

**Caribbean Biodiversity Fund
Financial Statements
Year ended 30 September 2020**

Charity registration number: 1149889
Company registration number: 08204716



Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2020

Contents

	Page
Charity Reference and Administrative Details	1
Trustees' Report (Including Directors' Report and Strategic Report)	2 - 13
Independent Auditor's Report	14 - 16
Statement of Financial Activities (Including Income and Expenditure Account)	17 - 18
Balance Sheet	19
Statement of Cash Flows	20
Notes to the Financial Statements	21 - 30

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2020

Charity registration number	1149889
Company registration number	08204716
Trustees	Mrs Kelley Botswick-Toote Mr Garry Gore Ms Lisa Grant Mr Sixto Inchaustegui Ms Brenda John Mr Michael John Dr Jen Mackensen Mr George Mason Mrs Eleanor Phillips Ms Karolin Troubetzkoy
Chief executive officer	Yabanex Batista
Registered office	3 rd floor 1 Ashley Road Altrincham Cheshire WA14 2DT
Principal place of business	6 Colonial Hill Plaza Thompson Blvd. P.O. Box CB 11398 Nassau The Bahamas
Auditor	Azets Audit Services Gladstone House 77-79 High Street Egham TW20 9HY
Solicitor	Ropes & Gray LLP 5 New Street Square London EC4A 3BF
Investment managers	Metzler -Payden 333 South Grand Avenue Los Angeles California 90071 Deutsche Bank Trust Company Americas Deutsche Bank Wealth Management 345 Park Avenue New York

Caribbean Biodiversity Fund

Trustees' Report (Including Directors Report)

Year ended 30 September 2020

The Trustees present their report and the audited financial statements of the charity for the year ended 30 September 2020. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 (effective 1 January 2019).

Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

Mr Noorani Azeez	resigned 3 June 2020
Mrs Kelley Botswick-Toote	appointed 11 December 2020
Mr Garry Gore	
Ms Lisa Grant	
Mr Sixto Inchaustegui	
Ms Brenda John	appointed 11 December 2020
Mr Michael John	
Dr Jen Mackensen	
Mr George Mason	
Mrs Eleanor Phillips	
Ms Karolin Troubetzkoy	appointed 2 October 2020

Objectives and activities

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. Currently, the CBF has two programs: (i) the Conservation Finance Program, anchored by a ~US\$80 million endowment fund and (ii) the Climate Change Program, focused on Ecosystem-based Adaptation (EbA), with a US\$50 million sinking fund.

The CBF, along with a set of National Conservation Trust Funds (NCTFs), form the Caribbean Sustainable Finance Architecture (the Architecture) which aims to mobilise financial resources for conservation in the Caribbean. As the regional partner of the Architecture, and in addition to its key sustainable financial resources focussed 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.

Fund-raising Standards Information

The Foundation is not actively engaged in fund raising activities which would require registration with the UK Fundraising Regulator.

Public benefit statement

The Trustees have referred to the guidance contained within 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.

Achievements and performance

During fiscal year 2020 the CBF activities and key achievements included the following:

Caribbean Biodiversity Fund

Trustees' Report (Including Directors Report)

Year ended 30 September 2020

Overall Governance and Operations

A. CBF Board

- At the end of FY2020 the CBF Board was composed of 7 appointed Directors.
- Mr. Mackensen remained as Chair of the Board.
- Mrs. Phillips remained as CBF Vice-Chair and Treasurer of the Board, as well as Chair of the CBF Finance Committee.
- **Board Meetings** - A total of five (4) Board Meetings were held in FY20:
 - 35th CBF Board Meeting (November 28th, 2019)
 - 36th CBF Board Meeting (December 11th, 2019)
 - 37th CBF Board Meeting (March 23rd, 2020)
 - 8th CBF Annual Meeting - also served as 38th CBF Board Meeting (August 4th and 5th 2020)

B. CBF Annual Meeting

The 8th CBF Annual Meeting took place virtually due to the COVID-19 Pandemic, on August 4th and 5th, 2020. This meeting also served as the 38th Board Meeting of the CBF.

