

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

Financial Statements
For the year ended 31 December 2015
(Expressed in Barbados Dollars)

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

Financial Statements
For the year ended 31 December 2015

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INDEPENDENT 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 2015 and the statements of comprehensive income and 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 2015 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
20 May 2019

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

Statement of Financial Position
As at 31 December 2015

	Notes	2015 \$	2014 \$
Assets			
Cash	3	7,519,329	15,168,387
Accounts receivable		374,735	574,000
Due from related funds	4	1,592,933	1,667,686
		9,486,997	17,410,073
Liabilities			
Accounts payable and accrued liabilities		2,615,696	1,530,670
Due to related funds	5	167,373	262,417
Deferred operating income	6	6,690,140	15,605,520
		9,473,209	17,398,607
General Fund		13,788	11,466
		9,486,997	17,410,073

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

Approved by the Board of Directors on 20 May 2019 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 2015

	Notes	2015 \$	2014 \$
Income			
Interest income		2,322	5,720
Funding revenue	6	12,188,501	14,544,934
		12,190,823	14,550,654
Expenses			
CARICOM/ DR Relations		74,289	273,698
Competitiveness and Innovation		7,981,364	7,464,445
CARIFORUM/FCORs/OCTs – Relations		413,880	1,813,513
Trade and Export Development		3,196,863	3,046,183
Institutional strengthening/Programme Implementation		425,944	1,831,164
Visibility		9,680	26,697
Audit expense		86,481	89,234
		12,188,501	14,544,934
Surplus for the year		2,322	5,720

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 2015

	2015	2014
	\$	\$
Cash flows from operating activities		
Surplus for the year	2,322	5,720
Changes in operating assets and liabilities		
Decrease (increase) in accounts receivable	199,265	(165,800)
Decrease in due from related funds	74,753	631,610
Increase (decrease) in accounts payable and accrued liabilities	1,085,026	(650,674)
(Decrease) increase in due to related funds	(95,044)	55,254
(Decrease) increase in deferred operating income	(8,915,380)	1,717,055
Net cash (used in) from operating activities	(7,651,380)	1,587,445
Net (decrease) increase in cash for the year	(7,649,058)	1,593,165
Cash at beginning of year	15,168,387	13,575,222
Cash at end of year	7,519,329	15,168,387

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 2015

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 2015. 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 2015

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 2015

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

	2015	2014
	\$	\$
Cash	<u>7,519,329</u>	<u>15,168,387</u>

Included in the cash balance above are foreign exchange losses of \$2,972,484 (2014: \$1,977,641) which were not recognized in the Statement of Comprehensive Income.

4. Due from related funds

	2015	2014
	\$	\$
Counterpart Governments	1,015,556	994,214
Design Caribbean (GCCS)	-	66,748
Revenue	15,693	4,297
CARTFUND Health & Wellness	36,451	234,223
CARTFUND Specialty Food	36,457	74,028
GIZ	-	73,794
Services Component	293,773	143,021
IADB	184,626	66,326
CAIPA Membership Fees	10,377	11,035
	<u>1,592,933</u>	<u>1,667,686</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 2015

5. Due to related funds

	2015	2014
	\$	\$
Department for International Development	-	194,914
Revenue	19,415	-
Services Component	147,958	67,503
	<u>167,373</u>	<u>262,417</u>

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 €8,258,262.48, second pre-financing EUR €8,950,681.11, third pre-financing EUR €6,397,514.46, and fourth pre-financing EUR €1,452,908.09 were received. During the year, BDS \$12,188,501 was recognized in income to match expenses incurred. The balance of BDS \$6,690,140 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 2015
(expressed in Barbados dollars)

	2015	2014
	\$	\$
<u>Competitiveness and Innovation</u>		
<i>Regional Investment Strategy</i>	567,835	1,126,154
Stakeholder Consultations	21,021	-
Start-up Implementation	234,811	139,151
Co-ordination, Monitoring and Evaluation	297,157	530,996
Development of Regional Investment Strategy	14,846	456,007
<i>Investment Promotion</i>	263,600	210,344
Regional Branding as Investment Destination	26,252	129,787
Investment Missions/Tours	9,797	-
CAIPA Website Development	78,729	15,525
Training and Technical Assistance	36,958	12,495
Institutional Support - CAIPA	111,864	52,537
<i>Direct Assistance Scheme</i>	4,508,364	2,583,755
Promotion of Grant Scheme	42,634	68,434
Training	22,473	122,935
Co-ordination, Monitoring and Evaluation	919,733	791,942
Sensitization of Banking Sector & Other Stakeholders	54,962	14,142
Delivery of Assistance	3,468,562	1,586,302
<i>Priority Niche Sectors</i>	2,615,658	3,044,706
Technical Assistance and Training	255,737	411,946
Collection and Dissemination of Strategic Information	650,503	342,611
Strengthening of Regional Networks	27,277	657,962
Trade Missions and Meetings	530,690	-
Promotion	55,291	143,992
Delivery of Assistance to Sectors	607,237	218,826
Support for Regional Advocacy	-	68,335
Strengthening of BSO Capacity	270,977	249,259
Co-ordination, Monitoring and Evaluation	217,946	951,775
<i>Education - SME Links</i>	25,907	499,486
Meetings	8,789	36,590
Training and Consultancy	-	121,517
Technical Assistance	17,118	48,635
Support for R&D and Technology Transfer	-	292,744
Total for Competitiveness and Innovation	7,981,364	7,464,445

