instruments, requires that the Fund measures loss allowances at an amount equal to lifetime expected credit losses, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month expected credit losses.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Fund is exposed to credit risk.

2. Significant Accounting Policies (cont'd)

(i) Impairment of Financial Assets (cont'd)

Measurement of Expected Credit Losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

The Fund has adopted the IFRS 9 model which is defined in Stages using an assessed Probability of Default rate (PD rate). This rate is a measure of the level of the likelihood that borrowers will default on their loan. A loan is considered to be in a state of default under of the following circumstances:

- The loan is past due for 90 days or more;
- There is evidence that the loan is impaired;
- Transition may be influenced by the passage of maturity.

The IFRS 9 Stages are defined as Stage 1, Stage 2 and Stage 3, and all loans are classified to their respective Stages as follows:

Stage 1

- Loans for which there is no evidence of a significant increase in credit risk since the origination date;
- Loans that are due to mature within 12 months of reporting date providing that such loans are not in a state of default.

Stage 2

- Loans past due between 30 to 89 days;
- Loans that experienced a significant increase in credit risk even if the 30 days past due days threshold is met.

Stage 3

- Loans that are past due 90 days and over;
- Loans for which the maturity date has elapsed – subject to date quality review;
- Loans that show evidence of impairment even if the 90 days past due threshold is not.

2. Significant Accounting Policies (cont'd)

(j) Allowance for uncollectible insurance

The allowance for uncollectible insurance is determined on the same basis as the allowance for loan losses

(k) Taxation

The Fund is exempt from income and any other form of tax under section 8 of the Student Revolving Loan Fund Act, Cap 54A.

(l) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are in issue but not yet effective for the year ended March 31, 2023 and have not been applied in preparing these financial statements. Information on new standards, amendments and interpretations that are expected to be relevant to the Fund's financial statements is provided below:

- IFRS 17 – Insurance Contracts – effective January 1, 2023
- Amendments to IAS 8 – Definition of Accounting Estimates – effective January 1, 2023
- Amendments to IAS 1 – Disclosure of accounting policies – effective January 1, 2023
- Amendments to IAS 1 – Classification of liabilities as current and non-current – effective January 1, 2024
- Amendments to IFRS 16 – Lease liability in sale and leaseback transactions – effective January 1, 2024
- Amendments to IAS 1 – Classification of debt with covenants – effective January 1, 2024

The Fund has not yet assessed the impact of the adoption of these standards on the financial statements.

(m) Standards, interpretations and amendments to existing standards effective for the current year

- IFRS 1 Annual Improvements to IFRS Standards 2018 – 2020 – effective January 1, 2022
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use – effective January 1, 2022
- Amendments to IFRS 3 - Reference to the Conceptual Framework – effective January 1, 2022

(Expressed in Barbados Dollars)

2. Significant Accounting Policies (cont'd)

(n) Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Fund has a present legal or constructive obligation to pay this amount resulting from past service provided by the employee and if the obligation can be estimated reliably.

Long-term Employee Benefits

The Fund does not operate a separate pension plan. Long-term employee benefits are expensed as incurred and are paid from operational income. The Fund incurred the following in pension expense as at March 31, 2023. (See note 13.)

	2023	2022
	$	$
Pension expense	98,308	78,978
	98,308	78,978

Long-term pension benefits occur when an employee reaches the retirement age of 60 for Commercial State-Owned Enterprises who are responsible for direct payment to the employee. On retirement, most employees opt for a mixed set of benefits consisting of gratuity which is a lump sum payment, and monthly pension payments. Calculations for all public service pension benefits are the responsibility of the Treasury's Pension Department, Government of Barbados. At March 31, 2023, the Fund incurred the payment of pension benefits to four (4) employees in the amount of $98,308 during the year. (See note 13.)

3. Financial Risk Management

The Fund's activities expose it to a variety of financial risks including the effects of credit risk, liquidity risk and interest rate risk.

