

ANGUILLA FINANCIAL SERVICES COMMISSION

ANNUAL REPORT 2022



OUR MISSION

To enhance the safety, stability and integrity of Anguilla's financial system and contribute to Anguilla being a premier financial centre, through appropriate regulation and legislation, judicious licensing, comprehensive monitoring and good governance.

FINANCIAL REPORT

Anguilla Financial Services Commission

Financial Statements for the period ended 31 December 2022

Certificate of Audit and Report of the Chief Auditor

Section 62(2) of the Financial Administration and Audit Act (Revised Statutes of Anguilla Chapter F27 as at 15 December 2010) (the Act) permits me, as Chief Auditor, to accept the audit of the accounts and financial statements of a government agency by an independent auditor of the government agency if the appointment of the auditor has been approved by me, and the audit of the government agency has been performed in accordance with my directions.

After I accept the audit of the accounts and financial statements of a government agency by an independent auditor, Sections 62(6) and (7) of the Act require me to issue a certificate of audit and prepare a report that evidences the acceptance of the audit of the independent auditor, and to send the certificate of audit and report to the government agency, to the minister responsible for the government agency and to the Minister of Finance.

Section 16 of the Financial Services Commission Act (Revised Statutes of Anguilla Chapter F28 as at 15 December 2014) requires the Financial Services Commission to submit to the Governor a copy of its audited accounts, including the report of the auditor on the accounts, and a report on its operations and activities for the financial year (the annual report). The Governor is required, as soon as is reasonably practicable, to cause them to be tabled in the House of Assembly.

The appointment of Grant Thornton (GT) as the independent auditor of the Financial Services Commission was accepted by me. GT were directed to undertake their audit in accordance with appropriate auditing standards, and I accept their audit of the Commission's financial statements for the year ended 31 December 2022.

As recorded in their Auditors' Report, GT have audited the statement of financial position of the Financial Services Commission as of 31 December 2022, the statements of comprehensive income, the statement of changes in accumulated reserves and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies. The Commission's management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the Financial Services Commission Act.

GT's responsibility is to express an opinion on the financial statements based on their audit.

GT conducted their audit in accordance with International Standards on Auditing. Those standards require that GT comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free of material misstatement. An audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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 statements. GT believe that the audit evidence they have obtained is sufficient and appropriate to provide a basis for their opinion.

In GT's opinion the financial statements present fairly, in all material respects, the financial position of the Anguilla Financial Services Commission as of 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Financial Services Commission Act.

I have no observations to make on these financial statements.

A handwritten signature in blue ink, appearing to read 'R Harries', is positioned above the printed name.

Richard Harries; Chief Auditor

7 August 2024

Independent Auditor's Report

**To the Chief Auditor of Anguilla
Anguilla Financial Services Commission**

Opinion

We have audited the financial statements of **Anguilla Financial Services Commission** (the "Commission") which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in accumulated reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2022, and its financial performance and its statement of cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in the Eastern Caribbean, 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.

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 Accounting Standards, 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 Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

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

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Auditor's 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 auditor's 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Chartered Accountants
June 28, 2024
Basseterre, St. Kitts

Anguilla Financial Services Commission

Statement of Financial Position

As at December 31, 2022

(expressed in United States dollars)

	Notes	2022 \$	2021 \$
Assets			
Current assets			
Cash, equivalents and other deposit held at bank	6	7,413,295	7,497,827
Accounts receivable	7	9,422	6,619
Other assets	8	37,647	39,996
Total current assets		7,460,364	7,544,442
Non-current assets			
Property and equipment	9	285,348	339,226
Intangible assets	10	192,139	190,933
Total non-current assets		477,487	530,159
Total assets		7,937,851	8,074,601
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	11	73,207	94,038
Statutory deposits	12	5,077,153	4,921,387
Lease liability	13	48,381	45,568
Contract liability	14	77,488	91,407
Total current liabilities		5,276,229	5,152,400
Non-current liabilities			
Lease liability	13	222,956	271,337
Total liabilities		5,499,185	5,423,737
Reserves			
Accumulated reserves		2,438,666	2,650,864
Total liabilities and reserves		7,937,851	8,074,601

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

Approved for issue by the Members of the Board on June 28, 2024.

