

Registered Company No. 08204716
Registered Charity No. 1149889



CARIBBEAN BIODIVERSITY FUND

FINANCIAL STATEMENTS

30 SEPTEMBER 2017

CARIBBEAN BIODIVERSITY FUND

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CARIBBEAN BIODIVERSITY FUND

Legal and administrative information

Company Number: 08204716

Charity Number: 1149889

Trustees

Dr. Jens Mackensen – appointed 28 October 2013 / renewed 28 October 2015 / renewed 28 October 2017

Mrs. Eleanor Phillips – appointed 1 February 2016 / renewed 1 February 2018

Mr. Garry Gore – appointed 24 October 2017

Mr. Sixto Joaquin Inchaustegui - appointed 12 December 2017

Mr. Roderick Patrick Cherry- appointed 12 December 2017

Company Secretary

Oakwood Corporate Secretary Limited

Registered Office

3rd Floor

1 Ashley Road

Altrincham

Cheshire

WA14 2DT

Auditor

Moore-Stephens LLP

Chartered Accountants & Statutory Auditor

35 Calthorpe Road

Edgbaston

Birmingham

B15 1TS

Solicitors and other services

Ropes & Gray LLP (pro-bono legal advice)

5 New Street Square

London

EC4A 3BF

Investment Managers

UBS Financial Services Inc.

925 4th Avenue

20th Floor

Seattle WA

98104-1157

Deutsche Bank Trust Company Americas

Deutsche Bank Wealth Management

345 Park Avenue

New York, NY, USA

10154-0004

Accountants

BDO Bahamas

P.O Box N-10144

Gresham House

Charlotte Street, South

Nassau, The Bahamas

CARIBBEAN BIODIVERSITY FUND

REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 30 SEPTEMBER 2017

The Trustees have pleasure in presenting their report of the charitable company for the period ending on 30 September 2017.

Structure, Governance and Management

Established in September 2012, the Caribbean Biodiversity Fund (CBF) is a regional environmental fund whose objective is to promote for the benefit of the public the conservation, protection, management and expansion of the National Protected Areas Systems of the Participating Countries by providing a sustainable flow of funds to support, without limitation, enforcement, infrastructure, monitoring needs and other activities that contribute substantially to the conservation, protection and maintenance of biodiversity within the National Protected Areas Systems or any other area of environmental significance of the Participating Countries. The CBF was incorporated as a UK Registered Company (No. 08204716) on 6th September 2012 and registered as a UK Registered Charity (No. 1149889) on 23rd November 2012. Its main governing documents are its Memorandum and Articles of Association, and its Principal Operational Manual.

The CBF, along with a set of National Conservation Trust Funds (NCTFs), form the Caribbean Sustainable Finance Architecture (the Architecture) which aims to mobilize financial resources for conservation in the Caribbean. As the regional element of the Architecture, and in addition to its key sustainable financial resources focused mission, the CBF also plays several roles directed at improving the enabling conditions of its partners and grantees. The CBF convenes meetings of diverse stakeholder groups to advance dialogue on common issues; builds the capacity of grantees, including partner national funds, their grantees and host governments; raises awareness at the regional and international level of the importance of a sustained flow of resources for conserving the Caribbean's natural resources for a sustainable future; and serves as a forum for regional coordination and cooperation.

Financial Instruments

The CBF is structured as an umbrella fund with permanent and non-permanent funding. It currently works through two main instruments: i) an endowment for conservation priorities (the "Endowment"); and ii) a sinking fund for ecosystem-based adaptation (the "EbA Facility"). Each of the financial instruments are, respectively, the key instruments of the CBF Conservation Finance Program and Climate Adaptation Program. Each includes a set of participating countries. Participating countries are defined as countries or territories for which the CBF already has earmarked resources or are eligible for funding according to a financial instrument or program. Observer countries are those countries or territories that have been granted observer status within the CBF but for which resources still need to be identified. In addition to the financial commitments from donors described below, the CBF continues to raise non-permanent and permanent funding for regional conservation and sustainable development actions.

Conservation Finance Program – The Endowment

The CBF was originally established with approximately US\$42 million of initial financial commitments to capitalize its Endowment. Partner donors to date include the Government of Germany through KfW, The Nature Conservancy (TNC), and the Global Environment Facility (GEF) through the World Bank and the United Nations Development Programme (UNDP). A portion of the Endowment is earmarked for each of its participating countries. These partners have also provided important technical assistance in the development of the Architecture.

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Current CBF Endowment participating and observer countries include:

- Antigua and Barbuda
- The Bahamas
- British Virgin Islands (observer)
- Dominican Republic
- Grenada
- Haiti (observer)
- Puerto Rico (observer)
- Saint Kitts and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines

The CBF will channel funding each year to the NCTFs that i) are being supported towards being and/or, ii) have been declared eligible to receive support and which have signed a Pre-financing and/or Partnership Agreement with the CBF. The transfer of funds are governed by the terms and conditions set out in such agreements. One of the CBF's key principles is that national partner funds must create new, sustainable revenue to trigger a 1:1 match from the CBF. The revenue sources could be private and/or public.

Climate Adaptation Programme - The EbA Facility

In December 2016, and in partnership with the Government of Germany through KfW, the CBF established a 25 million EUR fund for Ecosystem-based Adaptation (EbA) to climate change. The EbA Facility is a sinking fund designed to award grants that support actions on climate change adaptation and poverty alleviation through biodiversity conservation and ecosystems management. The grants aim to assist organisations in beneficiary countries in their on-the-ground efforts to maintain and increase resilience and reduce the vulnerability of ecosystems and people in the face of the adverse effects of climate change. The KfW resources in the EbA Facility are to be programmed and disbursed during the 2018 - 2022 period.

