



Republic Funds (Barbados) Inc.



ANNUAL REPORT | 2023



Republic Funds (Barbados) Inc.

Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

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Republic Funds (Barbados) Inc.

Corporate Information

Directors

Ms. Karen Yip Chuck – Chairman

Mr. Anthony Clerk – Managing Director

Ms. Lillian Ivy Simone Brathwaite

Ms. Jacqueline Quamina

Mr. Andrew Hutchinson

Secretary

Ms. Sasha Shillingford

Independent Auditors

Ernst & Young Ltd

One Welches, Welches,

St. Thomas

Barbados

Banker

Republic Bank (Barbados) Limited

Broad Street,

Bridgetown,

Barbados

Consulting Counsel

Clarke Gittens & Farmer

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Republic Income Fund, the Republic Capital Growth Fund and the Republic Property Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Republic Income Fund, the Republic Capital Growth Fund and the Republic Property Fund which comprise the Statements of financial position as at 30 September 2023 and the statements of comprehensive income/(loss), statements of changes in net assets attributable to redeemable fund shareholders and statements of cash flows for the year then ended and a summary of 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 Republic Income Fund, the Republic Capital Growth Fund and the Republic Property Fund as at 30 September 2023, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 Funds in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with 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 for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Republic Income Fund's, the Republic Capital Growth Fund's and the Republic Property 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 Republic Income Fund, the Republic Capital Growth Fund and the Republic Property Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Republic Income Fund's, the Republic Capital Growth Fund's and the Republic Property Fund's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of the Republic Income Fund, the Republic Capital Growth Fund and the Republic Property Fund (Continued)

Report on the Audit of the Financial Statements (continued)

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 Republic Income Fund's, the Republic Capital Growth Fund's and the Republic Property Fund'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 Republic Income Fund's, the Republic Capital Growth Fund's and the Republic Property Fund'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 Republic Income Fund, the Republic Capital Growth Fund and the Republic Property Fund 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.



INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of the Republic Income Fund, the Republic Capital Growth Fund and the Republic Property Fund (Continued)

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Board of Directors 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 shareholders of Republic Income Fund, Republic Capital Growth Fund and Republic Property Fund, in accordance with Section 32 of the Mutual Funds Act of Barbados, 2002 and Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to Republic Income Fund's, the Republic Capital Growth Fund's and Republic Property Fund's shareholders those matters we are required to state 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 Republic Income Fund, the Republic Capital Growth Fund and the Republic Property Fund and their shareholders, for our audit work, for this report, or for the opinion we have formed.

Ernst & Young Ltd

Barbados
29 December 2023

Republic Funds (Barbados) Inc.

Republic Income Fund

Statement of Financial Position

As at September 30, 2023
(Expressed in Barbados dollars)

	Notes	Republic Income Fund 30-Sep 2023 \$	Republic Income Fund 30-Sep 2022 \$
Assets			
Cash at bank	5	1,647,776	554,427
Interest receivable		39,403	13,907
Financial assets	6	10,278,042	11,487,276
Total assets		11,965,221	12,055,610
Liabilities and equity			
Liabilities			
Accounts payable and accrued expenses		170,671	167,804
Due to related company	8	29,322	19,985
		199,993	187,789
Net assets attributable to redeemable fund shareholders	9	11,764,828	11,867,421
Total liabilities		11,964,821	12,055,210
Equity			
Share capital	9	400	400
Total liabilities and equity		11,965,221	12,055,610
Net asset value per redeemable fund share	2 c(iv)	1.3740	1.2524

Approved by the Board of Directors on: 15 December 2023



Director



Director

Republic Funds (Barbados) Inc.

Republic Income Fund

Statement of Comprehensive Income

For the year ended September 30, 2023
(Expressed in Barbados dollars)

	Notes	Republic Income Fund 30-Sep 2023 \$	Republic Income Fund 30-Sep 2022 \$
Income			
Interest on financial assets		320,286	388,235
Realised gain on financial assets		13,400	-
Unrealised gain on financial assets		1,034,250	341,804
Dividends		-	5,219
		<u>1,367,936</u>	<u>735,258</u>
Expenses			
Management fees	4	116,669	124,993
Custody fees	4	23,334	24,999
Other charges		26,508	119,302
Audit fees		31,660	23,460
		<u>198,171</u>	<u>292,754</u>
Operating income for the year		1,169,765	442,504
Finance costs		(90,749)	(106,534)
Distributions to redeemable fund shareholders			
Net and total comprehensive income for the year and net increase in net assets attributable to redeemable fund shareholders		<u>1,079,016</u>	<u>335,970</u>

Republic Funds (Barbados) Inc.
Republic Income Fund
Statement of Changes in Net Assets Attributable to Redeemable Fund Shareholders

For the year ended September 30, 2023
(Expressed in Barbados dollars)

	Notes	Republic Income Fund 30-Sep 2023 \$	Republic Income Fund 30-Sep 2022 \$
Opening balances		11,867,421	13,093,076
Net and total comprehensive income for the year and net increase in net assets attributable to redeemable fund shareholders		1,079,016	335,970
Shares issued during the year	9	44,425	51,041
Shares redeemed during the year	9	(1,226,034)	(1,612,666)
Closing balances		11,764,828	11,867,421

Republic Funds (Barbados) Inc.
Republic Income Fund
Statement of Cash Flows

For the year ended September 30, 2023
(Expressed in Barbados dollars)

	Notes	Republic Income Fund 30-Sep 2023 \$	Republic Income Fund 30-Sep 2022 \$
Cash flows from operating activities			
Net income for the year		1,169,765	442,504
Unrealised gain on financial assets		(1,034,250)	(341,804)
(Increase)/Decrease in interest receivable		(25,496)	12,704
Increase/(Decrease) in amounts due to related company		9,337	(14,076)
Decrease in financial assets		2,243,484	529,285
Increase/(Decrease) in accounts payable and accrued expenses		2,867	(1,351)
		<u>2,365,707</u>	<u>627,262</u>
Cash flows from financing activities			
Issuance of redeemable fund shares	9	44,425	51,041
Redemption of redeemable fund shares	9	(1,226,034)	(1,612,666)
Distributions paid		(90,749)	(106,534)
		<u>(1,272,358)</u>	<u>(1,668,159)</u>
Net cash flows used in financing activities		<u>(1,272,358)</u>	<u>(1,668,159)</u>
Net increase/(decrease) in cash		1,093,348	(1,040,897)
Cash - beginning of year		<u>554,427</u>	<u>1,595,324</u>
Cash - end of year		<u>1,647,776</u>	<u>554,427</u>

Republic Funds (Barbados) Inc.