Risk management assessments are carried out by the Fund's management team under the direction of the Management Committee through review of the Fund's performance, its investments, loan disbursements, internal procedures, policies and practices.

(Expressed in Barbados Dollars)

3. Financial Risk Management (cont'd)

Capital Management

The Fund's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide financial assistance to eligible Barbadians as mandated in its governing Act.

	2023	2022
	$	$
Total Liabilities	2,435,887	1,746,691
Total Equity	58,343,698	58,343,698
Net debt to equity ratio	0.04:1	0.03:1

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises primarily on the loans disbursed to borrowers. Credit risk also arises from cash and cash equivalents, government securities and deposits with banks and financial institutions.

The Fund employs a range of policies and practices to mitigate credit risk relating to its loan portfolio. Each loan application is first reviewed and rated by a loans officer before being presented to the Management Committee for approval. In addition, based on the amount of the loan disbursed by the Fund, suitable sureties and or collateral is required of the loan applicant.

The principal collateral types for loans within the Fund are:

- Mortgages over residential properties and
- Charges over financial instruments such as debt securities and equities, and
- The cash surrender value of insurance policies.

The Fund evaluates the financial institutions with which it places its cash and cash equivalents.

The maximum credit risk exposure is as follows:

	2023	2022
	$	$
Cash and cash equivalents	4,436,862	4,984,743
Investments (i)	54,863,270	49,597,898
Staff loans	109,621	62,806
Receivables (see note 6)	131,930	92,290
Insurance receivable (see note 7)	80,777	97,742
Student loans receivable (ii)	42,561,824	37,018,554
	102,184,284	91,854,033

3. Financial Risk Management (cont'd)

(i) As at March 31, 2023, the Fund holds $27,311,189 (2022: $22,030,336) in Government of Barbados debt securities representing 50% (2022: 44%) of the Fund's total investment portfolio.

(ii) The above balance of student loans receivable represents the maximum credit risk exposure of the Fund as of March 31st, 2023 and 2022, without taking account of any collateral held or other credit enhancements attached.

Credit Quality of Student Loan Receivable

The SRLF Fund implemented IFRS 9 reporting standard in FY2021 to assess the credit risk associated with the Loan Receivables portfolio. The following assumptions and measurements were used:

Credit Risk Measurement - ECL

The Fund recognises an expected credit loss (ECL) on loans in accordance with the IFRS 9 Expected Credit Loss (ECL) impairment framework. The estimation of the ECL considers past events, current conditions and forecast information. The Fund determines the economic variables that are likely to influence the borrowers' ability to meet their loan obligations in the future and incorporate such forward-looking economic information in the overall estimation of the expected credit loss. Additionally, the Fund updates the amount of ECL recognised at each reporting date to reflect changes in credit risk of the loan portfolio.

Measurement and Classification

Loans are held solely for the collection of principal and interest in accordance with the contractual arrangement between the organization and the borrower. Therefore, loans are classified under the hold to collect business model and are measured at amortized cost.

Significant Increase in Credit Risk

The Fund assesses the credit risk of loans annually to determine whether there is a significant increase in the credit risk from the loan origination date to the reporting date. When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and expert credit assessment.

3. Financial Risk Management (cont'd)

Quantitative Assessment of Significant Increase in Credit Risk

A loan is considered to have experienced a significant increase in credit risk where the loan is past due for a period greater than 30 days.

Qualitative Assessment

A loan is deemed to have experienced a significant increase in credit risk if the risk of default at the reporting date is significantly greater than the risk of default at the origination date. Forward-looking events that are likely to materially impact the borrower's ability to meet the loan obligations are deemed to have resulted in a significant in credit risk. If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured at 12-month ECL.

