

Caribbean Export Development Agency
10th EDF - European Union Funds
(Programme Phase II Contribution Agreement)

Financial Statements
For the year ended 31 December 2014
(Expressed in Barbados Dollars)

CARIBBEAN EXPORT DEVELOPMENT AGENCY
10TH EDF – European Union Funds Programme (Contribution Agreement)

Financial Statements
For the year ended 31 December 2014

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AUDITORS' REPORT

To the Directors of Caribbean Export Development Agency 10th EDF – European Union Funds Programme (Contribution Agreement)

We have audited the accompanying financial statements of Caribbean Export Development Agency 10th EDF – European Union Funds Programme (Contribution Agreement), which comprise the statement of financial position as at 31 December 2014 and the statement of comprehensive income and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements, which have been prepared in accordance with the Financial Rules and Regulations of the Agency, as described in Note 2. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Caribbean Export Development Agency 10th EDF – European Union Funds Programme (Contribution Agreement) as at 31 December 2014 and its financial performance and its cash flows for the year then ended in accordance with the basis of accounting as described in Note 2.

CHARTERED ACCOUNTANTS
Barbados
21 March 2018

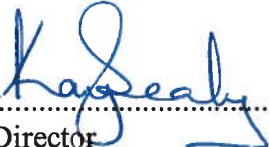
CARIBBEAN EXPORT DEVELOPMENT AGENCY
10TH EDF – European Union Funds Programme (Contribution Agreement)

Statement of Financial Position
As at 31 December 2014

	Notes	2014 \$	2013 \$
Assets			
Cash and cash equivalents	3	15,168,387	13,575,222
Accounts receivable		574,000	408,200
Due from related funds	4	1,667,686	2,299,296
		17,410,073	16,282,718
Liabilities			
Accounts payable and accrued liabilities		1,530,671	2,181,345
Due to related funds	5	262,417	207,163
Deferred operating income	6	15,605,519	13,888,464
		17,398,607	16,276,972
General Fund		11,466	5,746
		17,410,073	16,282,718

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

Approved by the Board of Directors on 2nd March 2018 and signed on its behalf by:


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Director

CARIBBEAN EXPORT DEVELOPMENT AGENCY
10TH EDF – European Union Funds Programme (Contribution Agreement)

Statement of Comprehensive Income
For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Income			
Interest income		5,720	5,746
Funding revenue	6	14,544,934	11,769,950
		14,550,654	11,775,696
Expenses			
CARICOM/ DR Relations		273,698	239,130
Competitiveness and Innovation		7,464,445	6,248,262
CARIFORUM/FCORs/OCTs – Relations		1,813,513	1,122,991
Trade and Export Development		3,046,183	2,521,118
Institutional strengthening/Programme Implementation		1,831,164	1,552,747
Visibility		26,697	702
Audit expense		89,234	85,000
		14,544,934	11,769,950
Surplus for the year		5,720	5,746

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

CARIBBEAN EXPORT DEVELOPMENT AGENCY
10TH EDF – European Union Funds Programme (Contribution Agreement)

Statement of Cash Flows
For the year ended 31 December 2014

	2014	2013
	\$	\$
Cash flows from operating activities		
Surplus for the year	5,720	5,746
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(165,800)	190,109
Decrease (increase) in due from related funds	631,610	(793,648)
(Decrease) increase in accounts payable and accrued liabilities	(650,674)	420,410
Increase in due to related funds	55,254	-
Increase in deferred operating income	1,717,055	11,707,462
Net cash from operating activities	1,587,445	11,524,333
Net increase in cash for the year	1,593,165	11,530,079
Cash at beginning of year	13,575,222	2,045,143
Cash at end of year	15,168,387	13,575,222

The accompanying notes form part of these financial statements.

