

Registered Company No. 08204716  
Registered Charity No. 1149889

**CARIBBEAN BIODIVERSITY FUND**

**FINANCIAL STATEMENTS**

**30 SEPTEMBER 2016**

## 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

Mr. Sheldon Cohen – appointed 1 June 2014 / resigned 31 January 2016

Mrs. Eleanor Phillips.– appointed 1 February 2016

### **Company Secretary**

Oakwood Corporate Secretary Limited

### **Registered Office**

3<sup>rd</sup> Floor

1 Ashley Road

Altrincham

Cheshire

WA14 2DT

### **Auditor**

Moore-Stephens

Chartered Accountants & Statutory Auditor

35 Calthorpe Road

Edgbaston

Birmingham

B15 1TS

### **Solicitors**

Ropes & Gray LLP

5 New Street Square

London

EC4A 3BF

### **Investment Manager**

UBS Financial Services Inc.

925 4<sup>th</sup> Avenue

20<sup>th</sup> Floor

Seattle WA

98104-1157

### **Accountants**

Baker Tilly Gomez

The Deanery

28 Cumberland Street

P.O. Box N-1991

Nassau, The Bahamas

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 2016**

The Trustees have pleasure in presenting their report of the charitable company for the period ended 30 September 2016.

#### **Structure, Governance and Management**

Established on September 6<sup>th</sup>, 2012, the Caribbean Biodiversity Fund (CBF) is the realization of a bold vision to create reliable, long-term funding for conservation and sustainable development in the Caribbean region. The CBF was incorporated as a UK Registered Company (No. 08204716) on 6<sup>th</sup> September 2012 and registered as a UK Registered Charity (No. 1149889) on 23<sup>rd</sup> November 2012. Its governing documents are its Memorandum and Articles of Association.

The CBF is an umbrella fund with permanent and non-permanent funding.

#### **Permanent Finding – The CBF Endowment**

With US\$42.0 million in pledges, the CBF endowment was created by the CBF Founding Donors - the German Government through the German Development Bank (KfW), The Nature Conservancy (TNC), and the Global Environment Facility (GEF) – through the World Bank and the United Nations Development Program (UNDP). The endowment proceeds will benefit the partner National Conservation Trust Funds (NCTFs) that enter into a Partnership Agreement with the CBF and in accordance with donors' requirements. Partner national funds in turn lead the grant-making programs at the national level.

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.

#### **Non-Permanent Funding**

In addition to its endowment, the CBF was created with a flexible structure to manage sinking funds, revolving funds and project grant funding. In partnership with the German government through KfW, the CBF has established a 25 million EUR fund (in December 2016) for ecosystem-based adaptation to climate change.

The CBF continues to raise non-permanent and permanent funding to bring on additional countries and for regional conservation and sustainable development actions.

#### **Governance Structure:**

The CBF is governed by the CBF Board of Directors, which is currently composed of two permanent members: KfW (German Development Bank), currently represented by Dr. Jens Mackensen; and The Nature Conservancy (TNC), currently represented by Mrs. Eleanor Phillips.

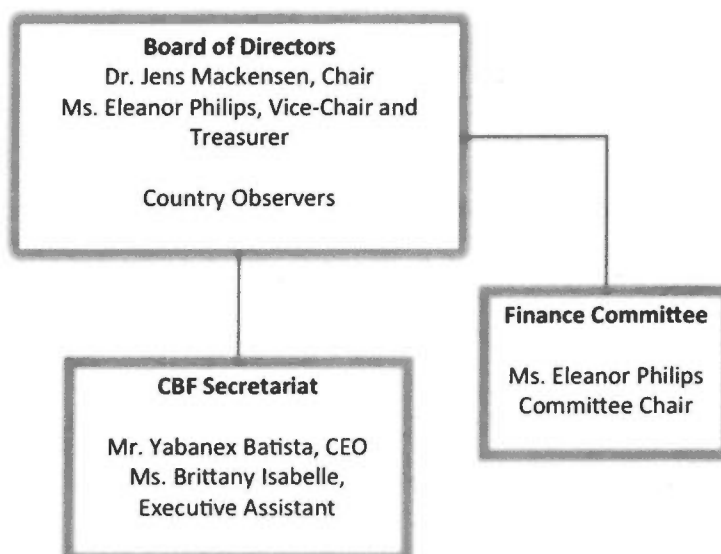
The current 8 CBF Participating Countries (Antigua and Barbuda, The Bahamas, Dominican Republic, Grenada, Jamaica, St. Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines) have designated CBF Country Observers to attend the Board Meetings and serve as national focal points on CBF matters. In addition, the British Virgin Islands (BVI), Haiti, and Puerto Rico also have Observer status with the CBF. Once a National Conservation Trust Funds (NCTFs) signs a Partnership Agreement with the CBF each one of them will appoint a Director to the CBF Board. As per the Articles of Association and Operations Manual, once an NCTF signs the Partnership Agreement with the CBF, the NCTF will be able to make a Payment Request from the CBF endowment. The NCTFs in turn make grants to governmental and non-governmental institutions to advance the objects of the CBF. In addition to the Country Observers, a number of partners also have Observer status including; the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), and The World Bank (WB), and the Caribbean Biodiversity Corridor (CBC).