CBF EbA Facility participating countries that are eligible include:

- Antigua and Barbuda
- Dominica
- Dominican Republic
- Cuba¹
- Grenada
- Haiti
- Jamaica
- Saint Lucia
- Saint Vincent and the Grenadines

¹ While Cuba is eligible for the EbA Facility under the donor's rules, the CBF will conduct a legal and operational assessment to determine if and how it can engage with Cuba.

CARIBBEAN BIODIVERSITY FUND

REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 30 SEPTEMBER 2017

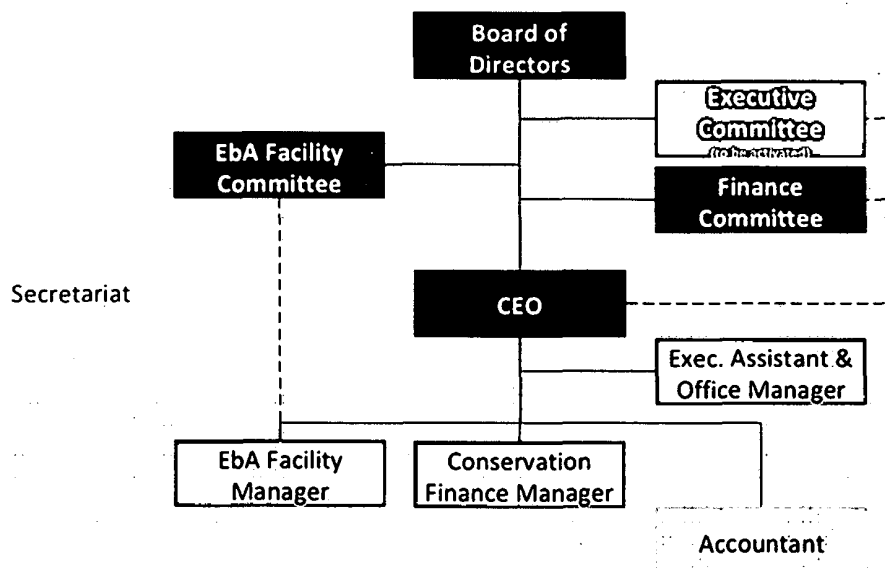
Governance Structure:

The CBF is governed by the Board of Directors, composed of one director appointed by the German Development Bank (KfW), one director appointed by The Nature Conservancy (TNC) and directors appointed by the National Conservation Trust Funds, once they sign the Partnership Agreement according to established CBF Endowment Policies and Procedures. In accordance with CBF governing documents, a majority of the Board shall not be affiliated with the governments of any of the Participating Countries and must be representatives of civil society. As of July 2018, the Board is composed of five (5) Directors. At the time of the closing of the fiscal year 2017 the Board was composed only of the KfW and TNC Directors. As of July 2018, the Board is composed of five (5) Directors (see chart below).

A CBF Secretariat is tasked with carrying out all day-to-day operations of the CBF and headed by a Chief Executive Officer. Board and Technical Committees can be established by the Board to assist with specific tasks. The organizational chart below shows the structure of the CBF as well as how the CBF interacts with its major stakeholders.

CBF Governance Chart

(as of July 2018)



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REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 30 SEPTEMBER 2017

Public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. As indicated in the CBF Articles of Association, the CBF was established for the benefit of the public as it promotes the conservation, protection, management and expansion of the National Protected Areas Systems of the Participating Countries.

STRATEGIC REPORT

Achievements and Performance

During fiscal year 2017 the CBF activities and key achievements included the following:

1. Overall Governance and Operations

A. CBF Board

- **The CBF Board was composed of two appointed Directors**
 - **KfW Director** - KfW reappointed Mr. Jens Mackensen as the KfW Director on 28 October 2015. Mr. Mackensen remained as Chair of the CBF Board.
- **TNC Director** - The Nature Conservancy (TNC) Director Mrs. Eleanor Phillips was appointed on 1 February 2016. Mrs. Phillips was also elected on 15th March 2016 as the CBF Vice-Chair and Treasurer of the CBF Board, as well as Chair of the CBF Finance Committee.
- **Board Meetings** - A total of five (5) Board Meetings were held in FY 2017:
 - 19th CBF Board Meeting (December 2nd, 2016)
 - 20th CBF Board Meeting (December 7th, 2016)
 - 21st CBF Board Meeting (February 7th, 2017)
 - 22nd CBF Board Meeting (May 5th, 2017)
 - 5th CBF Annual Meeting (also served as 23rd CBF Board Meeting) (June 27th, 2017)

B. CBF Annual Meeting

The 5th CBF Annual Meeting took place in San Juan, Puerto Rico, on June 27th, 2017. This meeting also served as the 23rd Board Meeting of the CBF.

Key topics discussed included:

- CBF FY17 interim Status Report
- Update on establishment and operationalization of National Conservation Trust Funds (NCTFs)
- CBF Finances and Investments updates
- Approval of Institutional Development and Strengthening Plan outline
- Update on Ecosystem-based Adaptation Facility establishment
- Approval of CBF FY18 Annual Work Plan
- Approval of CBF Secretariat FY18 Budget
- Renewal of CEO Appointment

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REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 30 SEPTEMBER 2017

C. Committees

- **Finance Committee Meetings** - A total of four (4) CBF Finance Committee Meetings took place in FY17:
 - 10th Finance Committee Meeting (November 15th, 2016)
 - 11th Finance Committee Meeting (February 28th, 2017)
 - 12th Finance Committee Meeting (May 4th, 2017)
 - 13th Finance Committee Meeting (June 26th, 2017)
- In addition to the CBF Finance Committee meetings, quarterly meetings were held with the CBF Endowment Investments Manager (UBS) either during the above-mentioned Committee meetings or separately.