CARIBBEAN EXPORT DEVELOPMENT AGENCY
10TH EDF – European Union Funds Programme (Contribution Agreement)

Notes to the Financial Statements
For the year ended 31 December 2014

1. Establishment, principal activity and registered office

Caribbean Export Development Agency (Caribbean Export) is a regional export development and trade and investment promotion organization of the forum of Caribbean States (CARIFORUM) and funded by the European Union and CARIFORUM States. It was established on 1 January 1996, by the “Agreement Establishing Caribbean Export Development Agency (Caribbean Export)”, signed by the CARIFORUM States. The predecessor organization to Caribbean Export was the Caricom Export Development Project (CEDP). The CARIFORUM Member States that are members of Caribbean Export are noted below: -

- Antigua and Barbuda
- Bahamas
- Barbados
- Belize
- Dominica
- Dominican Republic
- Haiti
- Grenada
- Guyana
- Jamaica
- St. Lucia
- St. Kitts & Nevis
- St. Vincent & the Grenadines
- Suriname
- Trinidad & Tobago

Counterpart Governments contribute funds to cover the operational costs of the Agency.

The principal place of business of the Agency is located at 1st Floor, Baobab Tower, Warrens, St. Michael, Barbados, with a sub-regional office located at C/ Pedro Henriquez Ureña #150, Torre Diandy XIX, 7th Floor, La Esperilla, Santo Domingo, Dominican Republic.

The financial statements for the 10th EDF – European Union Funds Programme (Contribution Agreement) (the “Programme”) have been prepared for the year ended 31 December 2014. The Programme seeks to increase the international competitiveness of the private sector in CARIFORUM States and to help the potentially competitive sectors, and has an overall goal of poverty alleviation. It supports improvement of the trade environment as well as the institutional strengthening of Business Service Organisations (BSOs) to enhance the range and quality of services delivered to their members and clients.

CARIBBEAN EXPORT DEVELOPMENT AGENCY
10TH EDF – European Union Funds Programme (Contribution Agreement)

Notes to the Financial Statements
For the year ended 31 December 2014

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with accounting policies described below. They are not intended to present the financial condition or results of the Programme in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities but have been presented in accordance with the Financial Rules and Regulations of the Agency, which have been approved by the European Union Delegation in accordance with the recommendation of the MOORE STEPHENS L.L.P. report which was issued on 12 January 2011 by the European Union appointed Evaluator and are not intended for any other purpose. The presentation differs from the International Financial Reporting Standard for Small and Medium-sized Entities as it relates to the accounting treatment for capital items which are expensed and not capitalized as well as accounting for realized and unrealized foreign exchange losses which are not recognized.

a) Basis of preparation

These financial statements are prepared under the historical cost convention.

b) Currency

The financial statements are expressed in Barbados dollars, the primary currency in which the Agency operates. Monetary assets and liabilities and transactions in currencies other than Barbados dollars are translated at the exchange rate prevailing at the time of the transaction. Gains and losses on foreign exchange are not included in the operating results for the year the year.

c) Use of estimates

The preparation of financial statements in conformity with policies described above requires management to make estimates and assumptions that affect amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

d) Revenue recognition

Revenue is recognized on the accrual basis.

e) Taxation

The Programme is not subject to income tax.

CARIBBEAN EXPORT DEVELOPMENT AGENCY
10TH EDF – European Union Funds Programme (Contribution Agreement)

Notes to the Financial Statements
For the year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

f) Deferred operating income

Deferred operating income is recognized at the date of the statement of financial position. Funds relating to program implementation are included as deferred income and are credited to the statement of comprehensive income in the same year as the relevant expenses are incurred.

g) European Development Fund (EDF) Funding

Funds from the EDF are recognized at their fair value where there is a reasonable assurance that the funding will be received.

3. Cash and cash equivalents

	2014	2013
	\$	\$
Cash	<u>15,168,387</u>	<u>13,575,222</u>

Included in the cash balance above are foreign exchange losses of \$1,977,641 (2013: \$918,832) which were not recognized in the Statement of Comprehensive Income.