Member

Member

AFSC Annual Report 2022

27

Anguilla Financial Services Commission

Statement of Comprehensive Income

For the year ended December 31, 2022

(expressed in United States dollars)

	Notes	2022 \$	2021 \$
Income			
Licence fees		715,620	748,502
Administrative fees and penalties		41,360	67,650
Other income		9,415	6,077
Total income		766,395	822,229
Operating expenses			
Payroll and related costs	16	(675,550)	(754,397)
Depreciation and amortisation	9,10	(69,927)	(63,350)
Insurance		(51,027)	(51,245)
Board members' allowances	15	(30,900)	(50,200)
Impairment loss of receivables	5	(6,000)	(42,891)
Subscriptions		(31,103)	(32,310)
Professional service fees		(20,770)	(30,222)
Utilities		(17,610)	(15,174)
Office supplies		(8,454)	(11,196)
Travel and subsistence		(23,113)	(9,389)
Audit fees		(8,000)	(8,000)
Communications		(5,445)	(5,988)
Entertainment		(2,368)	(5,760)
Cleaning		(4,599)	(5,725)
Others		(9,196)	(5,250)
Bank charges		(1,403)	(1,935)
Total operating expenses		(965,465)	(1,093,032)
Operating loss		(199,070)	(270,803)
Finance income			
Interest income		4,470	4,496
Finance cost		(17,598)	(20,245)
Finance income, net		(13,128)	(15,749)
Net loss and total comprehensive loss for the year		(212,198)	(286,552)

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

Anguilla Financial Services Commission

Statement of Changes in Accumulated Reserves For the year ended December 31, 2022

(expressed in United States dollars)

	\$
Balance at January 1, 2021	2,937,416
Total comprehensive loss for the year	(286,552)
Balance at December 31, 2021	2,650,864
Total comprehensive loss for the year	(212,198)
Balance at December 31, 2022	2,438,666

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

Anguilla Financial Services Commission

Statement of Cash Flows

As at December 31, 2021

(expressed in United States dollars)

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Net loss for the year		(212,198)	(286,552)
Items not involving the movement of cash:			
Depreciation	9	61,754	62,009
Finance cost	13	17,598	20,245
Amortisation	10	8,173	1,341
Impairment loss of receivables	5	6,000	42,891
Loss on disposal of property and equipment		1,137	504
Interest income		(4,470)	(4,496)
Cash flows used in operations before changes in operating assets and liabilities		(122,006)	(164,058)
Changes in operating assets and liabilities:			
Change in accounts receivable		(8,803)	15,262
Change in other assets		2,349	(3,964)
Change in accounts payable and accrued expenses		(20,831)	(86,549)
Change in contract liability		155,766	(66,790)
Change in statutory deposits		(13,919)	24,097
Net cash used in operating activities		(7,444)	(282,002)
Cash flows from investing activities			
Purchase of property and equipment		(9,013)	(7,541)
Purchase of intangible assets		(9,379)	(89,360)
Cash used in investing activities		(18,392)	(96,901)
Cash flows from financing activities			
Repayment of lease liability – principal		(45,568)	(42,921)
Repayment of lease liability – finance cost		(17,598)	(20,245)
Cash used in financing activities		(63,166)	(63,166)
Net change in cash and cash equivalents		(89,002)	(442,069)
Cash and cash equivalents at beginning of the year		5,720,758	6,162,827
Cash and cash equivalents at end of the year	6	5,631,756	5,720,758

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

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

1 Nature of operations

The Anguilla Financial Services Commission (the "Commission") was established under the Financial Services Commission Act, R.S.A.c. F28 on November 26, 2003 and it commenced operations on February 2, 2004 in The Valley, Anguilla, BWI.

The principal activity of the Commission is to regulate the financial services industry in Anguilla in accordance with the Financial Services Commission Act and the prescribed financial services enactments and to carry out such other functions as determined under section 3 of the Financial Services Commission Act.

2 General information and compliance with IFRS Accounting standards

The accompanying financial statements of the Commission have been prepared in accordance with IFRS Accounting Standards and International Financial Reporting Standards Interpretations Committee (IFRIC) interpretations as issued by the International Accounting Standards Board (IASB). They have been prepared under the assumption the Commission operates on a going concern basis, which assumes the Commission will be able to discharge its liabilities as they fall due.