A CBF Secretariat, tasked with carrying out all day-to-day operations of the CBF and headed by a Chief Executive Officer, is located in Nassau, The Bahamas. The organizational charts below show the structure of the CBF as well as how the CBF interacts with its major stakeholders.

## CARIBBEAN BIODIVERSITY FUND

### REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 30 SEPTEMBER 2016

#### CBF Governance Chart



#### Objectives and activities

The objectives of the CBF are 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.

#### 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 2016 the CBF activities and key achievements included the following:

#### 1. Operations

##### A. Policies and Procedures enacted:

- CBF Transaction Tracking System Policy and Procedures (20 October 2015)
- CBF Risk Registry (20 October 2015)
- CBF Operational Manual Environmental Safeguards Policy (26 August 2016)
- FY17 Annual Work Plan and Budget (20 September 2016)

##### B. CBF Bahamas Registration

- CBF continues to work on finalizing its registration process in The Bahamas. There have been several procedural delays that have prevented completion of this process.

**CARIBBEAN BIODIVERSITY FUND**

**REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

**2. Strategic Plan and Fundraising Strategy**

- The CBF Strategic Plan was adopted during the 4<sup>th</sup> CBF Annual Meeting,
- Fundraising strategy was completed in November 2015 and was key for development of the Strategic Plan.
- The CBF received two grants in FY16:
  - EUR 588,000.00 from the German Government through KfW to support with technical assistance the NCTFs, the Caribbean Challenge Initiative Secretariat and a series of workshops and meetings. Activities of these grants began in FY16 and are expected to be implemented through FY18.
  - US\$20,0000 from FUNBIO as part of a project supporting the Latin American and Caribbean Network of Environment funds – the grant focused on supporting the development of financial mechanisms for NCTFs. This grant was fully implemented in FY16.




**3. National Conservation Trust Funds Status and CBF Eligibility Requests**

- NCTFs that are expected to become CBF eligible made important progress in FY16 towards becoming established and operational. Table I below shows progress through a set of key millstones.
- Two NCTFs signed Pre-financing Agreements with the CBF to support their establishment ad operations.

**4. Partnerships**

- An MOU with the Caribbean Challenge Initiative Secretariat was in final stages of approval at the close of FY16.

**Table I: NCTFs Establishment Progress (as of September 2016)**

CBF Countries	Legally Established	Functional Board	By-laws	OM	Staff Hiring	CBF Eligibility Request Submitted	Partnership Agreement Negotiations
A&B	Completed	Completed	Completed	Completed	Completed	Completed	Completed
BVIs	Completed	Completed	Completed	Completed	Completed	Completed	Completed
Bahamas	Completed	Completed	Completed	Completed	Completed	Completed	Completed
DR	Completed	Completed	Completed	Completed	Completed	Completed	In Progress
Grenada	Completed	Completed	Completed	Completed	Completed	Completed	Completed
Jamaica	Completed	Completed	Completed	Completed	Completed	Completed	Completed
Puerto Rico	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress
SKN	Completed	Completed	Completed	Completed	Completed	Completed	Completed
SLU	Completed	Completed	Completed	In Progress	Completed	Completed	Completed
SVG	Completed	Completed	Completed	Completed	Completed	Completed	Completed
<b>Legend</b>							
	<b>Not Initiated Yet</b>						
	<b>In Progress</b>						
	<b>Completed</b>						