Republic Capital Growth Fund

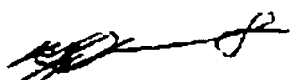
Statement of Financial Position

As at September 30, 2023

(Expressed in Barbados dollars)

	Notes	Republic Capital Growth Fund 30-Sep 2023 \$	Republic Capital Growth Fund 30-Sep 2022 \$
Assets			
Cash at bank	5	132,526	385,284
Interest receivable		3,992	1,186
Other receivables		38,081	50,838
Financial assets	6	<u>6,581,272</u>	<u>6,416,959</u>
Total assets		<u>6,755,871</u>	<u>6,854,267</u>
Liabilities and equity			
Liabilities			
Accounts payable and accrued expenses		36,419	37,382
Due to related company	8	<u>29,481</u>	<u>20,598</u>
		<u>65,900</u>	<u>57,980</u>
Net assets attributable to redeemable fund shareholders	9	<u>6,689,571</u>	<u>6,795,887</u>
Total liabilities		<u>6,755,471</u>	<u>6,853,867</u>
Equity			
Share capital	9	<u>400</u>	<u>400</u>
Total liabilities and equity		<u>6,755,871</u>	<u>6,854,267</u>
Net asset value per redeemable fund share	2 c(iv)	<u>1.3701</u>	<u>1.3394</u>

Approved by the Board of Directors on: 15 December 2023



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Director



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Director

Republic Funds (Barbados) Inc.
Republic Capital Growth Fund
Statement of Comprehensive Income

For the year ended September 30, 2023
(Expressed in Barbados dollars)

	Notes	Republic Capital Growth Fund 30-Sep 2023 \$	Republic Capital Growth Fund 30-Sep 2022 \$
Income			
Interest on cash		199	-
Interest on financial assets		17,802	14,236
Dividends		194,096	171,731
Realised gain on sale of financial assets		30,386	7,500
Unrealised gain on financial assets		68,166	347,791
Amortized discount on Treasury Bills		6,615	-
		<u>317,264</u>	<u>541,258</u>
Expenses			
Management fees	4	118,239	129,082
Custody fees	4	13,513	14,752
Other charges		14,304	51,516
Audit fees		17,026	16,901
		<u>163,082</u>	<u>212,251</u>
Net and total comprehensive income for the year and net increase in net assets attributable to redeemable fund shareholders		<u>154,182</u>	<u>329,007</u>

Republic Funds (Barbados) Inc.

Republic Capital Growth Fund

Statement of Changes in Net Assets Attributable to Redeemable Fund Shareholders

For the year ended September 30, 2023
(Expressed in Barbados dollars)

	Notes	Republic Capital Growth Fund 30-Sep 2023 \$	Republic Capital Growth Fund 30-Sep 2022 \$
Opening balances		6,795,887	7,252,899
Net and total comprehensive income for the year and net increase in net assets attributable to redeemable fund shareholders		154,182	329,007
Shares issued during the year	9	48,310	73,229
Shares redeemed during the year	9	(308,808)	(859,248)
Closing balances		6,689,571	6,795,887

Republic Funds (Barbados) Inc.
Republic Capital Growth Fund
Statement of Cash Flows

For the year ended September 30, 2023
(Expressed in Barbados dollars)

	Notes	Republic Capital Growth Fund 30-Sep 2023	Republic Capital Growth Fund 30-Sep 2022
		\$	\$
Cash flows from operating activities			
Net income for the year		154,182	329,007
Unrealised gain on financial assets		(68,166)	(347,791)
Decrease in other receivables		9,951	132,557
Increase/(Decrease) in amounts due to related company		8,883	(12,116)
(Increase)/Decrease in financial assets		(96,147)	442,500
(Decrease)/Increase in accounts payable and accrued expenses		(963)	10,674
		<u>7,740</u>	<u>554,831</u>
Financing activities			
Issuance of redeemable fund shares	9	48,310	73,229
Redemption of redeemable fund shares	9	(308,808)	(859,248)
		<u>(260,498)</u>	<u>(786,019)</u>
Net cash flows used in financing activities		(260,498)	(786,019)
Net decrease in cash		(252,758)	(231,188)
Cash - beginning of year		<u>385,284</u>	<u>616,472</u>
Cash - end of year		<u>132,526</u>	<u>385,284</u>

Republic Funds (Barbados) Inc.

Republic Property Fund

Statement of Financial Position

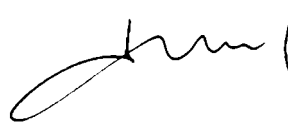
As at September 30, 2023
(Expressed in Barbados dollars)

	Notes	Republic Property Fund 30-Sep 2023 \$	Republic Property Fund 30-Sep 2022 \$
Assets			
Cash at bank	5	447,221	512,896
Interest receivable		1,310	462
Investment property	7	515,000	515,000
Financial assets	6	466,481	462,178
Total assets		1,430,012	1,490,536
Liabilities and equity			
Liabilities			
Accounts payable and accrued expenses		10,956	8,911
Due to related company	8	6,217	4,324
		17,173	13,235
Net assets attributable to redeemable fund shareholders	9	1,412,689	1,477,151
Total liabilities		1,429,862	1,490,386
Equity			
Share capital	9	150	150
Total liabilities and equity		1,430,012	1,490,536
Net asset value per redeemable fund share	2 c(iv)	0.6267	0.6498

Approved by the Board of Directors on: 15 December 2023



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Director



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Director

Republic Funds (Barbados) Inc.
Republic Property Fund
Statement of Comprehensive Loss

For the year ended September 30, 2023
(Expressed in Barbados dollars)

	Notes	Republic Property Fund 30-Sep 2023 \$	Republic Property Fund 30-Sep 2022 \$
Income			
Interest on financial assets		11,693	11,776
Dividends		1,632	1,394
Unrealised gain on financial assets		<u>31,575</u>	<u>13,662</u>
		<u>44,900</u>	<u>26,832</u>
Expenses			
Management fees	4	25,028	26,231
Custody fees	4	2,860	2,999
Other charges		65,296	26,443
Audit fees		<u>4,150</u>	<u>3,175</u>
		<u>97,334</u>	<u>58,848</u>
Net and total comprehensive loss for the year and net decrease in net assets attributable to redeemable fund shareholders		<u>(52,434)</u>	<u>(32,016)</u>

Republic Funds (Barbados) Inc.

