



BAKER TILLY
REPÚBLICA DOMINICANA

Caribbean Export Development Agency
(Haiti - Dominican Republic Bi-national Cooperation Programme,
Trade Component, under the 10th EDF, implemented by
Caribbean Export under the contribution Agreement FED 2012/295-834.)
December 31, 2014
Financial Statements
(With the independent auditors' report)



an independent member of

BAKER TILLY
INTERNATIONAL

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REPORT OF THE INDEPENDENT AUDITORS

The board of Directors of Caribbean Export Development Agency

Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF, implemented by Caribbean Export under the contribution Agreement FED 2012/295-834).

We have audited the financial statements of Caribbean Export Development Agency Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF, implemented by Caribbean Export under the contribution Agreement FED 2012/295-834 and reviewed the operations for the year ended in December 2014.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 referred above present fairly, in all material respects, the financial position of Caribbean Export Development Agency, (Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF, implemented by Caribbean Export under the contribution Agreement FED 2012/295-834.) as of December 31, 2014, in accordance with the International Financial Reporting Standards (IFRS).

Baker Tilly N.P.

Baker Tilly República Dominicana
September 24, 2016

CARIBBEAN EXPORT DEVELOPMENT AGENCY
 (Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF,
 implemented by Caribbean Export under the contribution Agreement FED 2012/295-834.)

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2014 and 2013

(Values expressed in €)

	Notes	2014	2013
ASSETS			
Cash	3	792,527	1,938,680
Accounts receivable		-	487
Amounts due from related funds	4	1,721	2,999
Prepaid expenses		1,526	-
Total assets		795,774	1,942,166
LIABILITIES			
Accounts payable	5	42,837	5,530
Other accounts payable		7,800	-
Deferred income	6	743,669	1,933,853
Amounts due to related funds		1,468	2,783
Total liabilities		795,774	1,942,166

Approved by the Board of Directors on:

July 16th 2018

Signed on its behalf by:

K. Sealy

Notes are an integral part of the accompanying financial statements.

CARIBBEAN EXPORT DEVELOPMENT AGENCY

(Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF, implemented by Caribbean Export under the contribution Agreement FED 2012/295-834.)

STATEMENTS OF COMPREHENSIVE INCOME

Year ended in December 31, 2014 and 2013

(Values expressed in €)

	Notes	2014	2013
REVENUE			
Funding revenue	6	1,190,184	518,406
EXPENSES PER COMPONENT	7		
Trade and Investment		(623,965)	(140,096)
Customs		(212,092)	(65,851)
Private Sector		(223,048)	(152,664)
Administration/Programme Implementation		(131,079)	(159,795)
Surplus for the year		<u>-</u>	<u>-</u>

Notes are an integral part of the accompanying financial statements.

CARIBBEAN EXPORT DEVELOPMENT AGENCY
 (Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF,
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STATEMENTS OF CASH FLOWS
Year ended in December 31, 2014 and 2013
 (Values expressed in €)

	2014	2013
Cash provided from operating activities		
Decrease (increase) in accounts receivable	487	(487)
Increase in prepaid expenses	(1,526)	-
Decrease (increase) due from related funds	1,278	(2,999)
Increase in accounts payable and accrued liabilities	45,107	5,530
(Decrease) increase due to related funds	(1,315)	2,783
Decrease deferred operating income	(1,190,184)	(518,407)
Net cash used in operating activities	(1,146,153)	(513,580)
Cash at the beginning of the year	1,938,680	2,452,260
Cash at the end of the year	792,527	1,938,680

Notes are an integral part of the accompanying financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended in December 31, 2014 and 2013
(Values expressed in €)

1. Project overview

Caribbean Export is the only regional trade and investment promotion agency in the African, Caribbean and Pacific (ACP) group. Established in 1996 by an Inter-Governmental Agreement as the trade promotion Agency of the 15 Member States of CARIFORUM.

In July 2005, they assumed an investment promotion mandate after the 14th CARIFORUM Council of Ministers meeting and established collaborative links with the French Caribbean Outermost Regions (FCORs), with the English and Dutch Overseas Countries and Territories (OCTs) and with Cuba.