## CARIBBEAN BIODIVERSITY FUND

### REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 30 SEPTEMBER 2016

#### 2. Governance

##### A. CBF Board

- **KfW Director** - KfW (German Development Bank) Director Mr. Peter Hilliges resigned on 23 October, 2015. KfW appointed Mr. Jens Mackensen as the new KfW Director on 23<sup>rd</sup> October 2015. Mr. Mackensen is also the Chair of the CBF Board. His appointment was renewed on 28 October 2015.
- **TNC Director** - The Nature Conservancy (TNC) Director Mr. Sheldon Cohen was appointed as CBF Director on 1 June 2014 and resigned on 31 January 2016. Mrs. Eleanor Phillips was appointed as the new TNC Director effective on 1 February 2016. Mrs. Phillips was also elected on 15<sup>th</sup> 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 four (4) CBF Board Meetings were held in FY 2016:
  - 15<sup>th</sup> CBF Board Meeting (December 15<sup>th</sup>, 2015)
  - 16<sup>th</sup> CBF Board Meeting (March 15<sup>th</sup>, 2016)
  - 17<sup>th</sup> CBF Board Meeting (June 23<sup>rd</sup>, 2016)
  - 4<sup>th</sup> CBF Annual Meeting (also 18<sup>th</sup> CBF Board Meeting) (September 20<sup>th</sup>, 2016)

##### B. CBF Finance Committee

- **Finance Committee Meetings** - A total of four (4) CBF Finance Committee Meetings took place in FY16:
  - 6<sup>th</sup> Finance Committee Meeting (December 17<sup>th</sup>, 2015)
  - 7<sup>th</sup> Finance Committee Meeting (February 18<sup>th</sup>, 2016)
  - 8<sup>th</sup> Finance Committee Meeting (May 17<sup>th</sup>, 2016)
  - 9<sup>th</sup> CBF Finance Committee Meeting (September 19<sup>th</sup>, 2016)
- In addition to the CBF Finance Committee meetings, quarterly meetings were held with the CBF Investments Manager (UBS) either during the above-mentioned Committee meetings or separately.

##### C. CBF Annual Meeting

The 4<sup>th</sup> CBF Annual Meeting took place in Castries, Saint Lucia on September 20<sup>th</sup>, 2017. 2015. This meeting also served as the 18<sup>th</sup> Board Meeting of the CBF. All CBF Participating Countries attended the meeting as well as the British Virgin Islands, Haiti and Puerto Rico, which are currently CBF Observer Countries. Donors and partners also attended the meeting.

Key topics discussed included:

- CBF FY16 Status Report
- Update on establishment of National Conservation Trust Funds (NCTFs)
- CBF Finances and Investments updates
- Approval of Haiti and Caribbean Biodiversity Corridor as CBF Observers
- CBF 2020 Strategic Plan approval
- Approval of CBF FY17 Annual Work Plan
- Approval of CBF Secretariat FY17 Budget
- Renewal of CEO Appointment

#### 4. Year Ahead - CBF FY17 Annual Work Plan

The CBF's FY2017 Annual Work Plan (October 1<sup>st</sup>, 2016 – September 30<sup>th</sup>, 2017), as approved during the 4<sup>th</sup> CBF Annual Meeting, will focus on the following key strategic areas of action:

- 1) Strengthening CBF Institutional Framework
- 2) Strengthening CBF finances and accounting
- 3) Supporting establishment of National Conservation Trust Funds and sustainable finance mechanisms to achieve the CBF 1:1 match requirement
- 4) Executing Partnership Agreements
- 5) Establishing key partnerships
- 6) Developing the CBF's Marketing and Communications Strategy
- 7) Assess potential for new thematic funding windows and working in new geographies