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Detailed Statement of Expenses
For the year ended 31 December 2015
(expressed in Barbados dollars)

	2015	2014
	\$	\$
<u>Trade and Export Development</u>		
<i>Trade and Market Intelligence</i>	897,226	823,577
Market Research Studies and Surveys	322,048	200,111
Collection and Dissemination of Strategic Information	90,434	69,211
Market Research Software Development	-	14,242
Meetings	2,239	-
Website Development and Maintenance	4,823	52,286
Promotion and Public Awareness Campaigns	56,398	4,823
Training and Consultancy	-	60,621
Co-ordination, Monitoring and Evaluation	421,284	422,283
<i>Regional Export Strategy</i>	52,207	129,187
Strategy Development	43,592	111,155
Promotion	8,615	18,032
<i>Trade Policy and Advocacy</i>	460,800	665,790
Promotion and Public Relations	6,035	14,772
Workshops and Seminars	-	100,131
Website Development and Maintenance	37,038	127,171
Co-ordination, Monitoring and Evaluation	379,598	388,773
Preparatory Studies & Surveys	38,129	34,943
<i>Intellectual Property Rights</i>	183,970	164,586
Technical Assistance and Training	36,855	63,753
Consultancy	-	38,353
Workshops and Seminars	90,304	46,563
Promotion and Public Awareness Campaigns	56,811	15,917
<i>BSO - Support</i>	1,430,846	1,101,948
Technical Assistance and Consultancy	12,721	132,476
Training/Workshops & Seminars	39,731	56,300
Collection and Dissemination of Strategic Information	-	84,426
Co-ordination, Monitoring and Evaluation	1,378,394	828,746
<i>Cariforum - EU Business Forum</i>	171,814	161,095
Website Development and Maintenance	83,814	110,341
Meetings	17,251	10,850
Creation of Secretariat Services	70,749	39,904
Total for Trade and Export Development	3,196,863	3,046,183

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For the year ended 31 December 2015
(expresses in Barbados dollars)

	2015	2014
	\$	\$
<u>CARIFORUM/FCORs/OCTs – Relations</u>		
<i>Dissemination of Information on trade and Investment Laws and Regulations</i>	38,513	224,649
Collection and Dissemination of Strategic Information	4,146	49,305
Promotion and Public Relations	34,367	21,052
Workshops and Seminars	-	90,000
Website Development and Maintenance	-	64,292
<i>Business Opportunities</i>	375,310	1,388,257
Trade Missions and Meetings	54,821	190,131
Development of Business Linkages	-	149,378
Collection and Dissemination of Strategic Information	-	399,211
Technical Assistance and Training	7,680	136,478
Co-ordination, Monitoring and Evaluation	312,809	513,059
<i>Task Force on Trade and Investment Meetings</i>	57	200,607
	57	200,607
Total for CARIFORUM/FCORs/OCTs - Relations	413,880	1,813,513

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(expressed in Barbados dollars)

	2015	2014
	\$	\$
<u>CARICOM/DR RELATIONS</u>		
<i>Dissemination of Information on Trade and Investment Laws and Regulations</i>	26,738	24,359
Collection and Dissemination of Strategic Information	1,174	11,861
Promotion and Public Relations	10,748	-
Workshops and Seminars	2,233	-
Website Development and Maintenance	12,583	12,498
<i>Business Opportunities</i>	33,448	53,104
Trade Missions and Meetings	-	5,068
Development of Business Linkages	-	5,058
Collection and Dissemination of Strategic Information	33,448	42,978
<i>CARICOM/DR Business Forum</i>	14,103	196,235
Meetings	14,103	142,487
Technical Assistance and Consultancy	-	53,748
Total for Caricom/DR Relations	74,289	273,698

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Detailed Statement of Expenses
For the year ended 31 December 2015
(expressed in Barbados dollars)

	2015 \$	2014 \$
<u>INSTITUTIONAL STRENGTHENING/ PROGRAMME IMPLEMENTATION</u>		
<i>Development and Promotion of Strategic Plan</i>	19,940	68,284
Consultancy	19,940	48,863
Meetings	-	19,421
<i>Organizational and Institutional Restructuring</i>	113,175	1,504,335
Recruitment and Repatriation Expenses	48,563	20,621
Operational Procedures Review	5,496	-
Equipment and Materials Purchase and Installation	-	171,040
Technical Assistance and Consultancy	59,116	1,312,674
<i>Strengthening of Donor Co-ordination Capacity</i>	60,130	97,400
Meetings	35,249	97,400
Technical Assistance and Consultancy	24,881	-
<i>Coordination with Regional EDAs</i>	58,443	111,236
Meetings	56,011	59,821
Co-ordination, Monitoring and Evaluation	2,432	51,415
<i>Strengthening of Relevance to Regional Private Sector</i>	174,256	49,909
Meetings	22,324	49,815
Technical Assistance and Consultancy	43,814	-
Promotion	54,460	94
Co-ordination, Monitoring and Evaluation	53,658	-
Total for INSTITUTIONAL STRENGTHENING/ PROGRAMME IMPLEMENTATION	425,944	1,831,164