Loan Staging and Transition

Loans are placed in one of the following stages based on the extent of the change in the risk or whether the loan is in a state of default:

Stage 1: Loans that experienced no significant increase in credit risk at the reporting date;
Stage 2: Loans that have experienced a significant increase in credit risk or
Stage 3: Loans that are impaired. Loans that are past due for a period of 90 days or more are deemed to have defaulted.

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 are calculated by multiplying the 12-month PD by LGD and EAD.

Lifetime ECL are calculated by multiplying the lifetime PD by LGD and EAD.
The FLI adjustment factor is applied to the ECL calculated above.

3. Financial Risk Management (cont'd)

Definition of Default

The Fund considers a financial asset to be in default when:

The borrower is unlikely to pay its credit obligations to the Fund in full, without recourse by the Fund to actions such as realising security (if any is held); the borrower is more than 90 days past due on any material credit obligation to the Fund; or it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

Probability of Default

The Fund uses available and supportable information to estimate the probability that a loan will default within the next twelve (12) months and shall estimate a twelve-month probability of default rate.

Where a loan has experienced a significant increase in credit risk and was consequently transitioned to Stage 2, the Fund forecasts the probability that such loan will default at any time during its remaining life and estimates a lifetime probability of default.

A loan that has been transitioned to Stage 3 is considered to be in a state of default and shall be assigned a PD rate of 100%.

The Fund estimates the impact of forward-looking macro-economic indicators in relation to the probability that borrowers will default. The impact of these factors shall be included in the estimation of the overall PD rates.

Forward-Looking Indicators

The Fund incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of these indicators are broadly outside of the control of borrowers but may have a direct impact on their ability to service their debts at any point in time in the future.

The Fund uses a forward-looking score card model that produces an FLI multiplier. This is an estimate of the impact of future economic conditions on the organization's expected credit loss.

The following assumptions are taken into consideration in the score card model:

1. Key macro-economic variables simultaneously play a role in impacting the overall state of the economy at varying degrees.

3. Financial Risk Management (cont'd)

Forward-Looking Indicators (cont'd)

2. The probability of default is higher in a weak economic environment but lower in a strong economic environment.

3. Weights are assigned to the respective economic variables based on the degree of impact that management estimate each variable will have on the expected credit loss.

Key Macro-economic Variables

The Fund takes into consideration the possible impact that macro-economic variables could have on the overall estimate of a forward-looking probability of default rate. The variables to be considered may include but not limited to the following:

Inflation: Increase in inflation usually adversely impacts the borrowers' disposable income. Therefore, rising inflation is generally expected to lead to higher probability of defaults.

Interest Rate: Interest rate is a measure of the price charged to a borrower for the use of funds. The degree of difficulty to finance debt obligations becomes greater when interest rates are rising. This is expected to result in a higher probability of default.

Unemployment: High unemployment is usually the result of a downturn in the economy. The probability of default is expected to increase in an environment of rising unemployment.

Gross Domestic Product (GDP): The GDP is a good measure of the overall state of the country's economy. A rising GDP is usually the effect of key economic variables moving in a favourable direction. The risk of borrowers defaulting on their loan obligations tends to decrease in an economy with rising GPD rates.

Weights are assigned to the respective economic variables, on the basis of expert judgment, based on the degree of influence that each variable is presumed to have on the borrowers' overall likelihood of default.

Variable	*Weight*
Inflation	25%
Interest Rate	20%
GDP	20%
Unemployment	35%
Total	100%

3. Financial Risk Management (cont'd)

Outlook Scenarios

The Fund uses three scenarios to predict the impact of forward-looking indicators on the expected credit loss as follows:

Base case - a scenario assuming stable economic variables. Projections are based on current levels and trends of the 4 input variables.

Upside - a scenario assuming strong economic conditions above baseline projections. This scenario will result in favourable PD estimate relative to the baseline.

Downside - a scenario assuming weak economic conditions below baseline projections. This scenario will result in unfavourable PD estimate relative to the baseline.

Scenarios were assigned weights as outlined below based on their likelihood of occurrence. This was on the basis of expert judgement.