The Commission's financial statements have been prepared on an accrual basis and under the historical cost convention. The measurement bases are fully described in the summary of accounting policies.

3 Changes in accounting policies

New standards and amendments to standards effective for the financial year beginning January 1, 2021

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial period. The Commission has assessed the relevance of such new standards, interpretations and amendments and has concluded that these will not be relevant.

Standards, amendments, and interpretations to existing standards that are not yet effective and have not been adopted early by the Commission

At the date of authorisation of these financial statements, certain new standards, and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Commission. Management anticipate that all relevant pronouncements will be adopted in the Commission's accounting policies for the first period beginning after the effective date of the pronouncement. These new standards and interpretations are not expected to have a material impact on the Commission's financial statements.

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

4 Summary of accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases.

a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and statutory deposits, are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes and which are subject to an insignificant risk of changes in value.

b) Financial instruments

(i) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Commission becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(ii) Classification and initial measurement of financial assets

Except for accounts receivables under financial assets at amortised cost that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction cost, when applicable.

Financial assets are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

In the periods presented, the Commission does not have any financial assets categorised as FVTPL or FVOCI.

Other deposit held at bank represents a fixed deposit which is held for collection of contractual cash flows. where those cash flows represent solely payments of principal and interest.

All of the financial assets of the Commission are measured at amortised cost. This is determined if financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 3 b) iv). Interest

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

4 Summary of accounting policies ...continued

b) Financial instruments ...continued

(ii) Classification and initial measurement of financial assets ...continued

income from these financial assets is included in 'Interest income' using the effective interest rate method.

The business model reflects how the Commission manages the assets in order to generate cash flows. That is, whether the Commission's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Commission in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Commission assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Commission considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The classification is determined by both the Commission's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the statement of comprehensive income are presented within finance costs, finance income or other financial items, except for loss allowance of trade receivable which is presented within administrative and general expenses.

(iii) Subsequent measurement of financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

4 Summary of accounting policies ...continued

b) Financial instruments ...continued

(iii) Subsequent measurement of financial assets at amortised cost ...continued

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Commission's cash, accounts receivables and housing deposits as included in other assets are classified at amortised cost into this category of financial instruments.

(iv) Impairment of financial assets

The Commission uses the IFRS 9's impairment requirement which is to use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model' on its financial assets carried at amortised cost. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss. With respect to the Commission, this is applicable to its accounts receivable balance.

Recognition of credit losses is no longer dependent on the Commission first identifying a credit loss event. Instead, the Commission considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

4 Summary of accounting policies ...continued

b) Financial instruments ...continued

(iv) Impairment of financial assets ...continued

The Commission makes use of a simplified approach in accounting for accounts receivable and other financial assets at amortised cost and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Commission uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Commission assesses loss allowance of accounts receivable and other financial assets at amortised cost on collective basis as they possess shared credit risk characteristics based on the days past due. For the Commission, the loss allowance as a result of the application of IFRS 9 is not material and therefore no disclosures have been made.

(v) Classification and measurement of financial liabilities

The Commission's financial liabilities include accounts payable and accrued expenses and deferred revenue.

Financial liabilities are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method.

All interest-related charges are included within finance costs or finance income.

c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

d) Property and equipment

Property and equipment are stated at historical cost, less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

The cost of repairs and replacements of a routine nature are charged to earnings whilst those expenditures which improve or extend the useful lives of the assets are capitalised.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating income.

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

4 Summary of accounting policies ...continued

d) Property and equipment ...continued

Depreciation is computed using the straight-line method to allocate the cost of each asset to its residual value, over the estimated useful life as follows:

Computers and equipment	5-10 years
Furniture and fittings	5-10 years
Leasehold equipment	4 years
Motor vehicle	8 years

e) Intangible asset

Computer software

Acquired computer software licence is capitalised on the basis of costs incurred to acquire and bring to use the specific software. This cost is amortised over its estimated useful life of five (5) years.

Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

f) Impairment of non-financial assets

Non-financial assets that are subject to depreciation 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

g) Accumulated reserves

Accumulated reserves represent the current and prior year results of operations as reported in the statement of comprehensive income.

h) Revenue recognition

The Commission recognises contract liabilities, if any, for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Commission satisfies a performance obligation before it receives the consideration, the Commission recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

4 Summary of accounting policies ...continued

h) Revenue recognition ...continued

(i) Licence fees

Licence fees comprise amounts collected from financial service providers licensed by the Commission. Revenue is recognised when the services are transferred over time. Annual license fees for the year are receivables as at the beginning of each year. Fees for the year are classified as revenues; the remainder is considered deferred revenue.

(ii) Administrative fees and penalties

Administrative fees and penalties comprise amounts collected from financial service providers for audit extensions/waivers, regulatory fees and late penalties. Revenue is recognised when the services are transferred at a point in time.

(iii) Interest income

Interest income is recognised using the effective interest method for all interest-bearing instruments on an accrual basis. Interest income includes income earned on cash.

(iv) Other income

Other income is recognised on the accrual basis.

All of the Commission's revenues are generated in Anguilla.

i) Operating expenses

Operating expenses are recognised in the statement of comprehensive income upon utilization of the services or as incurred.

j) Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements of the Commission are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Commission's functional currency is Eastern Caribbean dollars. The financial statements are presented in United States dollars, which is the Commission's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency of the Commission, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign currency gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

4 Summary of accounting policies ...continued

k) Provisions

A provision is recognised when the Commission has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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 recognised as interest expense.

l) Employee benefits

Pension cost

The Commission's contribution to the Government's defined benefit pension plan is charged to the statement of comprehensive income in the period to which the contributions relate. The Commission does not have its own pension plan and its pension costs are limited to contributions made.

Post-employment obligation

The Commission recognises a liability and an expense for gratuities due to its employees based on the terms of the employment contracts.

Short-term employee benefits

Short-term employee benefits, including holiday entitlement, are current liabilities measured at the undiscounted amount that the Commission expects to pay as a result of the unused entitlement.

m) Leased assets

The Commission considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Commission assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Commission;

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

4 Summary of accounting policies ...continued

- the Commission has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Commission has the right to direct the use of the identified asset throughout the period of use. The Commission assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Commission recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Commission, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Commission depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Commission also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Commission measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Commission's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Commission has elected to account for short-term leases and leases of low-value assets, if any, using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, the right-of-use asset has been included in property and equipment and lease liability is shown as a lease liability.

n) Significant management judgment in applying accounting policies and estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

4 Summary of accounting policies ...continued

n) Significant management judgment in applying accounting policies and estimation uncertainty ...continued

and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements, estimates and underlying assumptions 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.

At year end, in the opinion of management, there were no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5 Financial risk management

a) Financial risk factors

The Commission's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Commission has not entered into forward contracts to reduce risk exposures. The Commission's risk management focuses on actively seeking to minimise potential adverse effects on its financial performance. Risk management is carried out by management based on policies set by the Board of Members.

The most significant financial risks to which the Commission is exposed are described below:

i) Market risk

Foreign currency sensitivity

The Commission conducts its operations primarily in Eastern Caribbean dollars; however, some transactions are executed in various other currencies, mainly United States Dollars. Foreign currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The exchange rate of the Eastern Caribbean dollar (EC\$) to the United States dollar (US\$) has been formally pegged at EC\$2.70 = US\$1.00 since July 1976, hence management considers foreign currency risk not to be significant.

Interest rate sensitivity

The Commission's policy is to minimise interest rate cash flow risk exposures on lease liability. As at December 31, 2022, the Commission is exposed to changes in market interest rates used to calculate the lease liability.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2021: +/- 1%). These changes are considered to be reasonably

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

5 Financial risk management...continued

a) Financial risk factors ...continued

i) Market risk...continued

possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Net profit/(loss) for the year		Reserves	
	-1%	+1%	-1%	+1%
December 31, 2022	(2,544)	2,404	(2,544)	2,404
December 31, 2021	(2,849)	2,667	(2,849)	2,667

Other Price sensitivity

The Commission has no investments held or classified as fair value through profit or loss, and thus is not exposed to cash flow equity securities price risk. The Commission is not exposed to commodity price risk.

ii) Credit risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Commission. The Commission's credit risk arises from fixed deposit, cash at banks, as well as credit exposures to customers. Cash at banks are only held with well-known reputable banks and financial institutions. If no independent rating exists for customers, management assesses the credit quality of customers on an individual basis, taking into account their financial position, credit history and other factors. Services rendered to customers are settled primarily in cash and cheques.