Caribbean Export has evolved over the past 20 years from an Implementing Management Unit of the CARICOM Regional Trade Development Programme (CRTDP) as established in 1988, to the CARICOM Export Development Project (CEDP), which in 1996 became the Caribbean Export Development Agency.

The 10th EDF Haiti-Dominican Republic Programme of Bilateral Economic and Trade Cooperation in the Context of the CARIFORUM-EC Economic Partnership Agreement (EPA) was launched in Port-au-Prince, Haiti on September 18, 2012.

The EUR 7,200,000 programme is managed by Caribbean Export and financed under the 10th EDF Caribbean Regional Indicative Programme (RIP) as well as from the 10th EDF National Indicative Programme (NIP) of Haiti and the Dominican Republic. The Programme seeks to promote the development of Haiti and the Dominican Republic by supporting the regional integration process that takes into consideration the demands of sustainable development and the needs of poverty reduction strategies.

The component which is executed by the Agency through its Sub-Regional Office in the Dominican Republic and a Programme Office in Haiti aims to:

- Strengthening the capacity to develop, enforce and implement trade policies and regulations and supporting investment promotion;
- Facilitating trade flows and strengthening the customs administrations;
- Directly assisting business support organization and small and medium sized enterprises.

The Agency carries numerous work programme activities within the context of Bi-National programmes such as study tours, export promotion activities.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended in December 31, 2014 and 2013
(Values expressed in €)

2. Basis of presentation and principles of accounting policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS's). Accounting policies have been consistently applied in the financial statements of Caribbean Export Development Agency.

The financial statements are presented to reasonable values from their historic cost, except by certain assets and liabilities that are presented to their reasonable value with other method.

Functional currency and presentation

The financial statements are presented in euro, currency used by the Organization for the presentation of their financial statements, as established in the contribution agreement signed with the European Union.

Transactions in foreign currencies

Transactions in currencies different to the functional currency, are converted to the exchange rate in which the Organization recorded the contribution received for the development of the program. According to the agreement with the European Union in the year 2012, the Organization will not recognize gains or losses from exchange, resulting from conversion.

Cash and cash equivalents

The Organization considers as cash all the funds deposited in cashier and the banks, as well as small investments in securities with an expiration of less or equal to three months, counted from the acquisition date.

Accounts payable

It is a present obligation of legal character or implied to the date of the financial statements of the Organization, which can be determined reliably and as a result of past events, to its expiration and to cancel it, the Organization expects to rid themselves of resources that include or have included benefits.

Revenue recognition

Revenues are recognized at the time of the transaction. These revenues are generated by cash transfers. The income is recognized as the projects advance, they are not recognized as income until used for the purposes defined, in this case, the contribution will remain in a passive account toward the donor.

Advances from European Union

European Union transfers cash to executing agencies, the transfer is recorded as an advance and the programme expenses are recorded when incurred.

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NOTES TO THE FINANCIAL STATEMENTS
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(Values expressed in €)

Deferred income

The Agency recognizes deferred revenues when the advances are received from the European Union and recognizes revenue when the expenses related to the program are recorded. Unspent amounts are classified in the deferred revenue liabilities section of the statement of financial position.

Advances for travel expenses

The advances for travel expenses consist in pay out to staff or contractors for travel related activities.

Expenses and components

The Agency classify their expenses in four components. The classification allows the Agency to have a better segregation of their expenditures. The components also subdivide in subcomponents and they proceed to elaborate the budget based on the subcomponents.

The four components are the following:

1. Trade and Investment (TI)
2. Customs (CT)
3. Private Sector Development (PS)
4. Administration (AD)

3. Cash

As of December 31, 2014 and 2013, a detail of cash is as follows:

	<u>2014</u>	<u>2013</u>
Petty cash	355	355
Cash in banks	<u>792,172</u>	<u>1,938,325</u>
	<u><u>792,527</u></u>	<u><u>1,938,680</u></u>

4. Amounts due from related funds

As of December 31 2014 and 2013, the amounts due from related funds is as follows:

	<u>2014</u>	<u>2013</u>
Haiti office due to SRO	1,468	2,783
SRO CPART	<u>253</u>	<u>216</u>
	<u><u>1,721</u></u>	<u><u>2,999</u></u>

Caribbean Export Development Agency
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended in December 31, 2014 and 2013
(Values expressed in €)

5. Accounts payable

As of December 31, 2014 and 2013, the accounts payable are of €42,837 and €5,530, corresponding to suppliers and contracted services.