Scenarios	*Weight*
Base	50%
Upside	25%
Downside	25%
Total	100%

The Fund uses its best judgement to assign weights to each scenario based on their likelihood of occurrence.

Covid-19 Considerations

The Fund takes into account the impact of the post-Covid-19 pandemic in the assessment of the forward-looking indicators and consequently the estimation of the ECL. These considerations include the predictions from the Central Bank as well as key partners such as the International Monetary Fund (IMF).

3. Financial Risk Management (cont'd)

Loss Given Default

LGD is the magnitude of the likely loss if there is a default. The amount owed by the borrower and the cash that may be realised from the disposal of any collateral pledged against the loan shall be taken into consideration in the estimation of the LGD.

The LGD shall be taken as zero percent (0%) where the cash realizable value of the collateral is greater than the exposure at default. The Fund considers the following in the assessment of the cash realizable value of the collateral:

1. Estimated collateral value at reporting date
2. Average Loan Lifetime
3. Average "hair cut" rate
4. Average cost of disposal
5. Average time to disposal of the collateral
6. The degree of difficulty of disposing the collateral
7. Impact of forward- looking information on collateral values
8. The LGD includes the outstanding insurance.

Given that the value of the underlying collateral may appreciate or depreciate over time, the Fund uses reasonable available information to derive an estimate of the collateral value at the reporting date on the following basis:

1. Information provided in the most recent investment statement or valuation report where such report is available

2. Where there is passage of time between the date of the last valuation and the reporting date, management shall estimate the collateral value by way of applying a reasonable rate of appreciation or depreciation to the last known value in accordance with the nature of that asset to appreciate or depreciate over time.

The Fund accounts for the extent to which a discount may be given for forced (quick) sale of the underlying asset. The experience of the Fund in relation to past disposals of similar assets may be used to determine the haircut rates for the relevant classes of assets. The Fund also uses available information to ascertain the average cost of disposal of the underlying asset in the estimation of the asset's cash realizable value.

3. Financial Risk Management (cont'd)

Exposure at Default

The Exposure at Default (EAD) represents the balance owing to the Fund at the point at which a default occurs. Where a loan enters the lifetime stage, the Fund estimates the EAD at twelve (12) month intervals during the remaining life of the loan. This is on the presumption that a default could occur at any time during the remaining lifetime given that a significant increase in credit risk would have occurred.

The exposure of default shall include any outstanding interest on loans providing that such outstanding interest is considered in the calculation of the interest income of the organization.

As described above, and subject to using a maximum of a 12-month PD for the Loan Receivable portfolio considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, the repayment structure is managed on a collective basis between the Legal and Collections Units, and to a lesser extent the Loans Unit. The Fund can cancel loans with immediate effect, but this contractual right is not enforced in the normal day-to-day management, but only when the Fund becomes aware of an increase in credit risk. Categorization of loans therefore depended largely on arrears over 90 days and the security attached to each loan. The resulting calculations are as follows:

Expected Credit Loss (ECL)

The ECL at March 31, 2023 amounted to $29,685,697 in comparison to the ECL for FY2022 of $38,436,013. Unsecured loans accounted for 99% of the overall ECL with loans in Stage 3 making up 67% of the provision.

Probability of Default (PD)

- The Stage 1 PD for 2023 was 16.77% falling slightly from FY 2022 (23.55%).
- A PD of 100% is applied to Stage 3 loans.
- A seven (7) year analysis from 2017 – 2023 was analyzed in assessing the PDs.

Recovery Rate

It was observed that 10% of non-performing loans referred for legal action were recovered. This was deemed the average recovery rate and was used towards the ECL calculation for unsecured loans in arrears below 90 days. This equates to a 10% reduction to the Stage 1 PD for these loans.