The Commission has made adequate allowance for impairment for any potential credit losses and the amount of the Commission's maximum exposure to credit risk is indicated by the carrying amount of its financial assets.

	2022	2021
	\$	\$
Fixed deposit	1,781,539	1,777,069
Cash at banks	554,203	798,971
Other assets	10,992	7,375
Accounts receivable	9,422	6,619
	2,356,156	2,590,034

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

5 Financial risk management...continued

a) Financial risk factors ...continued

ii) Credit risk...continued

Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage and
- has its credit risk continuously monitored by the Commission.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but it is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward looking information.

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition			
	Stage 1	Stage 2	Stage 3
Risk Assessment	Initial recognition or credit risk is considered low	Significant increase in credit risk since initial recognition	Credit-impaired assets
Expected Credit Losses	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

Accounts Receivable

Accounts receivable consist of solely customers in Anguilla. The Commission does not hold any security on these balances.

The Commission applies IFRS 9 simplified model of recognising lifetime expected credit losses for receivables as these items do not have a significant financing component.

To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The Commission has therefore concluded that the expected loss rates for receivables are a reasonable approximation of the loss rates for the other assets.

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

5 Financial risk management...continued

a) Financial risk factors ...continued

ii) Credit risk...continued

The expected loss rates are based on the historical collection and default rates over the past seven (7) years. The historical rates are adjusted to reflect current and forward looking macroeconomic factors affecting the counterparty's ability to settle the amount outstanding. While Gross Domestic Product and growth in the financial services sector are most relevant, given the short period over which the Commission is exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the financial year.

Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery, include, amongst others, the failure of a customer to engage in a repayment plan with the Commission, and a failure to make contractual payments for a period of greater than 360 days past due or discontinuation of the business of the counterparties.

On the above basis, the expected credit loss for receivables as at December 31, was determined as follows:

	Accounts receivable ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
December 31, 2022				
Expected credit loss rate	0%	0%	100%	
Gross carrying amount	3,136	6,286	36,000	45,422
Lifetime expected credit loss	–	–	36,000	36,000
December 31, 2021				
Expected credit loss rate	0%	0%	100%	
Gross carrying amount	2,700	3,919	30,000	36,619
Lifetime expected credit loss	–	–	30,000	30,000

The closing balance of the receivables loss allowance as at December 31, reconciles with the receivables loss allowance opening balance as follows:

	2022	2021
	\$	\$
Opening loss allowance	30,000	–
Loss allowance provision during the year	6,000	42,891
Receivables written-off during the year	–	(12,891)
Ending loss allowance	36,000	30,000

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

5 Financial risk management...continued

a) Financial risk factors...continued

iii) Liquidity risk

Liquidity risk is the risk that the Commission is unable to meet its payment obligations associated with its financial liabilities when they fall due. In order to manage liquidity risks, management seeks to maintain sufficient levels of cash and the availability of funding through an adequate amount of committed credit facilities, to meet its short-term obligations.

The following tables analyses the Commission's financial liabilities in relevant maturity grouping based on the remaining period at the statement of financial position date to the contractual maturity date.

	Less than 1 Year \$	Between 1 and 5 years \$	Over 5 years \$	Total \$
December 31, 2022				
Accounts payable and accrued expenses	73,207	–	–	73,207
Statutory deposits	5,077,153	–	–	5,077,153
Lease liability	63,166	252,664	–	315,830
	5,213,526	252,664	–	5,466,190
Total assets held to manage liquidity risk	7,456,764	–	3,600	7,460,364
Net liquidity risk	(2,243,238)	252,664	(3,600)	(1,994,174)
December 31, 2021				
Accounts payable and accrued expenses	94,038	–	–	94,038
Statutory deposits	4,921,387	–	–	4,921,387
Lease liability	63,166	252,664	63,166	378,996
	5,078,591	252,664	63,166	5,394,421
Total assets held to manage liquidity risk	7,540,150	–	4,292	7,544,442
Net liquidity risk	(2,461,559)	252,664	58,874	(2,150,021)

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

5 Financial risk management...continued

a) Financial risk factors...continued

iii) Liquidity risk...continued

b) Fair value of financial assets and liabilities

Fair value is the arm's length consideration for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties, who are under no compulsion to act and is best evidenced by a quoted market price, if one exists.