Republic Property Fund

Statement of Changes in Net Assets Attributable to Redeemable Fund Shareholders

For the year ended September 30, 2023
(Expressed in Barbados dollars)

	Notes	Republic Property Fund 30-Sep 2023 \$	Republic Property Fund 30-Sep 2022 \$
Opening balances		1,477,151	1,537,973
Net and total comprehensive loss for the year and net decrease in net assets attributable to redeemable fund shareholders		(52,434)	(32,016)
Shares redeemed during the year	9	(12,028)	(28,806)
Closing balances		1,412,689	1,477,151

Republic Funds (Barbados) Inc.
Republic Property Fund
Statement of Cash Flows

For the year ended September 30, 2023
(Expressed in Barbados dollars)

	Notes	Republic Property Fund 30-Sep 2023 \$	Republic Property Fund 30-Sep 2022 \$
Cash flows from operating activities			
Net loss for the year		(52,434)	(32,016)
Unrealised gain on financial assets		(31,575)	(13,662)
(Increase)/Decrease in interest receivable		(848)	1,589
Increase/(Decrease) in amounts due to related company		1,893	(2,539)
Decrease in financial assets		27,272	13,636
Increase/(Decrease) in accounts payable and accrued expenses		2,045	(6,822)
		<hr/>	<hr/>
Net cash flows used in operating activities		(53,647)	(39,814)
Cash flows from financing activities			
Redemption of redeemable fund shares	9	(12,028)	(28,806)
		<hr/>	<hr/>
Net cash flows used in financing activities		(12,028)	(28,806)
		<hr/>	<hr/>
Net decrease in cash		(65,675)	(68,620)
Cash - beginning of year		512,896	581,516
		<hr/>	<hr/>
Cash - end of year		447,221	512,896
		<hr/>	<hr/>

Republic Funds (Barbados) Inc.

Republic Property Fund

Statement of Changes in Equity

For the year ended September 30, 2023
(Expressed in Barbados dollars)

	Republic Income Fund \$	Republic Capital Growth Fund \$	Republic Property Fund \$
Common shares			
Balances as at 30 September 2023 and 2022	400	400	150

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

1. Incorporation and principal activity

Republic Funds (Barbados) Inc. ("the Funds"), is an umbrella corporation registered as an open-ended public mutual fund under the Companies Act Cap 308 of the laws of Barbados for the issue and management of the Republic Bank (Barbados) family of funds (namely the Republic Capital Growth Fund, Republic Income Fund and Republic Property Fund) in accordance with the provisions of Section 32 of the said Companies Act.

The Funds maintain their registered office at Independence Square, Bridgetown, Barbados.

The Funds have no employees. Management services are provided by a related company as disclosed in Note 4 to the financial statements.

2. Significant accounting policies

These financial statements provide information on the accounting estimates and judgements made by the Fund (See Note 3). These estimates and judgements are reviewed on an ongoing basis.

The Funds formed estimates based on information that was available on September 30, 2023, which was deemed to be reasonable in forming these estimates. The actual economic conditions may be different from the estimates used and this may result in differences between the accounting estimates applied and the actual results of the Funds for future periods.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied across the Funds.

a) Basis of preparation

The financial statements of the Republic Income Fund, Republic Capital Growth Fund and the Republic Property Fund, are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB) and are stated in Barbados dollars, which is also the Fund's functional currency. These financial statements have been prepared on a historical cost basis, except for the measurement at fair value of financial assets classified as fair value through profit or loss and the investment property which are carried at fair value.

b) Changes in accounting policies

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of Republic Income Fund, Republic Capital Growth Fund and the Republic Property Fund's annual financial statements for the year ended September 30, 2022.

The amendment and interpretation described below applies for the first time in 2023 but did not have any impact on the financial statements of the Funds. The Funds has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

2. Significant accounting policies (continued)

b) Changes in accounting policies

i) Standards in issue not yet effective

The following is a list of standards and interpretations that are not yet effective up to the date of issuance of the Funds' financial statements. These standards and interpretations may be applicable to the Funds at a future date and will be adopted when they become effective. The Funds are currently assessing the impact of adopting these standards and interpretations.

Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates (effective January 1, 2023)

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the IASB.

The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on entities' financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Disclosure of Accounting Policies (effective January 1, 2023)

The IASB issued amendments to provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Republic Funds (Barbados) Inc.**Notes to the Financial Statements**

For the year ended September 30, 2023
(Expressed in Barbados dollars)

2. Significant accounting policies (continued)**b) Changes in accounting policies (continued)****i) Standards in issue not yet effective (continued)****Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Classification of Liabilities as Current or Non-current (effective January 1, 2024)**

The IASB issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

The following Standards and Interpretations are not expected to be relevant to the Funds:

Amendments to IFRS 3 - Business Combinations (effective 1 January 2022)

Amendments to IAS 16 - Property, Plant and Equipment – (effective 1 January 2022)

Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets – (effective 1 January 2022)

IFRS 17 - Insurance Contracts (effective 1 January 2023)

Amendments to IAS 12 - Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)

Amendments to IAS 12 - Income Taxes - International Tax Reform – Pillar Two Model Rules (effective 1 January 2023)

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback (effective 1 January 2024)

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

2. Significant accounting policies (continued)

b) Changes in accounting policies (continued)

ii) Improvements to International Financial Reporting Standards

The annual improvements process of the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRS. The following amendments are applicable to annual periods beginning on or after January 1, 2022:

IFRS	Subject of Amendment
IFRS 1 -	First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (effective January 1, 2022)
IFRS 9 -	Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities (effective January 1, 2022)
IAS 41 -	Agriculture - Taxation in Fair value measurements (effective January 1, 2022)
IFRS 16 -	Lease – Leases incentives (effective 1 January 2022)

These amendments did not have an impact on the Funds financial statements.

c) Summary of significant accounting policies

i) Financial instruments

The Funds' financial assets and financial liabilities are recognised in the statement of financial position when they become party to the contractual obligation of the instrument. A financial asset is de-recognised when the rights to receive the cash flow from the asset has expired or where the Fund has transferred all the risks and rewards of ownership of the asset or control of the asset. A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. All 'regular way' purchases and sales are recognised at settlement date.

ii) Financial assets at fair value through profit or loss

The Funds' financial assets are designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management designates an instrument at fair value through profit or loss upon initial recognition when the following criteria is met. Such designation is determined on an instrument-by-instrument basis;

- The designation eliminates or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis, or
- Fixed Income securities are classified as held for trading by the Directors and are acquired principally for the purpose of selling for short term gains. Financial assets designated at fair value through profit or loss at inception are those that their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy.