(Expressed in Barbados Dollars)

3. Financial Risk Management (cont'd)

The Fund's loans and advances portfolio as at March 31, 2023 are in the following staging categories:

2023	Stage 1	Stage 2	Stage 3	Total
	$	$	$	$
Gross Loans Receivable	48,265,992	3,387,811	20,593,718	72,247,521
Expected Credit Loss	(8,197,671)	(1,503,075)	(19,984,951)	(29,685,697)
Net Loans Receivable	40,068,321	1,884,736	608,767	42,561,824

The Fund's loans and advances portfolio as at March 31, 2022 are in the following staging categories:

2022	Stage 1	Stage 2	Stage 3	Total
	$	$	$	$
Gross Loans Receivable	47,707,089	2,106,082	25,641,396	75,454,567
Expected Credit Loss	(11,640,137)	(1,255,590)	(25,540,286)	(38,436,013)
Net Loans Receivable	36,066,952	850,492	101,110	37,018,554

Liquidity Risk

COVID-19 Considerations

The largest liquidity risk exposure for the Fund would lie in its investment portfolio and the market rate of return on investments. To date, these have been managed by review of the investment companies' audited financials and whether the rate of return is constant or declining based on market conditions. During the pandemic period, this return rate has remained constant or increased, and interest payments have been secure.

Liquidity risk is the risk that the Fund does not have sufficient financial resources available to meet its obligations and commitments as they fall due. Liquidity management is therefore primarily designed to ensure that funding requirements can be met, including the replacement of existing funds as they are disbursed to borrowers and creditors.

The Fund's liquidity management process includes:

(a) Monitoring future cash flows and liquidity on a monthly basis;
(b) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption of cash flow; and
(c) Optimising cash returns on investment.

(Expressed in Barbados Dollars)

3. Financial Risk Management (cont'd)

Liquidity Risk (cont'd)

As at the date of the Statement of Financial Position, the Fund's liabilities related only to accounts payable and accrued liabilities of $2,435,887 (2022: $1,746,691). As at the similar date the Fund had $4,436,862 (2022: $4,984,743) in unrestricted cash and cash equivalents.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Fund's income and operating cash flows are substantially dependent on interest rates as the Fund has significant interest-bearing assets. However, the rates to which the Fund is subject are fixed and consequently, it is not exposed to any significant interest rate risks.

Fair Value

Except for student loans receivable, the carrying values of the Fund's financial assets and liabilities in the Statement of Financial Position approximate their fair values.

There is currently no active market for the loans receivable held by the Fund. In addition, the Fund has approximately 2023: 284 (2022: 259) loans with a carrying value of 2023: $6.42M (2022: $6.77M) that have reached maturity and for which new repayment terms have not been negotiated with the borrowers. It is therefore impracticable to determine the fair value of the student loans receivable portfolio.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

4. Cash and Cash Equivalents

	2023	2022
	$	$
Cash in hand	5,875	5,875
Cash at bank	4,430,987	4,978,868
	4,436,862	4,984,743

(Expressed in Barbados Dollars)

5. Investments

	2023	2022
At amortised cost	$	$
Capita Financial	5,827,350	11,031,758
Consolidated Finance	12,132,172	8,148,319
SigniaGlobe	9,234,958	8,133,480
Gov't Bonds - BOSS	4,000,000	4,000,000
Gov't Bonds – BOSS Plus	5,000,000	-
Gov't Bonds - Series D (Note 14)	7,883,056	7,419,881
Gov't Bonds - Series B (Note 14)	10,428,133	10,610,453
Accrued Interest	357,601	254,007
	54,863,270	49,597,898

The Government of Barbados restructured its treasury bills and treasury notes resulting in the derecognition of the debt securities existing prior to the restructuring given the contractual cash flows of the new debt securities were significantly different. Refer to note 14 for further details of the restructuring.