The fair value of cash, accounts receivable, other assets, accounts payable and accrued expenses and statutory deposits are assumed to approximate the carrying value due to their short-term nature.

c) Capital risk management

The Commission maintains a level of capital that is sufficient to meet several objectives, including its ability to continue as a going concern in order to maintain an acceptable total debt-to-capital ratio to provide access to adequate funding sources to support current operations and fulfilment of its strategic plan.

The Commission's capital is represented by its accumulated reserves. As at December 31, 2022, the Commission's accumulated reserves amounted to \$2,438,666 (2021: \$2,650,864).

The Commission manages its capital structure and makes adjustments in light of changes in activities, economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Commission may request contributions from and make distributions to the Government of Anguilla.

6 Cash, cash equivalents and other deposit held at bank

	2022	2021
	\$	\$
Statutory deposits	5,077,153	4,921,387
Cash at banks other than statutory deposits	554,203	798,971
Cash on hand	400	400
Total cash and cash equivalents	5,631,756	5,720,758
Fixed deposit	1,781,539	1,777,069
Total cash, cash equivalents and other deposit held at bank	7,413,295	7,497,827

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

6 Cash, cash equivalents and other deposit held at bank...continued

The statutory deposits are held with the Republic Bank Anguilla Limited and earn interest at a rate of 0.01% per annum (2021: 0.01%). These deposits have original terms to maturity ranging from 90 days to 360 days from the date of deposit. The Commission remains obligated to fulfill its responsibility to settle the statutory deposits liabilities on demand, in accordance with the Insurance Act, R.S.A. c. 116 (see note 12). These deposits are not available for use in the day-to-day operations of the Commission.

Cash at banks other than statutory deposits are non-interest bearing demand deposits held with the National Commercial Bank of Anguilla Limited and the Republic Bank (Anguilla) Limited.

The fixed deposit is held with the Republic Bank (Anguilla) Limited, has an original term to maturity of 180 days, maturing on June 19, 2023 (2020: June 19, 2022) and earns interest at a rate of 0.01% per annum (2021:0.25%).

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

7 Accounts receivable

	2021	2020
	\$	\$
Accounts receivable from:		
Insurance companies	43,394	31,965
Money service brokers	1,500	1,500
Company managers	350	20
Other	178	80
Captives	–	2,710
Administrative penalties	–	344
Accounts receivable, gross	45,422	36,619
Allowance for impairment	(36,000)	(30,000)
Accounts receivable, net	9,422	6,619

The Commission's accounts receivable represent amounts due from regulated entities for services rendered in the ordinary course of business. They are generally due for settlement upon initiation or renewal of the service and therefore are all classified as current. Accounts receivable are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Commission holds the accounts receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Commission's impairment policies and the calculation of the loss allowance are disclosed in Note 5 (a) (ii).

Due to the short-term nature of the Commission's accounts receivable, their carrying amount is considered to be the same as their fair value.

8 Other assets

	2022	2021
	\$	\$
Prepayments	26,655	32,621
Other assets	7,392	3,083
Housing deposits	3,600	4,292
	37,647	39,996