6. 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.

The programme is funded by the European Union, where the first pre-financing was EUR €2,455,109, in 2012. During the year 2014 €1,190,184 and in the year 2013 €518,406 were recognized in income to match expenses incurred. The balance of €743,669 and €1,933,853 were recorded in deferred operating income on the statement of financial position at December 2014 and 2013. There are no unfulfilled conditions or contingencies attached this amount.

7. Expenses per component

A detail of the expenses per component as of December 31 2014 and 2013, is as follows:

Trade and Investment (TI)	2014 (€)	2013 (€)
<i>Trade Policies and Regulations</i>		
Purchase of equipment for beneficiaries	59,617	-
Training	38,785	1,066
Trade missions	33,300	1,064
Technical assistance-short term	32,383	-
Financial Assistant (long term support)	32,314	26,783
Trade Development Expert (Technical assistance long term)	30,437	18
Public/Private Sector Dialogue	15,909	-
Thematic joint working groups	7,914	16,737
Survey and needs analysis of participating institutions	-	5,641
Total sub component	250,659	51,309

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NOTES TO THE FINANCIAL STATEMENTS
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(Values expressed in €)

Investment Promotion

Purchase of equipment for beneficiaries	75,176	-
Technical assistance-short term	72,164	-
Investment missions	58,888	23,250
Training	57,421	-
Investment Promotion Expert (technical assistance- long term)	46,940	40,551
Public/Private Sector Dialogue	26,483	-
Administrative Assistant (long term support)	24,282	20,639
Thematic joint working groups	11,777	4,347
Surveys, needs analysis of participating institutions	175	-
Total sub component	<u>373,306</u>	<u>88,787</u>
Total, Component	<u><u>623,965</u></u>	<u><u>140,096</u></u>

Customs (CT)	2014	2013
	<u>(€)</u>	<u>(€)</u>
Training	113,566	-
Customs Expert (Technical assistance long term)	55,130	32,758
Financial assistant (long term support)	29,910	25,510
Thematic joint working groups	10,784	7,583
Purchase of equipment for beneficiaries	2,702	-
Total Component	<u><u>212,092</u></u>	<u><u>65,851</u></u>

Private Sector Development (PS)	2014	2013
	<u>(€)</u>	<u>(€)</u>

Technical support to the Private Sector initiatives

Deputy Programme Manager (Salary)	60,092	45,606
Specific programmes with development Inst/prog. (EIB,PNUD,CDE...)	52,103	65,848
Private sector development expert (Technical assistance long term)	32,468	35,882
Thematic joint working groups	31,899	11
Commercial Mission	28,999	-
Surveys, needs analysis, studies	5,167	-
Public/private sector dialogues	912	3,029
Technical assistance- short term	342	254
Total sub component	<u><u>211,983</u></u>	<u><u>150,630</u></u>

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Direct assistance grants scheme for SMEs and BSOs

Promotion of Grant Scheme	9,300	-
Purchase of equipment for beneficiaries	1,765	-
Delivery of Assistance	-	2,034
Total sub component	<u>11,065</u>	<u>2,034</u>
Total Component	<u><u>223,048</u></u>	<u><u>152,664</u></u>

	2014	2013
Administration/Programme implementation (AD)	<u>(€)</u>	<u>(€)</u>

Organizational Structuring

Rent and maintenance (2 Offices)	66,949	59,903
Utilities/materials/bank charges/insurance	30,876	24,342
Salaries and emoluments (2 Messengers/chauffeurs)	7,235	2,236
Equipment & materials Purchase and Installation	6,769	23,589
Motor Vehicules (purchase and insurance (2))	1,060	36,418
Total sub component	<u>112,889</u>	<u>146,487</u>

	2014	2013
	<u>(€)</u>	<u>(€)</u>

Coordination, evaluation and promotion of the Bi national Programme

Meetings	15,228	1,475
Steering Committee meetings (2 per year)	2,349	11,833
Promotion, public relations and visibility	613	-
Total sub component	<u>18,190</u>	<u>13,308</u>
Total component	<u><u>131,080</u></u>	<u><u>159,795</u></u>