2. Operations

A. Institutional Documents Approved:

- Institutional Development and Strengthening Plan Outline (June 27th, 2016)
- FY18 Annual Work Plan and Budget (June 27th, 2016)
- EbA Facility Investment Policy (September 2017)

B. Legal Structure

- CBF continued to work on finalizing its registration process in The Bahamas. There have been several procedural delays that have prevented completion of this process.
- CBF was recognized as a 501(c)4 organization in the United States of America.

3. Strategic Plan and Fundraising Strategy

- The CBF continued to implement its 2020 Strategic Plan.
- The CBF received one grant in FY16:
 - EUR 25,000,000.00 from the German Government through KfW to establish a new sinking fund - the CBF Ecosystem-based Adaptation Facility.

4. Conservation Finance Programme – The Endowment

- Among the participating countries, the NCTFs that are being supported to become CBF eligible made important progress in FY17 towards becoming established and operational. Table I below shows progress through a set of key milestones.
- Pre-financing Agreements
 - By the end of FY17 four (4) NCTFs had signed Pre-financing Agreements with the CBF to support their establishment and operations.
 - Marine Ecosystem Protected Area Trust (September 21st, 2016 – FY16)
 - Saint Lucia National Conservation Fund (September 21st, 2016 – FY16)
 - Saint Christopher and Nevis Conservation Foundation (April 12th 2017 – FY17)
 - National Conservation Trust Fund of Jamaica (June 26th, 2017 – FY17)
- The CBF made Pre-financing payments in the amount of US\$ 128,588.
- Partnership Agreements
 - By the end of FY17, three (3) NCTFs had signed Partnership Agreements with the CBF.
 - Fondo MARENA (December 12th, 2016)
 - Marine Ecosystem Protected Area Trust (June 26th, 2017)
 - Saint Lucia National Conservation fund (June 26th, 2017)
 - No Partnership Agreement Payments were made in FY17.

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FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

Table I: NCTFs Establishment Progress (as of June 2017)

NCTF/ Countries	Legally Established	Functional Board	By-laws	OM (Board Approved)	Staff Hiring	CBF Eligibility Request Submitted	Partnership Agreement Negotiations	Payment Request
MEPA Trust (A&B)								
BVIs								
BPAF (Bah)								
MARENA (DR)								
GSDTF (Gre)								
Haiti								
NCTFJ (Jam)								
Puerto Rico								
SCNCF (SKN)								
SLUNCF								
SVGCF								

5. Climate Adaptation Programme – EbA Facility

- Asset manager (Deutsche Bank) for the EbA Facility was selected and hired.
- EbA Facility Investment Policy established.
- Terms of Reference were prepared and selection process for EbA Facility Programme Manager was initiated.
- EbA Facility Committee Charter was approved by the Board.
- No disbursements from EbA Facility were made in FY17.

6. Partnerships

- Caribbean Challenge Initiative – Continued to implement joint activities with the Caribbean Challenge Initiative and particularly the 2nd CCI-CBF Week in June 2017.
- Blue Finance – began conversations to develop a memorandum of understanding with Blue Finance.

7. Year Ahead - CBF FY18 Annual Work Plan

The CBF's FY2018 Annual Work Plan (October 1st, 2017 – September 30th, 2018), as approved during the 5th CBF Annual Meeting, will focus on the following key strategic areas of action:

- 1) Institutional:
 - a. Continue implementation of CBF Institutional Strengthening Development Plan
 - b. Start development of CBF Monitoring and Evaluation System
 - c. Publish CCI-CBF Newsletter
 - d. Co-Host 19th RedLAC Assembly (19th Assembly of the Latin America and Caribbean Network of Environmental Funds)

CARIBBEAN BIODIVERSITY FUND

REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 30 SEPTEMBER 2017

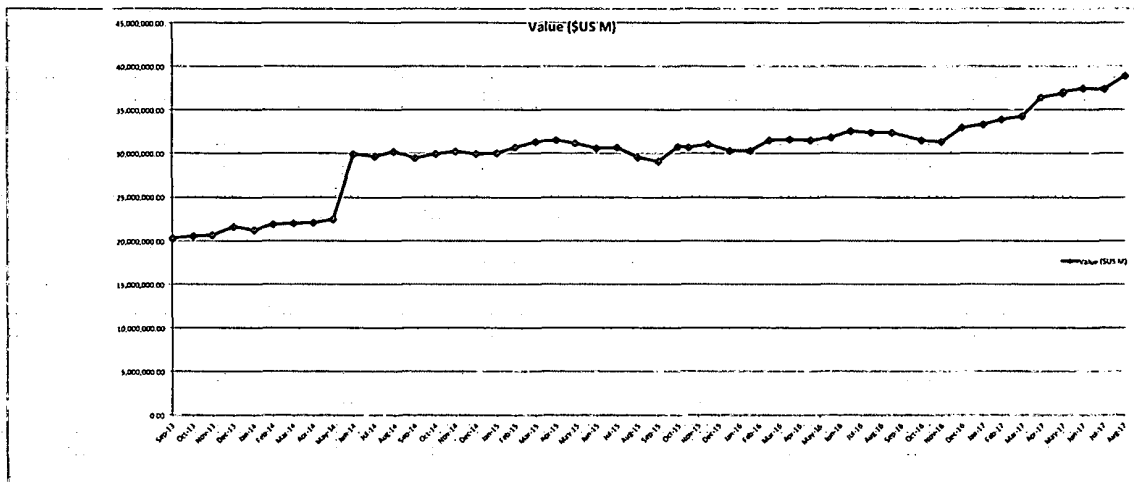
- 2) Conservation Finance Program (Endowment)
 - a. Continue process to execute Partnership Agreements with NCTFs
 - b. Finalize establishment of CBF Endowment Transactions Tracking System
 - c. Begin implementation of Action Plans for new geographies
 - d. Continue to support establishment of sustainable finance mechanism that would assist NCTFs in providing 1:1 match to CBF payments.
- 3) Climate Adaptation Program – Ecosystem-based Adaptation Facility
 - a. Establish EbA Facility Operational Manual and grant making rules