**CARIBBEAN BIODIVERSITY FUND**

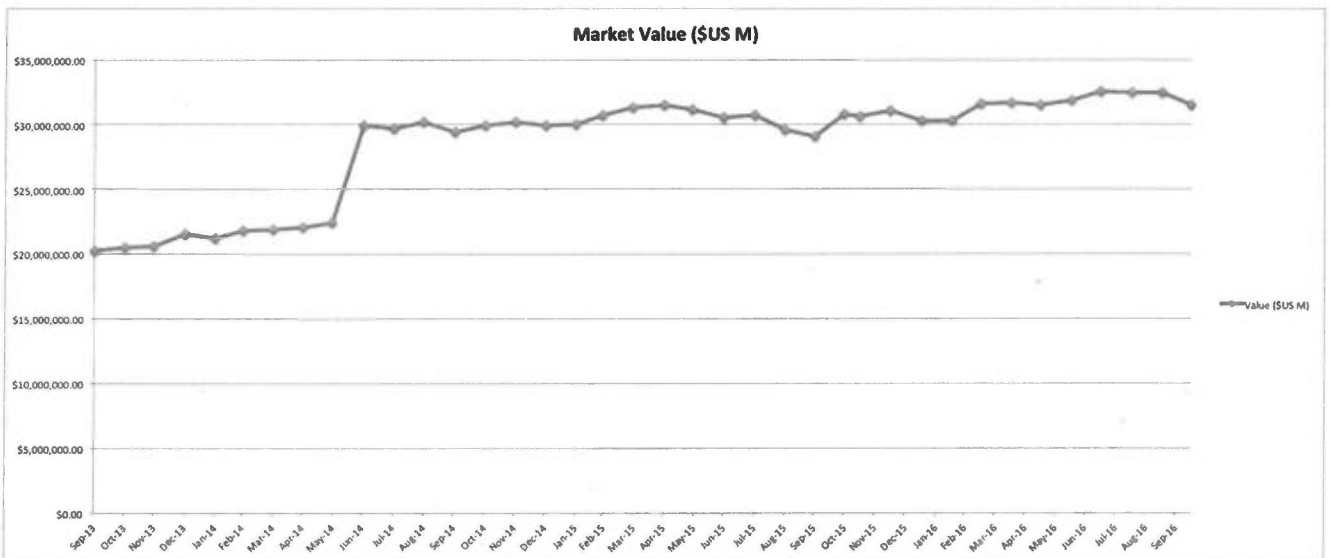
**REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

**Financial Review**

**1. CBF Endowment Performance**

As of September 30th, 2016 the CBF Endowment accounts had investment earnings of US\$1,577,609 YTD. Total assets as of September 30, 2016 were \$32,422,688.00. By the end of the fiscal year the CBF has made US\$207,784 in withdrawals. Graph 1 below shows the historical CBF endowment market Value since inception of investments.

**Graph I: Historical CBF Endowment Market Value Performance**



**CBF Endowment Deposits Record**

As of September 30<sup>th</sup>, 2016 a total of 6 deposits had been made to the CBF endowment for a total of US\$ 30,486,126.00. Table II below reflects all CBF deposits since inception. The CBF made one withdrawal of US\$207,784.00 from its Endowment in May 2016.



CARIBBEAN BIODIVERSITY FUND

REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 30 SEPTEMBER 2016

Table II: CBF Endowment Deposits Record

Deposits Record				
Deposit Date	Donor	Amount	Amount received in USD	Notes
<b>FY13</b>				
25-Jan-13	KfW	€ 15,075,000	20,286,126	Assigned to 7 countries (not including The Bahamas) and CBF Secretariat.
<b>FY14</b>				
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.
<b>FY15</b>				
26-Mar-15	TNC	USD 750,000	750,000	TNC Early Transfer - Not assigned to any CBF participating Country yet.
<b>FY16</b>				
29-Oct-2015	TNC	USD 750,000		Assigned to Bahamas
29-Dec-2015	UNDP	USD 750,000		Assigned to Jamaica
<b>Total Deposits (through FY16)</b>			<b>30,486,126.00</b>	

2. Investment Policies

Currently the CBF only counts with one investment policy, which is specifically designed for the CBF endowment. The CBF amended its CBF endowment Investment Policy on 15 March 2016. The Policy includes the guidelines for an investment strategy that aims at achieving a 7% return on investments on the CBF endowment funds. Investment management of the assets of the Caribbean Biodiversity Fund shall be in accordance with the following asset allocation guidelines:

Table III: CBF Investment Policy Assets Allocations<sup>1</sup>

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Preferred</u>
Equities	10%	50%	40%
Fixed Income	40%	80%	55%
Alternative Investments	0%	10%	5%
Cash and Equivalents	0%	5%	0%

<sup>1</sup> As of 15 March 2016.