Republic Funds (Barbados) Inc.**Notes to the Financial Statements**

For the year ended September 30, 2023
(Expressed in Barbados dollars)

2. Significant accounting policies (continued)**c) Summary of significant accounting policies (continued)****ii) Financial assets at fair value through profit or loss (continued)**

Equity securities are measured at fair value through profit or loss. The fair value of financial assets traded in active markets (e.g. international securities exchange) is based on quoted prices as of the last business day of the financial reporting period. The fair value of restricted and other securities that are not traded in active markets is determined using valuation techniques, including comparable recent arm's length transactions, discounted cash flow analyses and other techniques commonly used by market participants.

Gains and losses arising from sales and changes in the fair value of financial assets at fair value through profit or loss are included in the statement of comprehensive income in the financial period in which they arise.

iii) Investment property

The Investment property principally comprising of land is held for resale and is not occupied by the Fund. The Investment property is carried at fair value, representing open market values determined annually.

The Investment property is measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, the investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of the investment property is included in income.

Fair value is evaluated annually by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

iv) Distribution to shareholders

Distributions are paid up to twice annually to holders of redeemable Republic Income Fund shares. These dividends are paid out of the Net Income of the Republic Income Fund on the recommendation of the Investment Manager and the approval of the Board of Directors. Since redeemable fund shares are regarded as a liability [Note 2 c) (vi)], distributions are treated as an expense in the determination of net income for the year.

v) Net asset value per redeemable fund share

The net asset value per redeemable fund share is calculated by dividing the net assets attributed to redeemable fund shareholders of the respective Fund by the total number of outstanding shares at year end.

Republic Funds (Barbados) Inc.**Notes to the Financial Statements**

For the year ended September 30, 2023
(Expressed in Barbados dollars)

2. Significant accounting policies (continued)**c) Summary of significant accounting policies (continued)****vi) Redeemable fund shares**

Redeemable fund shares are redeemable at the shareholders' option and are classified as financial liabilities. The liabilities arising from the redeemable fund shares are carried at the redemption amount being the net asset value calculated in accordance with IFRS. The Funds issue shares at the net asset value of the existing shares. The holder of the redeemable fund shares can redeem them for cash equal to a proportionate share of the Funds' net asset value (calculated in accordance with redemption requirements).

vii) Functional and presentation currency

The Funds' functional currency is Barbados dollars, which is the currency of the primary economic environment in which the Funds operate. The Funds' performance is evaluated and its liquidity is managed in Barbados dollars. Therefore, Barbados dollars are considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Funds' presentation currency is also Barbados dollars.

viii) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Barbados dollars at rates of exchange prevailing at the date of the financial statements and non-monetary assets and liabilities are translated at historical rates. Revenue and expenses denominated in foreign currencies are translated into Barbados dollars using prevailing monthly exchange rates. Realised gains and losses on foreign currency positions are reported in other income.

ix) Interest income

Interest income is recognised in the Statement of Comprehensive Income for all interest-bearing instruments on an accrual basis using the effective interest yield method. Interest income includes coupons earned on fixed income investments and trading securities and accrued discounts and premiums on treasury bills and other discounted instruments.

x) Dividend revenue

Dividend revenue is recognised in the Statement of Comprehensive Income when the Funds' right to receive the payment is established.

xi) Taxation

In accordance with Section 37 F of the Income Tax (Amendment) (No. 3) Act 1998-42, all of the assessable income for 2023 and previous income years has been designated by the Directors for distribution to the shareholders. As a result, no taxation liability has arisen as at the 2023 and 2022 year ends.

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

3. Significant accounting judgements and estimates in applying the Funds' accounting policies

The Funds' financial statements provide information on accounting estimates and judgements made by the Fund.

The Funds have formed estimates based on information that was available on September 30, 2023, which was deemed to be reasonable in forming these estimates. The actual economic conditions may be different from the estimates used and this may result in differences between the accounting estimates applied and the actual results of the Funds for future periods.

The preparation of the Funds' financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

i) Valuation of investment securities

The Funds have applied IFRS 9 in their classification of financial assets which requires measurement of securities at fair value through profit and loss. For unquoted equity instruments and unlisted securities, fair values are estimated using price/earnings or price/cash flow ratios which have been refined to accommodate the specific circumstances of the issuer.

ii) Valuation of investment property

The Funds utilize an independent valuer but the nature of the valuation process is such that it is subject to significant judgement.

iii) Going concern

The Funds' management has made an assessment of the Funds' ability to continue as a going concern and is satisfied that the Funds have the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Funds' ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

4. Management fees and other expenses

Republic Bank (Barbados) Limited, a related company, serves as investment manager of the Funds. For providing investment advisory and management services, Republic Bank (Barbados) Limited is paid an annual management fee as follows:

Fund	Fee Rate 2023 & 2022	30-Sep 2023 \$	30-Sep 2022 \$
Republic Income Fund	1.00%	116,669	124,993
Republic Capital Growth Fund	1.75%	118,239	129,082
Republic Property Fund	1.75%	25,028	26,231
Total		259,936	280,306

Barbados Central Securities Custodian and Trust Services Inc. (BCSTI) serve as registrar, transfer agent and custodian of the Funds. As a result of providing custodian services, they receive a Custodian Trustee Fee in respect of each class of the Fund, calculated on the same basis as the management fees paid to the investment manager. Custody Fees were as follows:

Fund	Fee Rate 2023 & 2022	30-Sep 2023 \$	30-Sep 2022 \$
Republic Income Fund	0.20%	23,334	24,999
Republic Capital Growth Fund	0.20%	13,513	14,752
Republic Property Fund	0.20%	2,860	2,999
Total		39,707	42,750

In addition to the management fee and custody fee, the Funds are responsible for the payment of all direct expenses relating to their operations such as audit, legal and professional fees.

5. Cash at bank

The cash balances held with Republic Bank (Barbados) Limited, a related company, are non-interest bearing.