Financial Review

1. CBF Endowment Performance

As of September 30th, 2017 the CBF Endowment accounts had investment earnings of \$3,114,806 YTD. Total assets as of September 30, 2017 were \$38,865,483. Graph 1 below shows the historical CBF endowment market Value since inception of investments through September 30th, 2017.

Graph I: Historical CBF Endowment Market Value Performance



CBF Endowment Deposits and Disbursements Record

As of September 30th, 2017 a total of 12 deposits had been made to the CBF endowment for a total of US\$ 34,824, 937.48. Table II below reflects all CBF deposits since inception through September 30th, 2017.

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**REPORT OF THE TRUSTEES
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Table II: CBF Endowment Deposits Record

Endowment Deposits Record				
Deposit Date	Donor	Amount	Amount received in USD	Description
FY13				
25-Jan-13	KfW	€ 15,075,000	20,286,126	Assigned to 7 countries (not including The Bahamas) and CBF Secretariat.
FY14				
17-Dec-13	TNC	USD 750,000	750,000	Assigned in equal parts to 5 Eastern Caribbean countries - Antigua and Barbuda, Grenada, Saint Lucia, Saint Kitts and Nevis, and Saint Vincent and the Grenadines.
5-Jun-14	World Bank	USD 7,200,000	7,200,000	Assigned in equal parts to 5 Eastern Caribbean countries - Antigua and Barbuda, Grenada, Saint Lucia, Saint Kitts and Nevis, and Saint Vincent and the Grenadines.
FY15				
27-Mar-15	TNC	USD 750,000	750,000	TNC Early Transfer - Assigned to Dominican Republic
FY16				
29-Oct-2015	TNC	USD 750,000	750,000	TNC Early Transfer - Assigned to Bahamas
28-Dec-2015	UNDP	USD 750,000	750,000	UNDP Early Transfer - Assigned to Jamaica
FY17				
22-Dec-2016	TNC	USD 750,000	750,000	TNC Early Transfer - Assigned in equal parts to Grenada, St. Lucia, St. Vincent and Grenadines, Antigua and Barbuda, St. Kitts and Nevis
23-Dec-2016	World Bank	USD 400,00	400,000	Assigned to pre-financing support to Grenada, St. Lucia, St. Vincent and Grenadines, Antigua and Barbuda, St. Kitts and Nevis.
29-Dec-2016	World Bank	USD 37,000	37,000	Assigned to CBF Secretariat
21-Mar-2017	TNC	USD 250,000	250,000	Assigned to Dominican Republic
3-Apr-2017	KfW	€1,628,100	1,738,078.16	Assigned to Dominican Republic
8-Sep-2017	KfW	€976,860	1,163,733.32	Assigned in equal parts to Antigua and Barbuda and Saint Lucia
Total Deposits (through FY17)			34,824,937.48	

CARIBBEAN BIODIVERSITY FUND

**REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

Table II: CBF Endowment Disbursements Record

Endowment Disbursements Record			
Dates	Entity	Amount USD	Description
FY13			
	N/A	0.00	No disbursements.
FY14			
	N/A	0.00	No disbursements.
FY15			
5/22/15	TNC	279,929.85	Reimbursement to The Nature Conservancy for CBF FY13 and Fy14 operational expenses. 201,582 are to be assigned to CBF Secretariat Sub-Account. Remaining distributed among all country sub-accounts according to % share.
FY16			
5/23/16	TNC	207,784.00	Reimbursement to The Nature Conservancy for CBF FY15 operational expenses.
FY17			
10/7/16	MEPA Trust	50,000.00	Pre-financing Payment 1 - MEPA Trust (Antigua & Barbuda)
11/8/16	SLUNCF	41,000.00	Pre-financing Payment 1 - SLUNCF (Saint Lucia)
7/21/17	NCTFJ	37,588.00	Pre-financing Payment 1 - NCTFJ (Jamaica)
8/24/17	TNC	278,512.38	Reimbursement to The Nature Conservancy for CBF FY16 operational expenses. Distributed among all sub-accounts according to % share of each country sub-account.
Total Disbursements (through FY17)		894,814.23	