## CARIBBEAN BIODIVERSITY FUND

### REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 30 SEPTEMBER 2016

Investments 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.

#### 3. Secretariat Operational Budget

The CBF Secretariat had an operational budget of US\$236,400,00 for FY16 with the Endowment being the source of these funds, as approved by the CBF Board. As of the end of FY16 a total of US\$ 207,661.15 was spent.

In addition to the budget sourced from the CBF Endowment; the US\$19,134.22 expenses from the US\$20,000 grant obtained from FUNBIO are reflected as CBF Secretariat operational expenses for accounting purposes. Moreover, a total of US\$43,832.99 were expenses for activities under the grant of the German Government through KfW to support NCTFs and the Caribbean Challenge Initiative. These expenses are also reflected as CBF Secretariat operational expenses for accounting purposes.

#### 4. 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.

While subject to market behaviour, the CBF 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, a fundraising strategy for the CBF has been designed and will be implemented in the following fiscal years, as part of the CBF 2020 Strategic Plan, in order to generate a larger volume of returns or open new funding windows and instruments that would assist in securing the financial sustainability of the institution and fulfil its objectives.

#### 5. 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.

#### Statement of Trustees' Responsibilities

The law applicable to Charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements the trustees should follow best practice and;

- Select suitable accountancy policies and then apply them consistently.
- Make judgements and estimates that are both prudent and responsible.
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the Charity and ensure that the financial statements comply with the Charities Act 2011, the Companies Act 2006 and the Constitution of the Charity. The trustees are also responsible for safeguarding the assets of the Charity and hence take all reasonable steps for the prevention and detection of fraud and any other irregularities.

The maintenance and integrity of the charity's website is the responsibility of the trustees. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

In so far as the trustees are aware;

- There is no relevant audit information of which the Charity's Auditors are unaware
- The trustees have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the Auditors are aware of such information.

CARIBBEAN BIODIVERSITY FUND

REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 30 SEPTEMBER 2016

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Auditor

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

Signed on behalf of the Trustees

A large, stylized handwritten signature in black ink, appearing to be 'Jens Mackensen', is written over a dotted line. The signature is fluid and extends to the right.

Dr Jens Mackensen  
Chair, CBF Board

Date: 26 June 2017

## **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 period ended 30 September 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

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.

We have been appointed auditor under the Companies Act 2006 and the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustee's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

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 2016, and of its incoming resources and application of resources, for the period 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**CARIBBEAN BIODIVERSITY FUND**

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

**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 Trustees Annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

*Moore Stephens W.*

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

35 Calthorpe Road  
Edgbaston  
Birmingham  
West Midlands  
B15 1TS

Date: *30/6/2017*

**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 £	Total Funds 2015 £
<b>Incoming Resources</b>					
Incoming resources from					
Generated funds:					
Voluntary income					
Investment income	3	-	558,448	558,448	639,771
Charitable funds:					
Charitable activities	4	-	576,563	576,563	494,850
<b>Total Incoming Resources</b>		-	1,135,011	1,135,011	1,134,621
<b>Resources Expended</b>					
Charitable Activities	5	213,017	(3,520,502)	(3,307,485)	(1,008,460)
<b>Total Resources Expended</b>		213,017	(3,520,502)	(3,307,485)	(1,008,460)
<b>Net Incoming / (outgoing) Resources before transfers</b>	8	(213,017)	4,655,513	4,442,496	2,143,081
<b>Transfers</b>					
Gross Transfers between funds		213,017	(213,017)	-	-
Net incoming resources before Other gains and losses		-	4,442,46	4,442,496	2,143,081
Realised gains and (losses)	10	-	(281,820)	(281,820)	358,359
Unrealised gains and (losses)		-	1,486,582	1,486,582	(1,421,231)
<b>Net movement in funds in the year</b>		-	5,647,258	5,647,258	1,080,209
Total funds brought forward		-	19,015,872	19,015,872	17,935,663
Total funds carried forward	13	-	24,663,130	24,663,130	19,015,872
		=====	=====	=====	=====

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

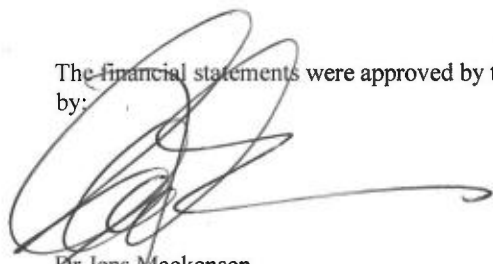
The notes on pages 15 – 21 form part of these financial statements