	30-Sep 2023 \$	30-Sep 2022 \$
Republic Income Fund	1,647,776	554,427
Republic Capital Growth Fund	132,526	385,284
Republic Property Fund	447,221	512,896

Republic Funds (Barbados) Inc.
Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

6. Financial assets

	30-Sep 2023	
	Cost \$	Market Value \$
Republic Income Fund		
Local investments		
Fixed income securities		
University of the West Indies - Clarendon Bond	832,861	867,758
Barbados Port Inc. Bond	872,727	866,967
Total fixed income securities	<u>1,705,588</u>	<u>1,734,725</u>
Government of Barbados Debentures		
Government of Barbados - Series D	11,125,559	8,543,317
Total Government of Barbados Debentures	<u>11,125,559</u>	<u>8,543,317</u>
Total Republic Income Fund Investments	<u>12,831,147</u>	<u>10,278,042</u>

Republic Funds (Barbados) Inc.
Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

6. Financial assets (continued)

	30-Sep 2022	
	Cost \$	Market Value \$
Republic Income Fund (continued)		
Local investments		
Fixed income securities		
University of the West Indies - Clarendon Bond	871,564	810,118
Barbados Port Inc. Bond	1,090,909	1,074,000
N.S.R. Limited Bond	2,000,000	1,986,600
Total fixed income securities	<u>3,962,473</u>	<u>3,870,718</u>
Government of Barbados Debentures		
Government of Barbados - Series D	11,125,559	7,616,558
Total Government of Barbados Debentures	<u>11,125,559</u>	<u>7,616,558</u>
Total Republic Income Fund Investments	<u>15,088,032</u>	<u>11,487,276</u>

Republic Funds (Barbados) Inc.
Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

6. Financial assets (continued)

	No. of shares	30-Sep 2023 Cost \$	Market Value \$
Republic Capital Growth Fund			
Local investments			
Equity securities			
Conglomerate Goddard Enterprises Ltd.	329,792	155,029	1,038,845
Banking CIBC FirstCaribbean International Bank Ltd.	95,230	363,518	197,923
Non-Bank Finance Insurance Corporation of Barbados Ltd.	211,117	691,757	375,788
Total local equity securities		<u>1,210,304</u>	<u>1,612,556</u>
Government of Barbados Debentures			
Government of Barbados - Series D		<u>949,043</u>	<u>728,770</u>
Total Government of Barbados Debentures		<u>949,043</u>	<u>728,770</u>
Total local investments		<u>2,159,347</u>	<u>2,341,326</u>

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

6. Financial assets (continued)

		30-Sep 2023	
	No. of shares	Cost \$	Market Value \$
Republic Capital Growth Fund (continued)			
Foreign investments			
Equity securities			
Conglomerate			
Massy Holdings Ltd.	889,360	602,676	1,288,612
Banking			
Royal Bank of Canada	8,461	665,027	1,494,449
Non-Bank Finance			
Guardian Holdings Limited	18,538	55,177	105,129
National Enterprises Ltd	41,665	193,407	43,916
Republic Financial Holdings	7,857	320,300	282,318
Sagicor Financial Corporation	31,799	432,408	236,588
		<u>1,001,292</u>	<u>667,951</u>
Manufacturing			
West Indian Tobacco Ltd.	2,238	6,914	6,778
Ansa McAL Ltd.	24,093	413,674	414,185
Grace Kennedy Ltd.	9,000	3,488	8,481
		<u>424,076</u>	<u>429,444</u>
Media			
One Caribbean Media Ltd.	112,128	565,078	123,181
Total foreign equity securities		<u>3,258,149</u>	<u>4,003,637</u>
Government of Trinidad & Tobago Debentures			
Government of Trinidad & Tobago Series 2 Bond		137,000	35,726
		<u>137,000</u>	<u>35,726</u>
United States Government			
US Treasury Bill		199,326	200,583
Total Republic Capital Growth Fund Investments		<u>5,753,822</u>	<u>6,581,272</u>

Republic Funds (Barbados) Inc.
Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

6. Financial assets (continued)

		30-Sep 2022	
	No. of shares	Cost \$	Market Value \$
Republic Capital Growth Fund (continued)			
Local investments			
Equity securities			
Conglomerate			
Goddard Enterprises Ltd.	329,792	155,029	972,886
Banking			
CIBC FirstCaribbean International Bank Ltd.	95,230	363,518	143,512
Non-Bank Finance			
Insurance Corporation of Barbados Ltd.	211,117	691,757	375,788
		<u>1,210,304</u>	<u>1,492,186</u>
Government of Barbados Debentures			
Government of Barbados - Series D		949,043	649,715
Total Government of Barbados Debentures		<u>949,043</u>	<u>649,715</u>
Total local investments		<u>2,159,347</u>	<u>2,141,901</u>

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

6. Financial assets (continued)

		30-Sep 2022	
	No. of shares	Cost \$	Market Value \$
Republic Capital Growth Fund (continued)			
Foreign investments			
Equity securities			
Conglomerate			
Massy Holdings Ltd.	889,360	602,676	1,237,774
Banking			
Royal Bank of Canada	9,111	799,930	1,660,122
Non-Bank Finance			
Guardian Holdings Limited	18,538	55,177	139,684
National Enterprises Ltd	41,665	193,407	40,628
Clico Investment Fund	40,000	264,435	354,588
Sagicor Financial Corporation	31,799	432,408	282,322
		<u>945,427</u>	<u>817,222</u>
Manufacturing			
West Indian Tobacco Ltd.	2,238	6,914	14,873
Ansa McAL Ltd.	24,093	413,675	402,237
Grace Kennedy Ltd.	9,000	3,488	10,631
		<u>424,077</u>	<u>427,741</u>
Media			
One Caribbean Media Ltd.	112,128	565,078	132,199
		<u>3,337,188</u>	<u>4,275,058</u>
Total foreign equity securities			
		<u>3,337,188</u>	<u>4,275,058</u>
Total Republic Capital Growth Fund Investments		<u>5,496,535</u>	<u>6,416,959</u>

Republic Funds (Barbados) Inc.
Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