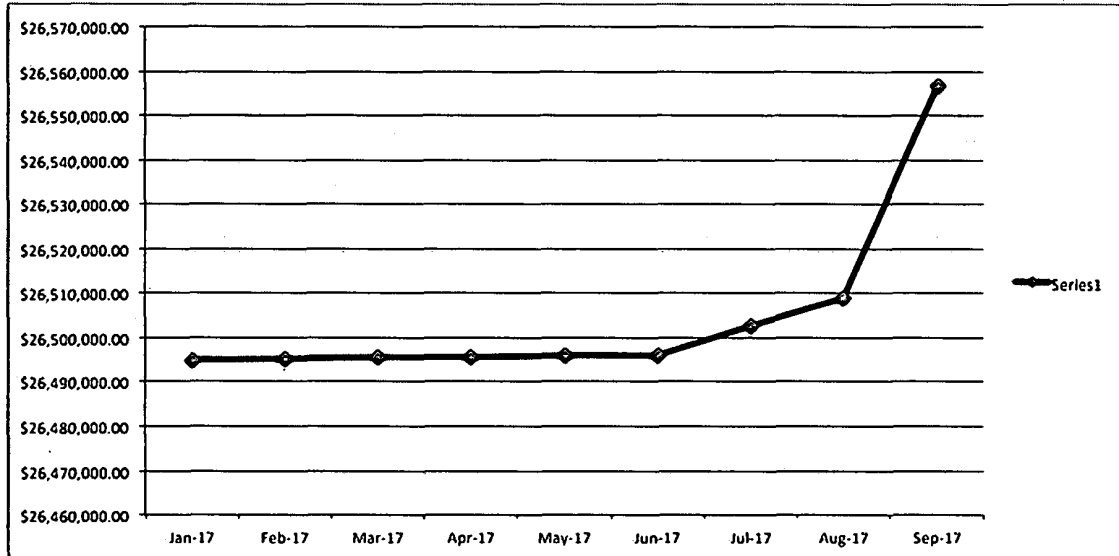
2. CBF EbA Facility Performance

As of September 30th, 2017 the CBF EbA Facility had received a single deposit of US\$26,495,000.00. Total assets as of September 30, 2017 were \$38,865,483. Graph 1 below shows the historical CBF endowment market Value since inception of investments through September 30th, 2017. No disbursements were made in FY17.

CARIBBEAN BIODIVERSITY FUND

**REPORT OF THE TRUSTEES
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Graph 2: Historical CBF EbA Facility Market Value Performance



3. Investment Policies

Currently the CBF has two investment policies, one for the CBF Endowment and one for the EbA Facility. The policies include the guidelines for each of the fund's investment strategies. The CBF Finance Committee is tasked with oversight of investments performance.

Investment results and compliance with the CBF Investment Policy is monitored by the CBF Board and its Finance Committee and periodically discussed with the investment managers in order to evaluate results and decide upon any necessary changes to the investment strategy.

4. Secretariat Operational Budget

The CBF Secretariat had an operational budget of US\$242,400,00 for FY16 with the Endowment being the source of these funds, as approved by the CBF Board. Expenses under the grant of the German Government through KfW to support NCTFs and the Caribbean Challenge Initiative are to be returned to the CBF on a reimbursement basis. These expenses are also reflected as CBF Secretariat operational expenses for accounting purposes.

5. Reserves Policy

The CBF Endowment, is currently funded by KfW (the German Development Bank), The Nature Conservancy (TNC), and the Global Environment Facility (GEF). To date, a total of US\$42.0 million have been pledged to the CBF endowment. As part of its management strategy, the CBF has established an investment strategy aimed at achieving a total of 7% returns on investments. The CBF will pay to the National Conservation Trust Funds (NCTFs) a total of up to 4.5% return on investments based on a 36-month average value of each Participating Country Sub-Account.

CARIBBEAN BIODIVERSITY FUND

REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 30 SEPTEMBER 2017

While subject to market behaviour, the CBF Endowment investment strategy is designed to keep in place the CBF capital and allow for payments to the NCTFs and also support its Secretariat operations. In addition, the CBF has begun exploring the establishment of an Operations Reserve to bring additional stability to its operations funding base.

The CBF EbA Facility is currently funded by KfW. This is a sinking fund expected to be fully disbursed by 2022. This Facility also contributes to the CBF operations budget.

6. Principal Risks and Uncertainties

The CBF Board has recognized the importance of having a Risk Register and strategies to manage all risks associated to the CBF including financial, reputational, and others. A Risk registry was approved on 20 October 2015. The Risk Registry will serve as a key management tool for the CBF Board and its CEO.

Trustees' Responsibilities Statement

The trustees (who are also directors of Client for purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper and adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

CARIBBEAN BIODIVERSITY FUND

**REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

Auditor

A resolution to re-appoint Moore-Stephens as auditors for the ensuing year will be proposed at a meeting of the trustees.

Small companies note

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Signed on behalf of the Trustees


.....
Mrs. Eleanor Phillips
Vice-Chair, CBF Board

Date: 3 September 2018

CARIBBEAN BIODIVERSITY FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CARIBBEAN BIODIVERSITY FUND

We have audited the financial statements of the Caribbean Biodiversity Fund for the year ended 30 September 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

CARIBBEAN BIODIVERSITY FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CARIBBEAN BIODIVERSITY FUND (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine where there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

CARIBBEAN BIODIVERSITY FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CARIBBEAN BIODIVERSITY FUND (continued)

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objective 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 (UK) 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.

A further description of our responsibilities for the audit of financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of the Act. Our audit work has been undertaken so that we might state to the charitable company's members and the charity's trustees those matters we are required to state to them in an auditors' 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 charitable company, the charitable company's members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Simkins (Senior Statutory Auditor)
for and on behalf of MOORE STEPHENS LLP
Chartered Accountants and Statutory Auditor

35 Calthorpe Road
Edgbaston
Birmingham
West Midlands
B15 1TS

Date: 11/9/2018.

