

Caribbean Export Development Agency
Counterpart Public & Private Sector

Financial Statements

For the Year ended 31 December 2017
(Expressed in Barbados Dollars)

**CARIBBEAN EXPORT DEVELOPMENT AGENCY
COUNTERPART PUBLIC & PRIVATE SECTOR**

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For the Year ended 31 December 2017

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INDEPENDENT AUDITOR'S REPORT

To the Directors of the Caribbean Export Development Agency

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Caribbean Export Development Agency - Counterpart Public & Private Sector which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in general fund and statement of cash flows 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 Caribbean Export Development Agency - Counterpart Public & Private Sector, and its financial performance and its cash flows for the year ended in accordance with the International Financial Reporting Standard for small and Medium-sized Entities.

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 Agency in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("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 and Board of Directors for the Financial Statements

Management is responsible for overseeing the Agency's financial reporting process. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities 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.

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.

INDEPENDENT AUDITOR'S REPORT (cont'd)

To the Directors of the Caribbean Export Development Agency

Report on the Audit of the Financial Statements (cont'd)

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

- 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 Agency'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 Agency'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 Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITOR'S REPORT (cont'd)

To the Directors of the Caribbean Export Development Agency

Report on the Audit of the Financial Statements (cont'd)

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

Other Legal Matter

This report is made solely to the Agency's directors, in accordance with Article 16 of the Financial Regulations, Rules and Directives of the Organization. Our audit work has been undertaken so that we might state to the Agency's Directors 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 Agency and the Agency's directors as a body, for our audit work, for this report, or for the opinion we have formed.

Barbados


**CARIBBEAN EXPORT DEVELOPMENT AGENCY
COUNTERPART PUBLIC & PRIVATE SECTOR**

Statement of Financial Position
As at 31 December 2017

	Notes	2017 \$	2016 \$
Assets			
Cash		93,482	118,067
Accounts receivable	4	1,960,746	2,322,294
Due from related funds	3	820,802	92,037
		<u>2,875,030</u>	<u>2,532,398</u>
Liabilities			
Bank overdraft		413,431	566,056
Accounts payable and accrued liabilities		17,887	246,343
Due to related funds	3	761,348	78,325
		<u>1,192,666</u>	<u>890,724</u>
General fund		<u>1,682,364</u>	<u>1,641,674</u>
		<u>2,875,030</u>	<u>2,532,398</u>

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

Approved by the Board of Directors on *July 1, 2022* and signed on its behalf by:

..........Director

**CARIBBEAN EXPORT DEVELOPMENT AGENCY
COUNTERPART PUBLIC & PRIVATE SECTOR**

Statement of Comprehensive Income
For the Year ended 31 December 2017

	2017 \$	2016 \$
Revenue		
Antigua and Barbuda	35,206	33,426
Bahamas	169,839	169,839
Barbados	186,134	186,346
Belize	51,338	50,198
Dominica	35,766	33,579
Dominican Republic	238,871	297,083
Grenada	35,500	33,466
Guyana	121,314	121,314
Jamaica	447,047	431,659
Haiti	145,580	145,754
St. Kitts and Nevis	33,188	33,188
St. Lucia	33,188	33,226
Suriname	124,363	121,592
St. Vincent and the Grenadines	33,453	33,224
Trinidad and Tobago	467,925	467,925
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	2,158,712	2,191,819
Other	71,349	43,916
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	2,230,061	2,235,735
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**CARIBBEAN EXPORT DEVELOPMENT AGENCY
COUNTERPART PUBLIC & PRIVATE SECTOR**

Statement of Comprehensive Income (cont'd)
For the Year ended 31 December 2017

	2017 \$	2016 \$
Expenses		
Accommodation and travel	9,514	1,030
Administration	21,945	20,363
Advertising	387	1,212
Business seminar	17,873	39,928
Consulting fees	83,200	6,803
Insurance	20,863	26,682
Interest and bank charges	53,757	60,413
Rent	55,579	60,859
Repairs and maintenance	65,876	52,405
Staff costs	1,839,350	1,756,833
Bad debt expense	-	66,790
Utilities	22,329	10,162
Unrealized foreign exchange (gains)losses	(1,302)	30,867
	<u>2,189,371</u>	<u>2,134,347</u>
Surplus for the year	<u>40,690</u>	<u>101,388</u>

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

**CARIBBEAN EXPORT DEVELOPMENT AGENCY
COUNTERPART PUBLIC & PRIVATE SECTOR**

Statement of Changes in General Fund
For the Year ended 31 December 2017

	\$
Balance - 31 December 2015	1,540,286
Surplus for the year	<u>101,388</u>
Balance - 31 December 2016	1,641,674
Surplus for the year	<u>40,690</u>
Balance – 31 December 2017	<u>1,682,364</u>