**CARIBBEAN BIODIVERSITY FUND**

**Balance sheet at 30 September 2016**

	Note	2016		2015	
		£	£	£	£
Fixed Assets			781		
Tangible Assets	9		24,002,815		1,030
Investments	10				18,143,414
Current Assets					
Debtors	11	51,120		59,436	
Cash at bank and in hand		875,531		999,640	
		<u>926,651</u>		<u>1,059,076</u>	
Creditors: Amounts falling due within one year	12	(267,117)		(187,648)	
			<u>659,534</u>		<u>871,428</u>
Net Current Assets					
Total assets less current liabilities			24,663,130		19,015,872
Creditors: Amounts falling due after one year			-		-
Net Assets			<u>24,663,130</u>		<u>19,015,872</u>
Funds					
Endowment Funds	13		24,663,130		19,015,872
Unrestricted Funds	14		-		-
TOTAL FUNDS			<u>24,663,130</u>		<u>19,015,872</u>

The financial statements were approved by the Trustees, and authorised for issue on 26 June 2017 and signed on their behalf by:



Dr Jens Mackensen  
Chair, CBF Board

Company Number: 08204716

The notes on pages 15 – 21 form part of these financial statements

## CARIBBEAN BIODIVERSITY FUND

### Cash flow statement as at 30 September 2016

	Notes	2016 £	2015 £
Net cash inflow from operating activities	15	3,972,082	1,469,711
Returns on investment	16	558,448	639,771
Net cash outflow from investing activities	17	(4,654,639)	(1,975,117)
		<hr/>	<hr/>
Increase / (decrease) in cash in the period		(124,109)	134,365
Opening net funds at 1 October		999,640	865,275
Closing net funds at 30 September		<hr/> 875,531 <hr/>	<hr/> 999,640 <hr/>

The notes on pages 15 – 21 form part of these financial statements



## **CARIBBEAN BIODIVERSITY FUND**

### **Financial statements for the year ended 30 September 2016**

#### **Notes forming part of the financial statements**

##### **1. Charitable company information**

The Caribbean Biodiversity Fund is a private limited charitable company limited by guarantee by not having any share capital incorporated in England and Wales. The registered office is 3<sup>rd</sup> 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).

The financial statements are prepared in Sterling and rounded to the nearest £1.

###### **b) Incoming resources**

All income is accounted for on a receivable basis.

###### **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.

###### **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 2016

#### 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 12 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 expectations 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 resulting 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 2016**

**Notes forming part of the financial statements**

**3. Investment income**

	Unrestricted £	Endowment £	2016 £	2015 £
Interest and dividends on investments	-	558,448	558,448	639,771
	<u>-</u>	<u>558,448</u>	<u>558,448</u>	<u>639,771</u>
	=====	=====	=====	=====

**4. Funding for charitable activities**

	Unrestricted £	Endowment £	2016 £	2015 £
Grant income – KfW	-	-	-	-
Grant income – TNC	-	576,563	576,563	494,850
Grant income - GEF	-	-	-	-
	<u>-</u>	<u>576,563</u>	<u>576,563</u>	<u>494,850</u>
	=====	=====	=====	=====

**5. Charitable activities**

	Unrestricted £	Endowment £	2016 £	2015 £
Support costs (note 6)	181,510	(3,520,502)	(3,338,992)	(1,040,454)
Governance costs (note 7)	31,507	-	31,507	31,994
	<u>213,017</u>	<u>(3,520,502)</u>	<u>(3,307,485)</u>	<u>(1,008,460)</u>
	=====	=====	=====	=====

**6. Support costs**

	Unrestricted £	Endowment £	2016 £	2015 £
Chief Executive Office costs	83,302	-	83,302	71,851
Travel costs	87,889	-	87,889	33,482
Office costs	8,188	-	8,188	5,228
Insurance	2,131	-	2,131	3,155
Management fees	-	195,768	195,768	131,160
Foreign exchange gain	-	(3,716,270)	(3,716,270)	(1,285,330)
	<u>181,510</u>	<u>(3,520,502)</u>	<u>(3,338,992)</u>	<u>(1,040,454)</u>
	=====	=====	=====	=====

No trustees received any remuneration during the current or previous period  
 No expenses were reimbursed to trustees during the current or previous period.