Key topics discussed included:

- CBF FY20 interim Status Report
- Deregistration and registration of CBF in The Bahamas and Jamaica, respectively.
- Finance Committee report, including finance and investment updates.
- Approval of CBF FY2021 Annual Work Plan
- Preliminary approval of CBF Secretariat FY2021 Operations Budget

C. Committees

- **Finance Committee Meetings** - A total of five (5) CBF Finance Committee Meetings took place in FY20:
 - 20th Finance Committee Meeting (March 16th, 2020)
 - 21st Finance Committee Meeting (April 24th, 2020)
 - 22nd Finance Committee Meeting (June 4th, 2020)
 - 23rd Finance Committee Meeting (July 8th, 2020)
 - 24th Finance Committee Meeting (September 18th, 2020)

Operations

A. Key Institutional Documents Approved:

- Procurement Rules - July 2020
- Amended Risk Registry - March 2020
- CBF Endowment Matching Requirement Policy - March 2020
- FY21 Annual Work Plan and preliminary FY21 Operational Budget - August 2020

B. Legal Structure

- During FY2020, the CBF decided to deregister from The Bahamas given the difficulties encountered to finalize the full process. In addition, the CBF decided to register in Jamaica. Both processes are expected to be concluded in FY2021. CBF continued to work on the process related to registration in the United States of America process as a 501(c)3.

Strategic Plan and Fundraising Strategy

- The CBF continued to implement its 2020 Strategic Plan.
- The CBF received deposits for its Endowment in FY2020 in the amount of US\$27,822,200 (see Table I below).
- The CBF received deposits for its EbA Facility in FY2020 in the amount of US\$22,384,592.53 (see Table II below).

Caribbean Biodiversity Fund

Trustees' Report (Including Directors Report)

Year ended 30 September 2020

Table I: CBF Endowment Deposits - KFW up to September 2020

Endowment		
Donor	Sub-Account	Amount (USD)
KFW	Cuba	8,903,104.00
	Dominica	2,782,220.00
	Guyana	5,564,440.00
	Haiti	10,572,436.00
Totals		27,882,200.00

Table II: CBF EbA Facility Deposit up to September 2020

EbA Facility		
Donor Deposit		
Date	Organization	Amount (US)
08/23/2017	KFW	26,502,638.25
10/06/2017	KFW	889.76
12/31/2019	KFW	22,384,592.53
Totals		48,888,120.54

Conservation Finance Programme

- NCTFs that are eligible or expected to become CBF-eligible made important progress in FY20 in their grant-making and operational systems. Table I below shows progress through a set of key milestones.
- Pre-financing Agreements
- By the end of FY20, four (4) of the six (6) Pre-financing Agreements with the CBF to support their establishment and operations were completed.
- Marine Ecosystem Protected Area Trust (September 21st, 2016 – FY16)
- Saint Lucia National Conservation fund (September 21st, 2016 – FY16)
- National Conservation Trust Fund of Jamaica (June 26th, 2017 – FY17)
- St. Vincent and the Grenadines Conservation Fund (October 25th, 2017)
- Last payments for the final 2 Agreements (listed below) are expected in the first quarter of FY21
- Saint Christopher and Nevis Conservation foundation (April 12th, 2017 – FY17)
- Grenada Sustainable Development Trust Fund (November 6th, 2018)
- In FY20, the CBF made pre-financing payments in the amount of US\$ 229,373.93, for a total of US\$887.961.93 since inception.
- Partnership Agreements
 - For the reporting period (FY20), six (6) 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)
 - St. Vincent and the Grenadines Conservation Fund (March 29th, 2019)
 - National Conservation Trust Fund of Jamaica (June 14th, 2019)
 - Grenada Sustainable Development Trust Fund (June 17th, 2019)