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

**CARIBBEAN EXPORT DEVELOPMENT AGENCY
COUNTERPART PUBLIC & PRIVATE SECTOR**

Statement of Cash Flows
For the Year ended 31 December 2017

	2017	2016
	\$	\$
Cash flows from operating activities		
Surplus for the year	40,690	101,388
Changes in operating assets and liabilities		
Decrease in accounts receivable	361,548	386,386
Increase in due from related funds	(728,765)	(10,584)
(Decrease) increase in accounts payable and accrued liabilities	(228,456)	24,438
Increase(decrease) in due to related funds	683,023	(964,602)
Net cash from (used in) operating activities	128,040	(462,974)
Cash at beginning of year	(447,989)	14,985
Cash at end of year	(319,949)	(447,989)
Cash at year end is made up as follows:		
Cash	93,482	118,067
Bank overdraft	(413,431)	(566,056)
	(319,949)	(447,989)

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

CARIBBEAN EXPORT DEVELOPMENT AGENCY COUNTERPART PUBLIC & PRIVATE SECTOR

Notes to Financial Statements
For the Year ended 31 December 2017

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, but has been operating as a regional trade promotion entity since 1989. The CARIFORUM 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.

- a) The Agency’s mission is to increase the competitiveness of Caribbean countries by providing quality trade and investment development and promotion services through effective programme execution and strategic partnerships.
- b) The agency’s goals are listed below: -
 - Greater integration of CARIFORUM countries into the multilateral, regional and bilateral trade and investment arrangements
 - Enhanced competitiveness of firms
 - Strengthened institutional capacities
 - Coordination/Strengthening of regional networks

**CARIBBEAN EXPORT DEVELOPMENT AGENCY
COUNTERPART PUBLIC & PRIVATE SECTOR**

Notes to Financial Statements
For the Year ended 31 December 2017

2. Summary of significant accounting policies

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

a) Basis of preparation

These financial statements are prepared under the historical cost convention. Under the direction of the Board of Directors, Caribbean Export Development Agency - Counterpart Governments, Revenue Account and Design Caribbean (formerly Caribbean Gift and Craft Show) were amalgamated.

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 rates of exchange prevailing at the statement of financial position date. Non-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 included in the operating results for the year.

c) Cash

Cash represents cash at bank.

d) Revenue recognition

Revenue is recognized on the accrual basis.

e) Taxation

The Agency is not subject to income tax.

f) Significant accounting judgments estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and disclosures of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**CARIBBEAN EXPORT DEVELOPMENT AGENCY
COUNTERPART PUBLIC & PRIVATE SECTOR**

Notes to Financial Statements
For the Year ended 31 December 2017

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

f) Significant accounting judgments estimates and assumptions

Impairment of financial assets

The Agency assesses at each reporting date whether there is an indication that an asset maybe impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Agency estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

3. Due from and to related funds

Due from related funds:

	2017	2016
	\$	\$
European Union Funds – 10 th EDF (Contribution Agreement)	58,149	7,523
European Union Funds – 11 th EDF	506,397	-
CARTFUND Specialty Food	74,824	74,959
Counterpart Revenue Funds (Dominican Republic)	112,409	-
Other (CAIPA Membership Fees)	56,850	-
Other (Services Component)	10,904	5,986
Other (IADB)	1,269	1,269
Other (World Bank)	-	2,300
	820,802	92,037

Due to related funds:

	2017	2016
	\$	\$
European Union Funds – 11 th EDF	11,203	-
CARTFUND Health & Wellness	811	-
European Union Funds – 10 th EDF (Contribution Agreement)	673,308	67,849
European Union Funds – 10 th EDF (Bi-National Program)	-	598
Counterpart Revenue Funds (Dominican Republic)	61,547	-
Other (IADB)	6,595	6,178
Other (Services Component)	3,755	1,457
Other (World Bank)	3,840	1,954
Other (CAIPA Membership Fees)	289	289
	761,348	78,325

**CARIBBEAN EXPORT DEVELOPMENT AGENCY
COUNTERPART PUBLIC & PRIVATE SECTOR**

Notes to Financial Statements
For the Year ended 31 December 2017

3. Due from and to related funds (cont'd)

The amounts due from and to related funds are unsecured, interest free and repayable on demand

4. Accounts receivable

	2017 \$	2016 \$
Counterpart contributions, gross	3,721,107	4,161,524
Provision for contributions outstanding	<u>(1,897,568)</u>	<u>(1,898,219)</u>
Counterpart contributions, net	1,823,539	2,263,305
Other receivable	<u>137,207</u>	<u>58,989</u>
	<u>1,960,746</u>	<u>2,322,294</u>

Movements in the provision for impairment of receivables are as follows:

	2017 \$	2016 \$
At beginning of year	1,898,219	1,839,145
Charge (recoveries) for the year	-	66,790
Foreign exchange adjustments	<u>(651)</u>	<u>(7,716)</u>
At end of year	<u>1,897,568</u>	<u>1,898,219</u>

**CARIBBEAN EXPORT DEVELOPMENT AGENCY
COUNTERPART PUBLIC & PRIVATE SECTOR**

Notes to Financial Statements
For the Year ended 31 December 2017

5. Bank overdraft

The Bank holds a guarantee of \$800,000 from the Board of Directors acting on behalf of the CARIFORUM States, as security for the bank overdraft facility of \$800,000. At the statement of financial position date, the rate of interest being charged on the bank overdraft was 8.00% per annum.