4. Due from related funds

	2014	2013
	\$	\$
Counterpart Governments	994,214	795,192
Design Caribbean (GCCS)	66,748	66,748
Revenue	4,297	5,730
CARTFUND Health & Wellness	234,223	189,024
CARTFUND Specialty Food	74,028	74,028
GIZ	73,794	3,012
Department for International Development	-	1,165,562
Services Component	143,021	-
IADB	66,326	-
CAIPA Membership Fees	11,035	-
	<u>1,667,686</u>	<u>2,299,296</u>

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

CARIBBEAN EXPORT DEVELOPMENT AGENCY
10TH EDF – European Union Funds Programme (Contribution Agreement)

Detailed Statement of Expenses
For the year ended 31 December 2014

5. Due to related funds

	2014	2013
	\$	\$
Department for International Development	194,914	207,163
Services Component	67,503	-
	262,417	207,163

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

6. Deferred operating income

The Programme was funded by the European Community, where the first pre-financing EUR €3,258,262.48, second pre-financing EUR €3,950,681.11 and third pre-financing EUR €6,397,514.46 were received. During the year, BDS \$14,544,934 was recognized in income to match expenses incurred. The balance of BDS \$15,605,519 was recorded in deferred operating income on the statement of financial position. There are no unfulfilled conditions or contingencies attached to this amount.

CARIBBEAN EXPORT DEVELOPMENT AGENCY
10TH EDF – European Union Funds Programme (Contribution Agreement)
(For Management Purposes Only)

Detailed Statement of Expenses
For the year ended 31 December 2014
(expressed in Barbados dollars)

	2014	2013
	\$	\$
<u>Competitiveness and Innovation</u>		
<i>Regional Investment Strategy</i>	1,126,154	867,748
Stakeholder Consultations	-	114,433
Start-up Implementation	139,151	-
Co-ordination, Monitoring and Evaluation	530,996	493,111
Development of Regional Investment Strategy	456,007	260,204
<i>Investment Promotion</i>	210,344	759,527
Regional Branding as Investment Destination	129,787	121,343
Investment Missions/Tours	-	110,749
CAIPA Website Development	15,525	15,217
Training and Technical Assistance	12,495	100,098
Institutional Support - CAIPA	52,537	412,120
<i>Direct Assistance Scheme</i>	2,583,755	1,667,986
Promotion of Grant Scheme	68,434	42,697
Training	122,935	66,452
Co-ordination, Monitoring and Evaluation	791,942	925,050
Sensitization of Banking Sector & Other Stakeholders	14,142	-
Delivery of Assistance	1,586,302	633,787
<i>Priority Niche Sectors</i>	3,044,706	2,775,643
Technical Assistance and Training	411,946	298,452
Collection and Dissemination of Strategic Information	342,611	406,661
Strengthening of Regional Networks	657,962	88,359
Trade Missions and Meetings	-	533,106
Promotion	143,992	54,863
Delivery of Assistance to Sectors	218,826	41,564
Support for Regional Advocacy	68,335	230,084
Strengthening of BSO Capacity	249,259	119,976
Co-ordination, Monitoring and Evaluation	951,775	1,002,578
<i>Education - SME Links</i>	499,486	177,358
Meetings	36,590	18,531
Training and Consultancy	121,517	157,375
Technical Assistance	48,635	-
Support for R&D and Technology Transfer	292,744	1,452
Total for Competitiveness and Innovation	7,464,445	6,248,262

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(For Management Purposes Only)

Detailed Statement of Expenses
For the year ended 31 December 2014
(expressed in Barbados dollars)

	2014	2013
	\$	\$
<u>Trade and Export Development</u>		
<i>Trade and Market Intelligence</i>	823,577	992,520
Market Research Studies and Surveys	200,111	65,095
Collection and Dissemination of Strategic Information	69,211	56,786
Market Research Software Development	14,242	98,957
Meetings	-	78,166
Website Development and Maintenance	52,286	69,678
Promotion and Public Awareness Campaigns	4,823	79,819
Training and Consultancy	60,621	185,332
Co-ordination, Monitoring and Evaluation	422,283	358,687
<i>Regional Export Strategy</i>	129,187	176,943
Strategy Development	111,155	27,029
Stakeholder Consultation Meetings	-	128,896
Promotion	18,032	21,018
<i>Trade Policy and Advocacy</i>	665,790	436,950
Promotion and Public Relations	14,772	17,300
Workshops and Seminars	100,131	18,992
Website Development and Maintenance	127,171	54,809
Co-ordination, Monitoring and Evaluation	388,773	345,849
Preparatory Studies & Surveys	34,943	-
<i>Intellectual Property Rights</i>	164,586	189,548
Technical Assistance and Training	63,753	64,155
Consultancy	38,353	-
Workshops and Seminars	46,563	125,393
Promotion and Public Awareness Campaigns	15,917	-
<i>BSO - Support</i>	1,101,948	725,157
Technical Assistance and Consultancy	132,476	254,095
Training/Workshops & Seminars	56,300	89,654
Collection and Dissemination of Strategic Information	84,426	27,976
Co-ordination, Monitoring and Evaluation	828,746	353,432
<i>Cariforum - EU Business Forum</i>	161,095	-
Website Development and Maintenance	110,341	-
Meetings	10,850	-
Creation of Secretariat Services	39,904	-
Total for Trade and Export Development	3,046,183	2,521,118