Eligibility requests for Partnership Agreements were also received from the NCTFs listed below. At least three of these are expected to be signed in the first quarter of FY21:

- Guyana Protected Areas Trust (GPAT)
- St. Christopher and Nevis Conservation Foundation (SCNCF)

Caribbean Biodiversity Fund

Trustees' Report (Including Directors Report)

Year ended 30 September 2020

- Bahamas Protected Areas Fund (BPAF)
- Haiti Biodiversity Fund (FHB)

The CBF made eight (8) Partnership Agreement Payments in FY20:

- The CBF made Partnership Agreement payments in the amount of US\$ \$987,387.46 in FY20 (see Table III below) for a total of US\$1,915,864.03 since inception.

Table III: NCTFs payments up to September 2020

Date	Amount	NCTF and Payment #
08/10/2019	92,657.78	SVGCF CBF Partnership Agreement Payment 1 Tranche 1
05/12/2019	105,476.57	NCTFJ Partnership Agreement Payment 1 Tranche 1
05/12/2019	189,968.59	Fondo MARENA Partnership Agreement Payment 2 Tranche 2
13/05/2020	209,364.29	Fondo MARENA Partnership Agreement Payment 3 Tranche 1
13/05/2020	94,373.93	SLUNCF Partnership Agreement Payment 3 Tranche 1
13/05/2020	97,408.53	GSDTF Partnership Agreement Payment 1 Tranche 1
06/08/2020	92,657.78	SVGCF Partnership Agreement Payment 1 Tranche 1
15/09/2020	105,479.99	NCTFJ Partnership Agreement Payment 1 Tranche 2

Caribbean Biodiversity Fund

Trustees' Report (Including Directors Report)

Year ended 30 September 2020

Table IV: NCTFs Establishment Progress (as of October 2020)

NCTFs Dashboard – September 2020

NCTFs Status	Legally Established	Functional Board	Pre-Financing Agreement	By-laws	OM (Board Approved)	Staff Hiring	CBF Eligibility Request	Partnership Agreement Negotiations	First CBF Payment
MEPA Trust									
BPAF			Not applicable						
Fondo MARENA			Not applicable						
GSDTF									
NCTFJ									
SCNCF									
SLUNCF									
SVGCF									

Complete
 In progress
 Not initiated yet

Climate Adaptation Programme – EbA Facility

- Eleven projects from the first call for proposals were approved for funding through the EbA Facility. The total funding assigned to these projects was US\$12,085,298.60.
 - Grant Agreements were signed between the CBF and the 11 respective beneficiary organizations.
 - Disbursements were made to all 11 Grantees totalled \$1,941,593.79 up to September 2020.
 - First project Annual Work Plans and associated budgets were approved for 10 of the 11 Grantees.
 - First semi-annual Financial and Technical Progress reports were received for 10 of the 11 Grantees.
 - A second Financing Agreement was signed between CBF and KfW on December 17th, 2020 for a 20 Million Euros Top-Up for the EbA Facility.
 - The First EbA Workshop was held during February 25-26, 2020, in Santo Domingo, Dominican Republic in collaboration with KfW, IUCN and GIZ.
 - The Second Call for Proposals was launched on February 26th, 2020, with 79 applications received. Fifteen concept notes were selected to be developed into full proposals.
 - The EbA Facility was featured in the GIZ coordinated project 'ACCIÓN Clima II' which provides knowledge exchange for IKI projects in Central America and the Caribbean.
- Four meetings of the EbA Facility Committee were convened during the reporting period.
 - Sixth meeting convened on October 4th, 2019
 - Seventh meeting convened on February 6th, 2020
 - Eight meeting convened on July 7th, 2020
 - Ninth meeting convened on September 25th, 2020

Caribbean Biodiversity Fund

Trustees' Report (Including Directors Report)

Year ended 30 September 2020

Partnerships

- Caribbean Challenge Initiative – CBF continued to implement joint activities with the Caribbean Challenge Initiative and particularly the 5th CCI-CBF Week in June 2020.
- Caribbean Biological Corridor - CBF held strategic discussions on the partnerships with the Caribbean Biological Corridor related to the CBF potentially serving as the sustainable finance platform for the Corridor.