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

9 Property and equipment

	Right-of-use asset \$	Computers and equipment \$	Furniture and fittings \$	Leasehold equipment \$	Motor vehicle \$	Total \$
As at January 1, 2021						
Cost	405,528	47,932	78,032	43,615	9,100	584,207
Accumulated depreciation	(50,691)	(31,697)	(61,900)	(39,351)	(6,370)	(190,009)
Net book amount	354,837	16,235	16,132	4,264	2,730	394,198
Year ended December 31, 2021						
Opening net book amount	354,837	16,235	16,132	4,264	2,730	394,198
Additions	–	2,279	5,262	–	–	7,541
Disposals	–	(888)	(8,026)	–	–	(8,914)
Depreciation charge	(50,691)	(4,624)	(4,407)	(1,377)	(910)	(62,009)
Write-back on disposal	–	384	8,026	–	–	8,410
Net book amount	304,146	13,386	16,987	2,887	1,820	339,226
As at December 31, 2021						
Cost	405,528	49,323	75,268	43,615	9,100	582,834
Accumulated depreciation	(101,382)	(35,937)	(58,281)	(40,728)	(7,280)	(243,608)
Net book amount	304,146	13,386	16,987	2,887	1,820	339,226
Year ended December 31, 2022						
Opening net book amount	304,146	13,386	16,987	2,887	1,820	339,226
Additions	–	2,324	2,046	4,643	–	9,013
Disposals	–	–	–	–	(9,100)	(9,100)
Depreciation charge	(50,691)	(4,673)	(3,816)	(1,891)	(683)	(61,754)
Write-back on disposal	–	–	–	–	7,963	7,963
Net book amount	253,455	11,037	15,217	5,639	–	285,348
As at December 31, 2022						
Cost	405,528	51,647	77,314	48,258	–	582,747
Accumulated depreciation	(152,073)	(40,610)	(62,097)	(42,619)	–	(297,399)
Net book amount	253,455	11,037	15,217	5,639	–	285,348

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

10 Intangible assets

	Software \$	Database \$	WIP Databases Project \$	Total \$
As at January 1, 2021				
Cost	–	–	102,914	102,914
Accumulated amortisation	–	–	–	–
Net book amount	–	–	102,914	102,914
Year ended December 31, 2021				
Opening net book value	–	–	102,914	102,914
Additions	–	–	89,360	89,360
Transfers	6,703	–	(6,703)	–
Amortisation charge	(1,341)	–	–	(1,341)
Net book amount	5,362	–	185,571	190,933
As at December 31, 2021				
Cost	6,703	–	185,571	192,274
Accumulated amortisation	(1,341)	–	–	(1,341)
Net book amount	5,362	–	185,571	190,933
Year ended December 31, 2022				
Opening net book value	5,362	–	185,571	190,933
Additions	–	–	9,379	9,379
Transfers	–	95,664	(95,664)	–
Amortisation charge	(1,341)	(6,832)	–	(8,173)
Net book amount	4,021	88,832	99,286	192,139
As at December 31, 2022				
Cost	6,703	95,664	99,286	201,653
Accumulated amortisation	(2,682)	(6,832)	–	(9,514)
Net book amount	4,021	88,832	99,286	192,139

The Commission committed to the completion of two electronic systems. However, sudden delays were experienced which have protracted the projects' completion. With respect to these projects, the Commission has a remaining commitment of \$19,191 (2021: \$26,346).

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

11 Accounts payable and accrued expenses

	2022	2021
	\$	\$
Accrued expenses	36,002	34,811
Accounts payables	33,952	32,096
Accrued gratuities	3,253	27,131
	73,207	94,038

12 Statutory deposits

Section 8(1) of the Insurance Act, R.S.A. c. 116 requires that a licensee undertaking domestic insurance business shall maintain in a bank in Anguilla, funds in cash, short-term securities or other realisable investments approved by the Commission, the total value of which shall at least equal the total of its:

- i) Unearned premium reserve;
- ii) Outstanding claims reserve;
- iii) Reserve for the claims incurred but not reported; and
- iv) Unexpired risks reserve.

Section 8(2) of the Insurance Act states that: "The Commission may require an approved external insurer to place with the Commission an interest-bearing deposit to meet existing and future liabilities for a period to be determined by the Commission. The amount of the deposit will not exceed 40% of its annual premium income net of re-insurance premiums with respect to each class of insurance undertaken."

All statutory deposits are maintained in short-term fixed deposits (i.e. three-month maturity periods or less) or other demand accounts.

At December 31, 2022 statutory deposits in the amount of \$5,077,153 (2022: \$4,921,387) were held by the Commission in connection with approved external insurers.

13 Leases

The Commission leases an office space for its operations with a lease term of 4 years commencing January 1, 2020 and expiring December 31, 2023. The Commission has the right to extend for a further 4 years which management has determined that the option to exercise this option is reasonably certain. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The Commission classifies its right-of-use asset in a consistent manner to its property (see note 9).