6. Receivables and Prepaid Expenses

	2023	2022
	$	$
Other receivables	131,930	92,290
Prepaid expenses	107,526	106,704
	239,456	198,994

7. Insurance Receivable

	2023	2022
	$	$
Insurance receivable, gross	435,661	514,701
Allowance for uncollectible insurance	(354,884)	(416,959)
Insurance receivable, net	80,777	97,742

The change in the allowance for uncollectible insurance is as follows:

	2023	2022
	$	$
Balance – beginning of year	416,959	308,484
Write-offs against the provision	(11,411)	(20,702)
Change during the year	(50,664)	129,177
Balance – end of year	354,884	416,959

(Expressed in Barbados Dollars)

8. Student Loans Receivable

	2023	2022
	$	$
Student loans receivable, gross	72,247,521	75,454,567
Expected Credit Loss	(29,685,697)	(38,436,013)
Student loans receivable, net	42,561,824	37,018,554

The balance of student loans receivable of $72,247,521 (2022: $75,454,567) includes principal and interest receivable.

Interest on loans classified as loans of doubtful value (LDV) is recognised only to the extent that cash is received. Unpaid interest on LDV is recorded in an interest receivable account and is offset by a deferred income contra account to net to zero. When cash is received for outstanding interest on LDV the interest receivable and deferred income balances are derecognised, and the interest income recorded through the Statement of Profit or Loss and Other Comprehensive Income. As at the date of the Statement of Financial Position, the balance in the deferred income account exceeded the balance in the interest receivable account due to interest receivable capitalised in a prior period.

The change in the student loans receivable, net is derived as follows:

	2023	2022
	$	$
Disbursements	11,333,287	6,177,917
Adjustments	(115)	739
Interest	3,139,816	3,385,686
	14,472,988	9,564,342
Deduct:		
Direct write-offs	(33,724)	(261,617)
Repayments	(16,258,497)	(16,747,907)
	(1,819,233)	(7,445,182)
Decrease in allowance for loan losses	7,362,503	5,027,499
Decrease in student loans receivable	5,543,270	(2,417,683)

The change in the allowance for loan losses is as follows:

	2023	2022
	$	$
Balance – beginning of year	38,436,013	43,970,330
Direct write-offs to the provision account	(1,387,813)	(506,818)
(Decrease) Increase during the year	(7,362,503)	(5,027,499)
Balance – end of year	29,685,697	38,436,013

(Expressed in Barbados Dollars)

9. Commitments

As at March 31st, 2023, loans approved but not yet disbursed amounted to $8,327,204 (2022: $5,320,926)

10. Advances from the Government of Barbados

	2023	2022
	$	$
Advances from the Government of Barbados	-	-

On January 16th, 2017 the Government of Barbados (the Borrower) and Student Revolving Loan Fund (the Executing Agency) entered into a loan agreement with the Caribbean Development Bank (CDB) to lend the Borrower an amount not exceeding US$7,750,000.

The purpose of the loan in the amount of US$7,500,000 was to provide cash resources to Student Revolving Loan Fund to lend to eligible students attending local, regional and international tertiary institutions. An amount not exceeding US$250,000 was to assist in the financing of a consultancy to undertake an independent diagnostic review of the Fund. The Fund only withdrew funds up to US$3,000,000 from the lending facility which expired March 31st, 2019.

On expiration of the CDB arrangement, an On-Lending Agreement had been approved by the Cabinet of Barbados on June 20th, 2019, between the Government of Barbados and the Student Revolving Loan Fund regarding the loan. The Government of Barbados would fully service the CDB loan to maturity, and the Student Revolving Loan Fund will reimburse the Government of Barbados. Further to this, an amended Cabinet of Barbados directive was issued at its meeting held on September 10th, 2020, Note (20) 867/METVT 76 which agreed to:

(1) The cancellation of the lending agreement between the Caribbean Development Bank, Government of Barbados and the Student Revolving Loan Fund in order to provide for the repayment of US$3.0M to the Government of Barbados.

(2) The reduced loan amount of US$3.0M would have to be repaid in eight (8) equal instalments of US$375,000 commencing November 2020 until June 2021.