**CARIBBEAN BIODIVERSITY FUND**

**Financial statements for the year ended 30 September 2016**

**Notes forming part of the financial statements**

**7. Governance costs**

	2016 £	2015 £
Audit fee	18,236	18,832
Accountancy fees	7,812	9,897
Legal fees	5,210	2,999
Depreciation	249	266
	<u>31,507</u>	<u>31,994</u>

**8. Net incoming resources for the year**

	2016 £	2015 £
This is stated after charging:		
Audit fee	18,236	18,832
Depreciation	249	266
	<u>18,485</u>	<u>19,098</u>

**9. Tangible fixed assets**

<b>Cost</b>	<b>Fixtures, Fittings and Improvements £</b>	<b>Total £</b>
At 1 October 2015		
Additions	1,436	1,436
Disposals	-	-
	<u>1,436</u>	<u>1,436</u>
At 30 September 2016	1,436	1,436
<b>Depreciation</b>		
At 1 October 2015	406	406
Charge for the year	249	249
	<u>655</u>	<u>655</u>
At 30 September 2016	655	655
<b>Net Book Value</b>		
At 30 September 2016	781	781
	<u>781</u>	<u>781</u>
At 30 September 2015	1,030	1,030
	<u>1,030</u>	<u>1,030</u>

## CARIBBEAN BIODIVERSITY FUND

### Financial statements for the year ended 30 September 2016

#### Notes forming part of the financial statements

#### 10. Investments

##### Listed Investments

	2016 £	2015 £
Value at 1 October 2015	18,143,414	17,231,169
Additions	20,510,297	7,336,829
Disposals	(18,826,106)	(6,661,395)
Realised and unrealised investment gains	1,204,762	(1,062,872)
Foreign exchange gains	2,970,448	1,299,683
At 30 September 2015	<u>24,002,815</u>	<u>18,143,414</u>

#### 11. Debtors

	2016 £	2015 £
Prepayments	2,368	-
Accrued investment income	48,752	59,436
	<u>51,120</u>	<u>59,436</u>

#### 12. Creditors due within one year

	2016 £	2015 £
Trade creditors	208,217	139,218
Accruals	58,900	48,430
	<u>267,117</u>	<u>187,648</u>

#### 13. Endowment funds

	Brought forward £	Income £	Expenditure £	Gross transfer £	Realised & Unrealised gains/(losses) £	Balance 30 Sept 2016 £
Endowment Funds	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>

## CARIBBEAN BIODIVERSITY FUND

### Financial statements for the year ended 30 September 2016

#### Notes forming part of the financial statements

##### 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.

#### 14. Unrestricted funds

Balance	Brought forward £	Income £	Expenditure £	Gross transfer £	Balance 30 Sept 2015 £
Unrestricted funds	-	-	(213,017)	213,017	-
	-	-	(213,017)	213,017	-

#### 15. Net assets by fund

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)
	-	24,663,130	24,663,130

#### 16. Net cash inflow from operating activities

	2016 £	2015 £
<b>Net incoming resources</b>		
Net incoming resources	4,442,496	2,143,081
(Increase) / Decrease in debtors	8,316	(10,415)
(Decrease) / Increase in creditors	79,469	(23,450)
Deposit interest	(558,448)	(639,771)
Depreciation	249	266
Fixed asset addition	-	-
	3,972,082	1,469,711

## CARIBBEAN BIODIVERSITY FUND

### Financial statements for the year ended 30 September 2016

#### Notes forming part of the financial statements

#### 17. Returns on investment

	2016 £	2015 £
Deposit interest	558,448	639,771
	<u>558,448</u>	<u>639,771</u>

#### 18. Net cash flow from investing activities

	2015 £	2015 £
Purchase of investments	(20,510,297)	(7,336,829)
Proceeds from sale of investments	18,826,106	6,661,395
Foreign exchange gains	(2,970,448)	(1,299,683)
	<u>(4,654,639)</u>	<u>(1,975,117)</u>

#### 19. 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 period. Ms Eleanor Phillips was the appointed representative from The Nature Conservancy (TNC) during the previous period.

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

#### 20. 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.