6. Financial assets (continued)

	No. of shares	30-Sep 2023 Cost \$	Market Value \$
Republic Property Fund			
Local investments			
Equity securities			
Unlisted			
Southern Golf & Country Club Ltd.	50,000	50,000	42,636
Total local equity securities		<u>50,000</u>	<u>42,636</u>
Fixed income securities			
Barbados Port Inc.		109,091	108,371
Total fixed income securities		<u>109,091</u>	<u>108,371</u>
Government of Barbados Debentures			
Government of Barbados - Series D		369,850	284,008
Total Government of Barbados Debentures		<u>369,850</u>	<u>284,008</u>
Total local investments		<u>528,941</u>	<u>435,015</u>
Foreign investments			
Equity Securities			
Media			
One Caribbean Media Ltd.	28,643	173,440	31,466
Total foreign equity securities		<u>173,440</u>	<u>31,466</u>
Total Republic Property Fund investments		<u>702,381</u>	<u>466,481</u>

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

6. Financial assets (continued)

		30-Sep 2022	
	No. of shares	Cost \$	Market Value \$
Republic Property Fund (continued)			
Local investments			
Equity securities			
Unlisted			
Southern Golf & Country Club Ltd.	50,000	50,000	40,958
Total local equity securities		<u>50,000</u>	<u>40,958</u>
Fixed income securities			
Barbados Port Inc.		136,364	134,250
Total fixed income securities		<u>136,364</u>	<u>134,250</u>
Total Government of Barbados Debentures			
Government of Barbados - Series D		369,850	253,199
Government of Barbados Debentures		<u>369,850</u>	<u>253,199</u>
Total local investments		<u>556,214</u>	<u>428,407</u>
Foreign investments			
Equity Securities			
Media			
One Caribbean Media Ltd.	28,643	173,440	33,771
Total foreign equity securities		<u>173,440</u>	<u>33,771</u>
Total Republic Property Fund investments		<u>729,654</u>	<u>462,178</u>

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

7. Investment property

	Fair value hierarchy/ level	Cost \$	Fair value b/fwd \$	Fair value gains \$	Fair value c/fwd \$
2023	3	1,291,149	515,000	-	515,000
2022	3	1,291,149	502,146	12,854	515,000

During the year the investment property was appraised by independent valuers at a special assumption value \$515,000 (2022 – \$515,000). The Fund owns property located at I-26 Great Hill, Apes Hill, St. James, Barbados.

8. Due to related company

Balances due to related company are interest free, unsecured and are payable on demand.

	30-Sep 2023 \$	30-Sep 2022 \$
Republic Income Fund	29,322	19,985
Republic Capital Growth Fund	29,481	20,598
Republic Property Fund	6,217	4,324
Total	65,020	44,907

9. Share capital and Redeemable fund shares

	No. of Shares	30-Sep 2023 \$	No. of Shares	30-Sep 2022 \$
Authorized Common shares 950 common shares of no par value				
Issued Common Shares				
Republic Income Fund	400	400	400	400
Republic Capital Growth Fund	400	400	400	400
Republic Property Fund	150	150	150	150

The common shareholders have broad voting rights in relation to the appointment and removal of the Directors, and control and management of the Funds. The common shareholders of the Funds shall not be entitled to participate or share in the distribution of any property belonging to any of the Funds maintained by the investment managers. Upon liquidation or winding up of the Funds, the Articles of Incorporation provide that common shareholders have the right to receive the remaining property of the Funds on dissolution.

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

9. Share capital and Redeemable fund shares (continued)

Redeemable fund shares

An unlimited number of redeemable mutual fund shares of no par value were designated as:

Class A - Republic Income Fund
Class B - Republic Capital Growth Fund
Class D - Republic Property Fund
Class F, Class G & Class H Shares are no longer in issue

	No. of Shares	30-Sep 2023 \$	No. of Shares	30-Sep 2022 \$
Redeemable fund shares				
Republic Income Fund				
Balance - beginning of the year	9,476,294	11,867,421	10,744,997	13,093,076
Issued during the year	33,539	44,425	41,149	51,041
Redeemed during the year	(949,890)	(1,226,034)	(1,309,852)	(1,612,666)
Net and total comprehensive income for the year and net increase in net assets attributable to redeemable fund shareholders	-	1,079,016	-	335,970
Balance - end of year	8,559,943	11,764,828	9,476,294	11,867,421
Republic Capital Growth Fund				
Balance - beginning of the year	5,073,736	6,795,887	5,655,549	7,252,899
Issued during the year	35,339	48,310	53,719	73,229
Redeemed during the year	(226,155)	(308,808)	(635,532)	(859,248)
Net and total comprehensive income for the year and net decrease in net assets and net decrease in net assets attributable to redeemable fund shareholders	-	154,182	-	329,007
Balance - end of year	4,882,920	6,689,571	5,073,736	6,795,887
Republic Property Fund				
Balance - beginning of the year	2,273,363	1,477,151	2,316,970	1,537,973
Redeemed during the year	(18,984)	(12,028)	(43,607)	(28,806)
Net and total comprehensive loss for the year and net decrease in net assets attributable to redeemable fund shareholders	-	(52,434)	-	(32,016)
Balance - end of year	2,254,379	1,412,689	2,273,363	1,477,151

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

For the year ended September 30, 2023
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9. Share capital and Redeemable fund shares (continued)

The holders of redeemable mutual fund shares have an interest in the undivided portion of the assets of the respective Fund. These shares secure an equal share in the distribution of the net income and net capital gains and participate equally in all other respects.

The holders of redeemable mutual fund shares are entitled to vote only in respect of:

- an increase, if any in the fees and charges to the Fund;
- modification of the investment objectives;
- a change of the appointed Auditors of the Fund
- a change of the appointed Trustee of the Fund
- the liquidation of any such Funds
- the winding up of the company, Republic Funds (Barbados) Inc.
- the reconstruction of the company and/or the amalgamation of the company and/or any such Fund with any other company or Fund

Further, the redeemable fund shareholders have no right to receive any property or any dividend of the Funds other than the returns on the investments which constitute the assets of the respective Funds which are distributable rateably among the Funds' Shareholders of the respective Funds.

In accordance with the provisions of the Mutual Fund's Prospectus for "Suspension of Redemption", given the exceptional circumstances in the Barbadian economy, the Directors exercised their rights to limit redemptions to 20% of the shares held by each shareholder of the Income Fund from June 10, 2018. On the advice of the Investment Manager, the Board of Directors of Republic Funds (Barbados) Incorporated at a meeting held on February 18, 2022, approved the removal of the suspension of subscriptions and the removal of the restriction on redemptions from the Republic Income Fund with immediate effect.