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For the year ended 31 December 2014
(expressed in Barbados dollars)

	2014	2013
	\$	\$
<u>CARIFORUM/FCORs/OCTs – Relations</u>		
<i>Dissemination of Information on trade and Investment Laws and Regulations</i>	224,649	114,139
Collection and Dissemination of Strategic Information	49,305	113,260
Promotion and Public Relations	21,052	-
Workshops and Seminars	90,000	879
Website Development and Maintenance	64,292	-
<i>Business Opportunities</i>	1,388,257	804,018
Trade Missions and Meetings	190,131	135,810
Development of Business Linkages	149,378	79,079
Collection and Dissemination of Strategic Information	399,211	279,532
Technical Assistance and Training	136,478	-
Co-ordination, Monitoring and Evaluation	513,059	309,597
<i>Task Force on Trade and Investment</i>	200,607	204,834
Meetings	200,607	190,624
Consultancy	-	14,210
Total for CARIFORUM/FCORs/OCTs - Relations	1,813,513	1,122,991

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	2014	2013
	\$	\$
<u>CARICOM/DR RELATIONS</u>		
<i>Dissemination of Information on Trade and Investment Laws and Regulations</i>	24,359	-
Collection and Dissemination of Strategic Information	11,861	-
Promotion and Public Relations	-	-
Workshops and Seminars	-	-
Website Development and Maintenance	12,498	-
<i>Business Opportunities</i>	53,104	145,812
Trade Missions and Meetings	5,068	70,293
Development of Business Linkages	5,058	75,519
Collection and Dissemination of Strategic Information	42,978	-
<i>CARICOM/DR Business Forum</i>	196,235	93,318
Meetings	142,487	93,318
Technical Assistance and Consultancy	53,748	-
Total for Caricom/DR Relations	273,698	239,130

CARIBBEAN EXPORT DEVELOPMENT AGENCY
10TH EDF – European Union Funds Programme (Contribution Agreement)
(For Management Purposes Only)

Detailed Statement of Expenses
For the year ended 31 December 2014
(expressed in Barbados dollars)

	2014	2013
	\$	\$
<u>INSTITUTIONAL STRENGTHENING/ PROGRAMME IMPLEMENTATION</u>		
<i>Development and Promotion of Strategic Plan</i>	68,284	301,504
Consultancy	48,863	155,239
Meetings	19,421	140,942
Promotion	-	5,323
<i>Organizational and Institutional Restructuring</i>	1,504,335	1,046,734
Recruitment and Repatriation Expenses	20,621	510
Operational Procedures Review	-	4,380
Equipment and Materials Purchase and Installation	171,040	278,895
Technical Assistance and Consultancy	1,312,674	762,949
<i>Strengthening of Donor Co-ordination Capacity</i>	97,400	93,729
Meetings	97,400	35,913
Technical Assistance and Consultancy	-	57,815
<i>Coordination with Regional EDAs</i>	111,236	90,403
Meetings	59,821	-
Technical Assistance and Consultancy	-	30,259
Co-ordination, Monitoring and Evaluation	51,415	60,144
<i>Strengthening of Relevance to Regional Private Sector</i>	49,909	20,377
Meetings	49,815	-
Promotion	94	20,377
Co-ordination, Monitoring and Evaluation	-	-
Total for INSTITUTIONAL STRENGTHENING/ PROGRAMME IMPLEMENTATION	1,831,164	1,552,747