MOORE STEPHENS LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CARIBBEAN BIODIVERSITY FUND

Statement of financial activities for the year ended 30 September 2017 (incorporating an income and expenditure account)

	Note	Unrestricted Funds £	Endowment Funds £	Total Funds 2017 £	Total Funds 2016 £
Incoming Resources					
Incoming resources from					
Generated funds:					
Voluntary income					
Investment income	3	-	668,665	668,665	558,448
Charitable funds:					
Charitable activities	4	-	23,506,405	23,506,405	576,563
Total Incoming Resources		-	24,175,070	24,175,070	1,135,011
Resources Expended					
Charitable Activities	5	227,216	1,402,492	1,629,708	(3,307,485)
Total Resources Expended		227,216	1,402,492	1,629,708	(3,307,485)
Net Incoming / (outgoing) Resources before transfers	8	(227,216)	22,772,578	22,545,362	4,442,496
Transfers					
Gross Transfers between funds		227,216	(227,216)	-	-
Net incoming resources before Other gains and losses		-	22,545,362	22,545,362	4,442,496
Realised gains and (losses)	10	-	570,163	570,163	(281,820)
Unrealised gains and (losses)	10	-	890,227	890,227	1,486,582
Net movement in funds in the year		-	24,005,752	24,005,752	5,647,258
Total funds brought forward		-	24,663,130	24,663,130	19,015,872
Total funds carried forward	14	-	48,668,882	48,668,882	24,663,130
		=====	=====	=====	=====

All of the above results are derived from continuing activities.
There are no other recognised gains and losses other than those stated above.

The notes on pages 21-27 form part of these financial statements

CARIBBEAN BIODIVERSITY FUND

**Statement of financial activities for the year ended 30 September 2016
(incorporating an income and expenditure account)**

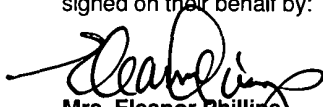
	Note	Unrestricted Funds £	Endowment Funds £	Total Funds 2016 £
Incoming Resources				
Incoming resources from				
Generated funds:				
Voluntary income				
Investment income	3	-	558,448	558,448
Charitable funds:				
Charitable activities	4	-	576,563	576,563
Total Incoming Resources				
		-	1,135,011	1,135,011
Resources Expended				
Charitable Activities	5	213,017	(3,520,502)	(3,307,485)
Total Resources Expended				
		213,017	(3,520,502)	(3,307,485)
Net Incoming / (outgoing) Resources before transfers				
	8	(213,017)	4,655,513	4,442,496
Transfers				
Gross Transfers between funds		213,017	(213,017)	-
Net incoming resources before				
Other gains and losses				
Realised gains and (losses)	10	-	(281,820)	(281,820)
Unrealised gains and (losses)		-	1,486,582	1,486,582
Net movement in funds in the year				
		-	5,647,258	5,647,258
Total funds brought forward				
		-	19,015,872	19,015,872
Total funds carried forward				
	14	-	24,663,130	24,663,130
		=====	=====	=====

CARIBBEAN BIODIVERSITY FUND

Balance sheet as at 30 September 2017

	Note	2017		2016	
		£	£	£	£
Fixed Assets					
Tangible Assets	9		351		781
Investments	10		28,145,458		24,002,815
Current Assets					
Debtors	11	234,816		51,120	
Cash at bank and in hand		20,551,395		875,531	
		<u>20,786,211</u>		<u>926,651</u>	
Creditors: Amounts falling due within one year	12	(248,215)		(267,117)	
Net Current Assets			<u>20,537,996</u>		<u>659,534</u>
Total assets less current liabilities			<u>48,683,805</u>		<u>24,663,130</u>
Creditors: Amounts falling due after one year	13		(14,923)		-
Net Assets			<u>48,668,882</u>		<u>24,663,130</u>
Funds					
Endowment Funds	14		48,668,882		24,663,130
Unrestricted Funds	15		-		-
Total Funds			<u>48,668,882</u>		<u>24,663,130</u>

The financial statements were approved by the trustees, and authorised for issue on 3 September 2018 and signed on their behalf by:


 Mrs. Eleanor Phillips
 Vice-Chair, CBF Board

Company Number: 08204716

The notes on pages 21-29 form part of these financial statements.

CARIBBEAN BIODIVERSITY FUND

Cash flow statement as at 30 September 2017

	Notes	2017 £	2016 £
Net cash inflow from operating activities	17	21,689,452	3,972,082
Returns on investment	18	668,665	558,448
Net cash outflow from investing activities	19	(2,682,253)	(4,654,639)
		<hr/>	<hr/>
Increase / (decrease) in cash in the period		19,675,864	(124,109)
Opening net funds at 1 October 2016		875,531	999,640
Closing net funds at 30 September 2017		<hr/> 20,551,395 <hr/>	<hr/> 875,531 <hr/>

The notes on pages 21-29 form part of these financial statements.

CARIBBEAN BIODIVERSITY FUND

Financial statements for the year ended 30 September 2017

Notes forming part of the financial statements

1. Charitable company information

The Caribbean Biodiversity Fund is a private charitable company, limited by guarantee incorporated in England and Wales. It's company registration number is: 08204716 and Charity registration number is : 1149889. The registered office is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

2. Principal accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Caribbean Biodiversity Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Incoming resources

All income is accounted for on a receivable basis.

Donations in Kind

During the period ended 30 September 2018, the charity received estimated total value of donations in kind amounting to £110,000 (2016: £Nil).

c) Resources expended

Expenditure is included when incurred and is matched with the relevant income stream. Costs are allocated between charitable and other expenditure according to the nature of the cost.

Governance costs include those costs incurred in the governance of the charity. These costs include costs related to statutory audit together with legal and professional fees and the costs of trustee meetings.

Support costs are allocated to the direct costs incurred on the charity's activities.

d) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £100 are capitalised and included at cost of acquisition. Depreciation is provided at the following annual rates in order to write off the cost or valuation of each asset over its estimated useful life:

Fixtures and fittings -25% - 33% on cost.

e) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing market value. Gains and losses arising on disposals and revaluation throughout the year are included in the Statement of Financial Activities.