Year Ahead - CBF FY2021 Annual Work Plan

The CBF's FY2021 Annual Work Plan (October 1st, 2020 – September 30th, 2021), as approved during the 8th CBF Annual Meeting, with a focus on the following key strategic areas of action (summary of Annual Work Plan key actions):

- 1) Institutional Strengthening:
 - a. Continued development and adoption of a Monitoring and Evaluation System
 - b. Development and adoption of an Environmental and Social Safeguards System
 - c. Complete an institutional governance assessment
 - d. Continued development and adoption of
 - e. Complete a human resources capacities and structure assessment for the Secretariat and policies required to address CBF current and growth needs.
 - f. Automate systems for expense reporting, grant-making, and transactions tracking system
 - g. Hire communications specialist/agenda and revamp the Communications, Outreach and Marketing Strategy and begin its implementation.
 - h. Development and adoption of a new Strategic Plan
 - i. Circular Economy instrument preparatory phase concluded
- 2) Conservation Finance Programme (Endowment)
 - a. Ten (10) Partnership Agreement Payments Requests are submitted for Board approval resulting in a commitment of approximately US\$2million
 - b. Two (2) partner NCTFs demonstrate their compliance with the Match Requirement Policy resulting in at least \$100,000 through eligible finance mechanisms.
 - c. Formalize and Initiate implementation of CBC-CBF partnership.
 - d. Deliver capacity building activities and knowledge exchange among the NCTFs (at least 2 workshops and 4 webinars).
 - e. Develop strategy and support efforts to secure resources to implement the Regional Sustainability Action Plan.
 - f. CBF signed the Hurricane Dorian Recovery Grant with BPAF on June 3, 2020 and the first payment of \$150,000 was made on June 5, 2020.
- 3) Climate Adaptation Programme - Ecosystem-based Adaptation Facility
 - a. Project selection process from second call for proposals is completed
 - b. Grant agreements signed from 2nd Call for Proposals
 - c. Third call for proposals issued
 - d. Project concept notes are selected (identified) from 3rd Call for Proposals.
 - e. Preliminary assessment for new EbA Facility funding sources and initial funding prospects identified.

Financial Review

CBF Endowment Performance

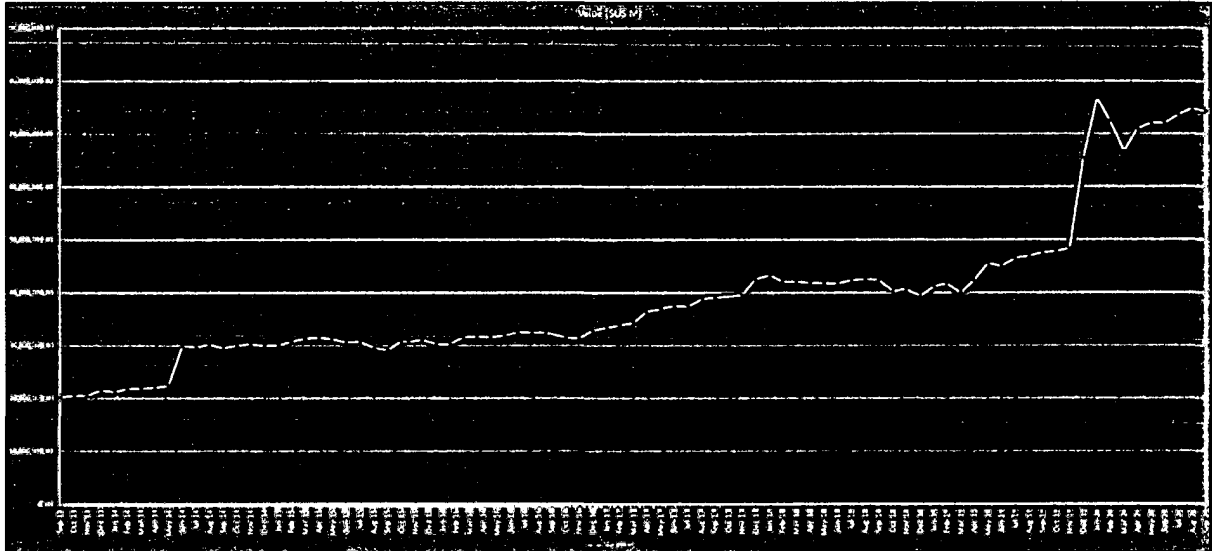
As of September 30th, 2020, the CBF Endowment account total assets were \$74,406,064.56. Graph 1 below shows the historical CBF Endowment market value since the inception of investments through September 30th, 2020.