(3) The undisbursed proceeds of the Caribbean Development Bank's loan to the Student Revolving Loan Fund of US$4.75M should be cancelled.

(4) An amended Agreement should be put in place between the Caribbean Development Bank, Government of Barbados and the Student Revolving Loan Fund that would allow the Student Revolving Loan Fund to repay the loan and to cancel the undisbursed amount of US$4.75M.

The SRLF has now fully discharged the full repayment of the US$3.0M to the Government of Barbados at June 30th, 2021.

(Expressed in Barbados Dollars)

11. Transactions with Key Management Personnel

(a) Key management personnel compensation

	2023	2022
	$	$
Short-term employee benefits	220,128	271,827
Management committee members fees	7,840	5,800

(b) Loans to management

The amount due from management for loans as at March 31st, 2022 was as follows:

		2023	2022
		$	$
(1)	Vehicle Loans	41,900	4,167
(2)	Other Staff Loans	1,842	4,559

(1) No interest is payable on the vehicle loan and the loan is repayable 5 years after the disbursement date.

(2) Interest rate on other staff loans is 2% and repayable up to 3 years.

(Expressed in Barbados Dollars)

12. Plant and Equipment

	Furniture and Fittings	Motor Vehicles	Computer Equipment	Leasehold Improvement	Total
Cost	$	$	$	$	$
Balance at April 1st, 2021	580,731	76,574	756,173	584,625	1,998,103
Additions	34,443	-	45,457	15,315	95,215
Disposals	-	-	(24,100)	-	(24,100)
Balance at March 31st, 2022	615,174	76,574	777,530	599,940	2,069,218
Balance at April 1st, 2022	615,174	76,574	777,530	599,940	2,069,218
Additions	54,788	-	46,202	69,635	170,625
Disposals	(9,497)	-	(53,282)	-	(62,779)
Balance at March 31st, 2023	660,465	76,574	770,450	669,575	2,177,064
Accumulated Depreciation					
Balance at April 1st, 2021	482,030	47,136	598,463	368,926	1,496,555
Charge for the year	31,651	15,315	73,916	47,897	168,779
Disposals	-	-	(24,100)	-	(24,100)
Balance at March 31st, 2022	513,681	62,451	648,279	416,823	1,641,234
Balance at April 1st, 2022	513,681	62,451	648,279	416,823	1,641,234
Charge for the year	41,715	14,123	60,089	25,079	141,006
Disposals	(9,497)	-	(52,870)	-	(62,367)
Balance at March 31st, 2023	545,899	76,574	655,498	441,902	1,719,873
Net Book Value					
Balance at March 31st, 2022	101,493	14,123	129,250	183,117	427,984
Balance at March 31st, 2023	114,566	-	114,952	227,673	457,191

13. Accounts Payable and Accrued Expenses

	2023	2022
	$	$
Accounts payable	12,049	8,369
Accrued expenses	64,491	62,048
Other payable	1,213,964	1,085,405
Pension liability	1,145,383	590,869
	2,435,887	1,746,691

13. Accounts Payable and Accrued Expenses (cont'd)

The Fund does not operate a separate pension plan. Long-term employee benefits are currently expensed as incurred and are paid from operational income. Long-term pension benefits occur when an employee reaches the retirement age of 60 for Commercial State-Owned Enterprises who are responsible for direct payment to the employee from their resources or that of central Government. On retirement, most employees opt for a mixed set of benefits consisting of gratuity which is a lump sum payment, and monthly pension payments. Calculations for all public service pension benefits are the responsibility of the Treasury's Pension Department, Government of Barbados. The Fund is in the process of establishing a separate and independent pension fund to meet the current and future pension benefits obligations of the employees of the Fund.

The actuarial calculation of the accrued pension liabilities for the Student Revolving Loan Fund as at January 1, 2020 was determined to be $1,304,053. This amount is being accrued in the financial statements monthly at the rate of $27,552. This liability will be transferred on establishment of the independent pension fund.