10. Related party transactions

In addition to the transactions disclosed in Notes 4, 7 and 8, the following related parties hold redeemable fund shares in the classes of the Fund as disclosed below:

	No. of Shares 30-Sep 2023	No. of Shares 30-Sep 2022
Republic Bank (Barbados) Limited Class D - Republic Property Fund	<u>1,486,607</u>	<u>1,486,607</u>

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

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11. Risk Management

Financial assets of the Funds include cash, investment securities, interest receivable and other receivables. Financial liabilities of the Funds include bank overdraft, amounts due to related company, accounts payable and net assets attributable to redeemable fund shareholders.

The Funds are exposed to a variety of financial risks: market risk (which include interest rate risk, currency risk and price risk), credit risk and liquidity risk. Each Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy. The effects of these risks are disclosed in the sections below:

11.1 Interest rate risk

The Funds are exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows. The Funds' management and an investment committee continually review and manage these risks. The committee employs a number of tools including gap analysis and interest rate sensitivity analysis to monitor these risks and establish appropriate strategies to limit exposure.

The effective interest rates and periods to maturity of the Funds' assets are summarised in the following table:

	30-Sep 2023		30-Sep 2022	
	Interest Rates	Years to maturity	Interest Rates	Years to maturity
Republic Income Fund				
Government of Barbados Series D Bond	1.5% - 7.5%	0 - 30	1.50%	0 - 31
Other Bonds	4.20% - 8.00%	2 - 12	4.20% - 7.50%	3 - 13
Republic Capital Growth Fund				
Government of Barbados Series D Bond	1.5% - 7.5%	0 - 30	1.50%	0 - 31
Government of Trinidad & Tobago Series 2	4.25%	0 - 4		
Republic Property Fund				
Government of Barbados Series D Bond	1.5% - 7.5%	0 - 30	1.50%	0 - 31
Other Bonds	4.20%	0 - 5	4.20%	0-5

11.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. Some of the Funds' transactions are in United States, Canadian and Trinidad & Tobago dollars. The Barbados dollar is fixed to the US dollar, and there are no significant currency risk exposures. Management monitors the Funds exposure to foreign currency fluctuation and employs appropriate strategies to mitigate any potential losses.

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

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11. Risk Management (continued)

11.3 Price risk

The Funds are exposed to price risk arising from changes in equity prices. Equity price risk is the risk of unfavourable changes in the fair values of equities as the result of changes in the levels of equity indices and the value of individual shares. The equity price risk exposure arises from the Funds' investments in equity securities. The Funds manage this risk by holding a diversified portfolio.

The Funds overall market positions are monitored on a daily basis by the Investment Manager and are reviewed on a monthly basis by the Board of Directors.

The effects of an across the board 5% decline in equity prices of the Funds' fair value equity securities, at the statement of financial position date are set out below.

	30-Sep 2023		30-Sep 2022	
	Fair value \$	Effect of a 5% Decline \$	Fair value \$	Effect of a 5% Decline \$
Republic Capital Growth Fund				
Equity securities:				
Listed on Caribbean stock exchanges and markets	3,885,156	(194,258)	3,824,800	(191,240)
Listed on International stock exchanges and markets	1,731,037	(86,552)	1,942,444	(97,122)
	<u>5,616,193</u>	<u>(280,810)</u>	<u>5,767,244</u>	<u>(288,362)</u>
Republic Property Fund				
Equity securities:				
Listed on Caribbean stock exchanges and markets	31,466	(1,573)	33,771	(1,689)
Unlisted securities	42,636	(2,132)	40,958	(2,048)
	<u>74,102</u>	<u>(3,705)</u>	<u>74,729</u>	<u>(3,737)</u>

Republic Funds (Barbados) Inc.**Notes to the Financial Statements**

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11. Risk Management (continued)**11.4 Credit risk**

Credit risk is the potential that a borrower or counterparty will fail to meet its stated obligations in accordance with the agreed terms. The Funds exposure to credit risk is indicated by the carrying amounts of their assets. Credit risk is minimized through the following;

- a) Holding a diversified portfolio of securities denominated in United States dollars and Barbados dollars.
- b) Not more than 10% of the assets of any one Fund may be invested in securities issued by any one company. There is no limitation however in investments in the securities of sovereign states.
- c) Up to 10% of a Fund's assets may be invested in securities that are not quoted and not regularly traded.
- d) Under the provisions of By-Law 2 of the Company, the Funds' Investment Manager may not enter into any derivative transaction and/or foreign currency transact for speculative purposes.

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

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(Expressed in Barbados dollars)

11. Risk Management (continued)

11.4 Credit risk (continued)

The table below shows the Fund's maximum exposure to credit risk:

	30-Sep 2023		30-Sep 2022	
	Gross maximum exposure \$	% \$	Gross maximum exposure \$	%
Republic Income Fund				
Cash at bank	1,647,776	14%	554,427	5%
Interest receivable	39,403	0%	13,907	0%
Fixed income securities	1,734,725	14%	3,870,718	32%
Government of Barbados Debentures	8,543,317	72%	7,616,558	63%
Total	11,965,221	100%	12,055,610	100%
Republic Capital Growth Fund				
Cash at bank	132,526	15%	385,284	35%
Interest receivable	3,992	0%	1,186	0%
Other receivables	38,081	4%	50,838	5%
Government of Barbados Debentures	728,770	81%	649,715	60%
Total	903,369	100%	1,087,023	100%
Republic Property Fund				
Cash at bank	447,221	53%	512,896	57%
Interest receivable	1,310	0%	462	0%
Fixed income securities	108,371	13%	134,250	15%
Government of Barbados Debentures	284,008	33%	253,199	28%
Total	840,910	100%	900,807	100%

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

11. Risk Management (continued)

11.4 Credit risk (continued)

a) Geographical sectors

The Funds' maximum credit exposure can be analysed based on the country of domicile of counterparties. The domicile of counterparty for each Fund is Barbados.