CARIBBEAN BIODIVERSITY FUND

Financial statements for the year ended 30 September 2017

Notes forming part of the financial statements (continued)

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

f) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net incoming resources.

g) Funds

The charity maintains the following funds:

Endowment funds – these are funds subject to specific restrictions imposed by donors. The purpose and use of the funds are set out in note 14 to the financial statements

Unrestricted funds – these are funds which the trustees are free to use in accordance with the charitable objects.

h) Taxation

The Caribbean Biodiversity Fund, as a registered charity, is exempt from taxation of its income and gains falling within sections 466-493 of the Corporation Tax Act 2010 to the extent that they are applied to its charitable objectives. No tax charge has arisen this period.

i) Financial instruments

The company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade debtors and trade creditors.

Debt instruments (other than those wholly repayable or receivable within one year) are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently at the undiscounted amount of the cash or other consideration expected to be paid or received.

j) Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The results accounting estimates will, by definition, seldom equal the related actual results. The directors do not believe there are any assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

CARIBBEAN BIODIVERSITY FUND

Financial statements for the year ended 30 September 2017

Notes forming part of the financial statements

3. Investment income

	Unrestricted £	Endowment £	2017 £	2016 £
Interest and dividends on investments	-	668,665	668,665	558,448
	<u>-</u>	<u>668,665</u>	<u>668,665</u>	<u>558,448</u>
	=====	=====	=====	=====

4. Funding for charitable activities

	Unrestricted £	Endowment £	2017 £	2016 £
Grant income – KfW	-	757,446	757,446	-
Grant income – TNC	-	331,003	331,003	576,563
Grant income - GEF	-	2,197,962	2,197,962	-
Grant income - CBF Secretariat	-	151,489	151,489	-
Grant income- CBF UBS	-	20,068,505	20,506,405	-
	<u>-</u>	<u>23,506,405</u>	<u>23,506,405</u>	<u>576,563</u>
	=====	=====	=====	=====

5. Charitable activities

	Unrestricted £	Endowment £	2017 £	2016 £
Support costs (note 6)	181,703	1,402,492	1,584,195	(3,338,992)
Governance costs (note 7)	45,513	-	45,513	31,507
	<u>227,216</u>	<u>1,402,492</u>	<u>1,629,708</u>	<u>(3,307,485)</u>
	=====	=====	=====	=====

6. Support costs

	Unrestricted £	Endowment £	2017 £	2016 £
Chief Executive Office costs	73,283	-	73,283	83,302
Travel costs	74,995	-	74,995	87,889
Office costs	1,779	-	1,779	8,188
Insurance	1,500	-	1,500	2,131
Management fees	-	150,916	150,916	195,768
Foreign exchange loss	30,146	1,251,576	1,281,722	(3,716,270)
	<u>181,703</u>	<u>1,402,492</u>	<u>1,584,195</u>	<u>(3,338,992)</u>
	=====	=====	=====	=====

No trustees received any remuneration during the current or previous period
 No expenses were reimbursed to trustees during the current or previous period.
 No staff costs were incurred in the current or previous year.

CARIBBEAN BIODIVERSITY FUND**Financial statements for the year ended 30 September 2017****Notes forming part of the financial statements****7. Governance costs**

	2017 £	2016 £
Audit fee	13,632	18,236
Accountancy fees	24,282	7,812
Legal fees	1,459	5,210
Other professional fee	5,710	-
Depreciation	430	249
	<hr/>	<hr/>
	45,513	31,507

8. Net incoming resources for the year

	2017 £	2016 £
This is stated after charging:		
Audit fee	13,632	18,236
Depreciation	430	249
	<hr/>	<hr/>

9. Tangible fixed assets

	Fixtures, Fittings and Improvements £	Total £
Cost		
At 1 October 2016		
Additions	1,436	1,436
Disposals	-	-
	<hr/>	<hr/>
At 30 September 2017	1,436	1,436
	<hr/>	<hr/>
Depreciation		
At 1 October 2016	655	655
Charge for the year	430	430
	<hr/>	<hr/>
At 30 September 2017	1,085	1,085
	<hr/>	<hr/>
Net Book Value		
At 30 September 2017	351	351
	<hr/>	<hr/>
At 30 September 2016	781	781
	<hr/>	<hr/>

CARIBBEAN BIODIVERSITY FUND

Financial statements for the year ended 30 September 2017

Notes forming part of the financial statements

10. Investments

	2017 £	2016 £
Listed Investments		
Value at 1 October 2016	24,002,815	18,143,414
Additions	20,378,968	20,510,297
Disposals	(17,418,273)	(18,826,106)
Realised and unrealised investment (losses) / gains	1,460,390	1,204,762
Foreign exchange gains	(278,442)	2,970,448
At 30 September 2017	<u>28,145,458</u>	<u>24,002,815</u>

11. Debtors

	2017 £	2016 £
Prepayments	101,434	2,368
Accrued investment income	133,382	48,752
	<u>234,816</u>	<u>51,120</u>

12. Creditors due within one year

	2017 £	2016 £
Trade creditors	248,215	208,217
Accruals	-	58,900
	<u>248,215</u>	<u>267,117</u>