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

13 Leases...continued

The lease generally imposes a restriction that, unless there is a contractual right for the Commission to sublet the asset to another party, the right-of-use asset can only be used by the Commission. The lease is either a non- cancellable or may only be cancelled by incurring a substantive termination fee.

The Commission is prohibited from selling or pledging the underlying leased asset as security. Further, the Commission must keep the office building in a good state of repair and return the property in its original condition at the end of the lease. Also, the Commission must insure items or property and equipment and incur maintenance fees on such items in accordance with the lease contract.

The table below describes the nature of the Commission's leasing activity by type of right-of-use asset recognised on the statement of financial position.

(a) Amounts recognised in the statement of financial position:

Lease liabilities

	2022	2021
	\$	\$
Opening balance	316,905	359,826
Interest expense	17,598	20,245
Lease payments	(63,166)	(63,166)
Total lease liabilities	271,337	316,905
Current	48,381	45,568
Non-current	222,956	271,337
	271,337	316,905

(b) Amounts recognised in profit or loss

	2022	2021
	\$	\$
Depreciation charge on right-of-use asset	50,691	50,691
Interest expense on lease liability	17,598	20,245
	68,289	70,936

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

13 Leases...continued

The table below describes the nature of the Commission's leasing activity by type of right-of-use assets recognised on the statement of financial position.

Right-of-use asset	No. of right-of-used assets leased	Range of remaining term	No. of leases with extension option	No. of leases with termination options
Office space	1	5 years	1	1

The lease liability is unsecured and future minimum lease payments at December 31 were as follows:

	Within 1 year \$	1 – 2 years \$	2 – 3 years \$	3 – 4 years \$	4 – 5 years \$	After 5 years \$	Total \$
December 31, 2022							
Lease payments	63,166	63,166	63,166	63,166	63,166	–	315,830
Finance charges	(14,785)	(11,802)	(8,634)	(5,271)	(4,001)	–	(44,493)
Net present values	48,381	51,364	54,532	57,895	59,165	–	271,337
December 31, 2021							
Lease payments	63,166	63,166	63,166	63,166	63,166	63,166	378,996
Finance charges	(17,598)	(14,785)	(11,802)	(8,634)	(5,271)	(4,001)	(62,091)
Net present values	45,568	48,381	51,364	54,532	57,895	59,165	316,905

14 Contract liability

Contract liability consists of licence fees for the succeeding financial year ending December 31, 2022 received by the Commission in advance during the current financial year.

15 Related party balances and transactions

A related party relationship exists when one party has the ability to control directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between or among entities under common control, with the reporting enterprise and its key management personnel and Board Members.

Anguilla Financial Services Commission

Notes to Financial Statements

December 31, 2022

(expressed in United States dollars)

The remuneration of the Board Members and other key management personnel during the year was as follows:

	2022	2021
	\$	\$
Salaries	191,853	165,633
Board members' allowances	30,900	50,200
Gratuities	12,297	18,200
Housing allowances	–	16,371
	235,050	250,404

16 Payroll and related costs

	2022	2021
	\$	\$
Salaries	537,081	568,844
Vacation	59,415	72,592
Health insurance	24,770	23,694
Pension costs	21,664	13,618
Social security costs	20,323	21,296
Gratuities	12,297	37,982
Housing allowance	–	16,371
	675,550	754,397

17 Contingent liabilities

(a) Pending claim by former Commission employee

During the year ended December 31, 2022, a claim was brought at the Anguilla Labour Tribunal against the Commission by a former employee for damages resulting from an alleged unfair dismissal. The claim has not yet been resolved pending the hearing by the Anguilla Labour Tribunal.

(b) Pending claim against the Commission by depositors of former off-shore banks

During the year ended December 31, 2022, a claim was filed at the High Court of Anguilla, listing the Commission as one of the twelve defendants for damages resulting from alleged breaches of duty. The Claim was brought by a group of depositors of the now defunct banks. A decision was rendered by the Court on April 25, 2023, to strike out the claim against the Commission in its entirety. The claimants have since filed an application seeking leave to appeal, but no decision has been made by the High Court of Anguilla to date in relation to that application.