	30-Sep 2023 \$	30-Sep 2022 \$
Republic Income Fund	11,965,221	12,055,610
Republic Capital Growth Fund	903,369	1,087,023
Republic Property Fund	840,910	900,807

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

For the year ended September 30, 2023
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11. Risk Management (continued)

11.4 Credit risk (continued)

b) Industry sectors

The following table breaks down the Fund's maximum credit exposure as categorized by the industry sectors:

	30-Sep 2023 \$	30-Sep 2022 \$
Republic Income Fund		
Government & Government Bodies	8,582,720	7,630,465
Financial Sector	1,647,776	554,427
Education	867,758	810,118
Transportation	866,967	1,074,000
Other Service	-	1,986,600
	<u>11,965,221</u>	<u>12,055,610</u>
Republic Capital Growth Fund		
Government & Government Bodies	732,762	650,901
Financial Sector	132,526	385,284
Other Service	38,081	50,838
	<u>903,369</u>	<u>1,087,023</u>
Republic Property Fund		
Government & Government Bodies	285,318	253,661
Financial Sector	447,221	512,896
Transportation	108,371	134,250
	<u>840,910</u>	<u>900,807</u>

Republic Funds (Barbados) Inc.**Notes to the Financial Statements**

For the year ended September 30, 2023
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11. Risk Management (continued)**11.5 Liquidity risk**

Liquidity risk is defined as the risk that the Funds do not have sufficient financial resources available to meet all their 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 mature or are withdrawn, or to satisfy the demands of shareholders for weekly redemptions. Liquidity management focuses on ensuring that the Funds have sufficient funds to meet all of their obligations.

The primary sources of funds that are used to provide liquidity are shareholders contributions, interest and dividends from investments, loans from related party and securities that are sold in response to the demand for liquidity.

For the year ended September 30, 2023 and 2022, all financial liabilities are payable within one year or on demand.

12. Fair value

The Funds calculate the estimated fair value of all financial instruments at the statement of financial position date and separately discloses this information where these fair values are different from net book values.

Where fixed income securities are not actively traded in organised financial markets, fair value is determined using discounted cash flow analysis, which requires considerable judgment in interpreting market data and developing estimates. Accordingly estimates contained herein are not necessarily indicative of the amounts that the Funds could realise in a current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values. The fair value information for investments is based on information available to management as of the dates presented. Management is not aware of any factors that would significantly affect the estimated fair value amounts.

Financial instruments where carrying value is equal to fair value: Due to their short-term maturity, the carrying value of certain financial instruments is assumed to approximate their fair values. These include cash, interest receivable, other receivables, due to related company, accounts payable and net assets attributable to redeemable fund shareholders.

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

For the year ended September 30, 2023
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13. Determination of fair value and fair value hierarchies

The Funds use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1

Included in the Level 1 category are financial assets that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2

Included in the Level 2 category are financial assets that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Funds' own models whereby the majority of assumptions are market observable.

Level 3

Included in the Level 3 category are financial assets that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Funds determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Where the Funds' investments are not actively traded in organised financial markets, the fair value is determined using discounted cash flow analysis, which requires considerable judgement in interpreting market data and developing estimates. Accordingly, estimates contained herein are not necessarily indicative of the amounts that the Fund could realise in a current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values. The fair value information for investments is based on information available to management as at the dates presented. Management is not aware of any factors that would significantly affect the estimated fair value amounts.

Republic Funds (Barbados) Inc.
Notes to the Financial Statements

For the year ended September 30, 2023
(Expressed in Barbados dollars)

13. Determination of fair value and fair value hierarchies (continued)

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
REPUBLIC INCOME FUND				
For the year ended September 30, 2023				
Fixed income securities	-	1,734,725	-	1,734,725
Government of Barbados Debentures	-	-	8,543,317	8,543,317
	<u>-</u>	<u>1,734,725</u>	<u>8,543,317</u>	<u>10,278,042</u>
As at September 30, 2022				
Fixed income securities	-	3,870,718	-	3,870,718
Government of Barbados Debentures	-	-	7,616,558	7,616,558
	<u>-</u>	<u>3,870,718</u>	<u>7,616,558</u>	<u>11,487,276</u>
REPUBLIC CAPITAL GROWTH FUND				
For the year ended September 30, 2023				
Government of Barbados Debentures	-	-	728,770	728,770
Equity securities	5,852,502	-	-	5,852,502
	<u>5,852,502</u>	<u>-</u>	<u>728,770</u>	<u>6,581,272</u>
As at September 30, 2022				
Government of Barbados Debentures	-	-	649,715	649,715
Equity securities	5,767,244	-	-	5,767,244
	<u>5,767,244</u>	<u>-</u>	<u>649,715</u>	<u>6,416,959</u>

Republic Funds (Barbados) Inc.
Notes to the Financial Statements

For the year ended September 30, 2023
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13. Determination of fair value and fair value hierarchies (continued)

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
REPUBLIC PROPERTY FUND				
For the year ended September 30, 2023				
Fixed income securities	-	108,371	-	108,371
Government of Barbados Debentures	-	-	284,008	284,008
Equity securities	31,466	-	42,636	74,102
Investment property	-	-	515,000	515,000
	<u>31,466</u>	<u>108,371</u>	<u>841,644</u>	<u>981,481</u>
 As at September 30, 2022				
Fixed income securities	-	134,250	-	134,250
Government of Barbados Debentures	-	-	253,199	253,199
Equity securities	33,771	-	40,958	74,729
Investment property	-	-	515,000	515,000
	<u>33,771</u>	<u>134,250</u>	<u>809,158</u>	<u>977,178</u>

Republic Funds (Barbados) Inc.

Notes to the Financial Statements

For the year ended September 30, 2023
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13. Determination of fair value and fair value hierarchies (continued)

13.1 Transfers between Level 1 and 2

For the year ended September 30, 2023, no assets were transferred between Level 1 and Level 2.

13.2 Transfers between Level 2 and 3

For the year ended September 30, 2023, no assets were transferred between Level 2 and Level 3.

Reconciliation of movements in Level 3 financial instruments measured at fair value

	Balance at beginning of year \$	Unrealised Gain/(Loss) \$	Balance at end of year \$
Republic Income Fund			
Financial assets measured at fair value			
Government of Barbados Debentures	7,616,558	926,759	8,543,317
Republic Capital Growth Fund			
Financial assets measured at fair value			
Government of Barbados Debentures	649,715	79,055	728,770
Republic Property Fund			
Financial assets measured at fair value			
Government of Barbados Debentures	253,199	30,809	284,008
Investment property	515,000	-	515,000

14. Subsequent Event

The Directors of Republic Bank (Barbados) Limited entered into an agreement with Victoria Mutual Fund Investment Limited (VMIL) on November 5th 2021, for the sale of its subsidiary Republic Funds (Barbados) Incorporated, subject to the necessary regulatory approvals. As at the reporting date, approval was received from the regulators and closing procedures was ongoing.



Republic Funds (Barbados) Inc.