14. Government of Barbados (GOB) Debt Restructuring

On September 7, 2018 the Government of Barbados issued an official Offer to Exchange existing government issued instruments for new instruments. On September 30, 2018 this offer was executed.

Treasury Notes

The Fund held treasury note #257 with a face value of $10,000,000, maturity date of October 31, 2018 and an interest rate of 6.25% per annum, prior to restructuring. As at March 31, 2018, an impairment of $4,027,328 was recorded for this treasury note based on the anticipated restructuring. At March 31st, 2019, an increase in the impairment amount was added to increase the provision to $4,117,747.

The Series D debenture issued by the Government of Barbados is divided into 20 strips maturing in 16 – 35 years. Interest rates applied to the strips are as follows:

- 1.5% per annum for first 5 years
- 4.25% per annum for years 6-10
- 6.0% per annum for years 11-15
- 7.5% per annum until maturity

The principal of each strip is to be repaid in four equal quarterly instalments in the final year prior to maturity commencing on November 30th, 2033 with the exception of the final strip, which will be repaid in three instalments with a final payment on August 31st, 2053.

(Expressed in Barbados Dollars)

14. Government of Barbados (GOB) Debt Restructuring (cont'd)

Treasury Bills

The Fund held treasury bills prior to restructuring with a value, inclusive of accrued interest, of $11,962,330. The Fund also held treasury bills prior to restructuring with a value, inclusive of accrued interest, of $329,238, assigned to the Fund by borrowers as collateral for their loans. These treasury bills were converted to Series B debentures effective September 30, 2018. As at March 31, 2023, an impairment of $3,236,869 was recorded for all the treasury bills held.

The Series B debentures issued by the Government of Barbados are divided into 11 strips maturing in 5 to 15 years. Interest rates applied to the strips are as follows:

- 1.0% per annum for first 3 years
- 2.5% per annum for year 4
- 3.75% to maturity

The principal of each strip will be repaid in four equal quarterly instalments commencing one year prior to the maturity date of that strip.

The carrying value of each bond series is noted as:

	2023	2022
	$	$
Amortization - Series B	10,428,133	10,610,454
Amortization – Series D	7,883,056	7,419,882
Total Amortization	18,311,189	18,030,336

15. Subsequent Events

Despite the many challenges experienced during the financial year ended March 31, 2023, the Fund remains buoyant and fully functional with many staff working on a flexi-time schedule.

(1) During FY2023, the Fund continued to offer several accommodations to borrowers ranging from deferral of payments, suspension of interest, suspension of late payment fees and reduced payments fees and reduced payments. It is anticipated that the SRLF will continue this practice during FY2024.

(2) The SRLF continues to see increased demand for the newly introduced Digital Transformation Loans and TopUP Loans. New loan offerings are anticipated for FY2024.

15. Subsequent Events (cont'd)

(3) The SRLF continues to innovate its processes via digitization. A continual review of all the processes are being undertaken to further facilitate electronic transactions in every unit of the SRLF.

(4) The registration and implementation of the Pension Fund for the SRLF is scheduled for the next financial year. While a Board of Trustees has been established, only an orientation meeting has been held to March 31, 2023.

(5) It is anticipated that the organization will undergo a restructuring process during FY2024. This was based on recommendations of an organizational assessment conducted by Deloitte. The SRLF has already circulated the restructuring proposal to all the regulatory bodies, received feedback and the requisite amendments has been completed.

(6) The SRLF in conjunction with the Government of Barbados has launched a Cyber Security Initiative to train Barbadians in the above area. The programme commenced with 141 candidates enrolling for the 1st Cohort which started in February 2023 and was successfully completed in May 2023. This programme will continue into the coming financial year with Cohorts 2 & 3 expected to generate enrolment of approximately 300 & 1000 respectively.