13. Creditors due after one year

	2017 £	2016 £
Other creditors	14,923	-
	<u>14,923</u>	<u>-</u>

CARIBBEAN BIODIVERSITY FUND

Financial statements for the year ended 30 September 2017

Notes forming part of the financial statements

14. Endowment funds

	Brought forward £	Income £	Expenditure £	Gross transfer £	Realised & Unrealised gains/(losses) £	Balance 30 Sept 2017 £
Endowment Funds 2017	24,663,130	24,175,070	(1,402,492)	(227,216)	1,460,390	48,668,882
	<u>24,663,130</u>	<u>24,175,070</u>	<u>(1,402,492)</u>	<u>(227,216)</u>	<u>1,460,390</u>	<u>48,668,882</u>
	Brought forward £	Income £	Expenditure £	Gross transfer £	Realised & Unrealised gains/(losses) £	Balance 30 Sept 2016 £
Endowment Funds 2016	19,015,872	1,135,011	3,520,502	213,017	1,204,762	24,663,130
	<u>19,015,872</u>	<u>1,135,011</u>	<u>3,520,502</u>	<u>213,017</u>	<u>1,204,762</u>	<u>24,663,130</u>

Endowment funds:

The purpose of these Endowment funds are to provide a sustainable flow of funds to contribute to the conservation, protection and maintenance of biodiversity within the National Protected Areas Systems and other areas of environment significance of the 8 participating countries being Antigua & Barbuda, The Bahamas, Dominican Republic, Grenada, Jamaica, Saint Kitts & Nevis, Saint Lucia and Saint Vincent & the Grenadines. Endowment funds allocations to each country respond or are informed by a number of factors including the size of the country, financial gaps assessments for the protected area systems, and donor's policies and priorities. The funds are currently invested en-bloc to obtain the best possible return and once distribution to the individual participating countries sub-accounts takes place, this information will be disclosed on a participating country basis.

Gross movement between funds relates to movement from unrestricted funds to endowment funds.

15. Unrestricted funds

Balance	Brought forward £	Income £	Expenditure £	Gross transfer £	Balance 30 Sept 2017 £
Unrestricted funds	-	-	(227,216)	227,216	-
	<u>-</u>	<u>-</u>	<u>(227,216)</u>	<u>227,216</u>	<u>-</u>

CARIBBEAN BIODIVERSITY FUND

Financial statements for the year ended 30 September 2017

Notes forming part of the financial statements

15. Unrestricted funds (continued)

Balance	Brought forward	Income	Expenditure	Gross transfer	Balance 30 Sept 2016
	£	£	£	£	£
Unrestricted funds	-	-	(213,017)	213,017	-
	<u>-</u>	<u>-</u>	<u>(213,017)</u>	<u>213,017</u>	<u>-</u>

16. Net assets by fund

Balance	Unrestricted	Endowment	2017
	£	£	£
Tangible assets	-	351	351
Investments	-	28,145,458	28,145,458
Debtors	-	234,816	234,816
Cash at bank	-	20,551,395	20,551,395
Creditors	-	(263,138)	(263,138)
	<u>-</u>	<u>48,668,882</u>	<u>48,668,882</u>

Balance	Unrestricted	Endowment	2016
	£	£	£
Tangible assets	-	781	781
Investments	-	24,002,815	24,002,815
Debtors	-	51,120	51,120
Cash at bank	-	875,531	875,531
Creditors	-	(267,117)	(267,117)
	<u>-</u>	<u>24,663,130</u>	<u>24,663,130</u>

17. Net cash inflow from operating activities

	2017	2016
	£	£
Net incoming resources		
Net incoming resources	22,545,362	4,442,496
Increase in debtors	(183,696)	8,316
Increase in creditors	(3,979)	79,469
Depreciation	430	249
Investment income	(668,665)	(558,448)
	<u>21,689,452</u>	<u>3,972,082</u>

CARIBBEAN BIODIVERSITY FUND

Financial statements for the year ended 30 September 2017

Notes forming part of the financial statements

18. Returns on investment

	2017	2016
	£	£
Deposit interest	668,665	558,448
	<u>668,665</u>	<u>558,448</u>

19. Net cash flow from investing activities

	2017	2016
	£	£
Purchase of investments	(20,378,968)	(20,510,297)
Proceeds from sale of investments	17,418,273	18,826,106
Foreign exchange gains	278,442	(2,970,448)
	<u>(2,682,253)</u>	<u>(4,654,639)</u>

20. Related party transactions

The directors of the company are appointed representatives from the organisations providing the Endowment funds. Mr Jens Mackensen was the appointed representative from the German Development Bank (KfW) during the previous period. Ms Eleanor Phillips was the representative from The Nature Conservancy (TNC) during the period.

No further transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 102.

21. Company limited by guarantee

The company is limited by guarantee and, as such, does not have a share capital. In the event of winding up, each member has guaranteed to contribute to a maximum of £10 to meet the liabilities of the company.

**The following page is for
use by the Trustees only**

CARIBBEAN BIODIVERSITY FUND
Detailed profit and loss account for year ending 30 September 2017

	2017		2016	
	\$	\$	\$	\$
Income				
Endowment Fund income		31,033,811		750,000
Investment income				
Interest on deposits	882,789		726,437	
		882,789		726,437
Total income		31,916,600		1,476,437
Expenditure				
Support costs				
Chief Executive Office costs	96,750		108,360	
Travel costs	99,011		114,328	
Office costs	2,372		10,651	
Insurance	1,980		2,772	
Management fees	199,244		254,657	
Foreign exchange (loss)/gain	1,692,165		(4,835,456)	
		2,091,522		(4,344,688)
Governance costs				
Audit fees	17,997		23,723	
Accountancy fees	32,058		11,225	
Legal fees	1,926		6,777	
Professional fees	7,538			
Depreciation	545		545	
		60,064		42,270
Total expenditure		2,151,586		(4,302,418)
Realised gain/(loss)		752,745		(366,595)
Unrealised gain		1,175,303		1,933,765
Net incoming resources for the period		31,693,062		7,346,025