Caribbean Biodiversity Fund

Trustees' Report (Including Directors Report)

Year ended 30 September 2020

Graph I: Historical CBF Endowment Market Value Performance



The Endowment has disbursed at total of \$1,810,384.04 in Pre-financing Agreements, \$883,588.00 in Partnership Agreements and \$150,000.00 for Other Grants Agreement, totalling \$2,843,972.04 up to September 30, 2020.

Table V: CBF Endowment Disbursements Record

Fiscal Year	(All)			
	Payment Type			Total Actual
	PA	PF	OA	
NCTFs	Actual	Actual	Actual	
BPAF			\$150,000.00	\$150,000.00
Fondo MARENA	\$909,753.00			\$909,753.00
GSDTF	\$97,408.53	\$135,000.00		\$232,408.53
MEPA	\$80,644.28	\$185,000.00		\$265,644.28
NCTFJ	\$105,476.57	\$127,588.00		\$233,064.57
SCNCF		\$90,000.00		\$90,000.00
SLUNCF	\$431,786.10	\$161,000.00		\$592,786.10
SVGCF	\$185,315.56	\$185,000.00		\$370,315.56
Grand Total	\$1,810,384.04	\$883,588.00	\$150,000.00	\$2,843,972.04

As of September 30th, 2020, the CBF EbA Facility has disbursed \$128,242.80 under the Project Preparation Grants agreements and \$1,941,593.79 under regular Grants for implementation, totalling \$2,069,836.59. The fund is expected to be fully disbursed by 2025. This Facility also contributes to the CBF operations budget.

Caribbean Biodiversity Fund

Trustees' Report (Including Directors Report)

Year ended 30 September 2020

Table VI: CBF EbA Facility Disbursements Record

Grantees	Payment Type		Total Actual
	G Actual	PG Actual	
Biodiversite Ministere de l'Environnement, Haiti		\$10,000.00	\$10,000.00
CATIE	\$123,520.00	\$10,000.00	\$133,520.00
Fauna & Flora International	\$91,301.53	\$9,650.00	\$100,951.53
Fundacion Grupo Puntacana	\$163,742.40	\$10,000.00	\$173,742.40
Fundacion Sur Futuro		\$10,000.00	\$10,000.00
Grenada CDA	\$79,127.46	\$9,480.00	\$88,607.46
IDDI	\$462,000.00	\$10,000.00	\$472,000.00
IICA	\$460,662.00	\$10,000.00	\$470,662.00
J/P Haitian Relief Organization	\$26,027.10	\$7,310.00	\$33,337.10
Mona Informatix Ltd	\$99,000.00	\$10,000.00	\$109,000.00
REDDOM	\$196,149.00	\$9,802.80	\$205,951.80
SLNT	\$141,925.00		\$141,925.00
Sustainable Grenadines Inc		\$10,000.00	\$10,000.00
UWI CERMES	\$98,139.30	\$2,000.00	\$100,139.30
UWI Dept. Science & Technology		\$10,000.00	\$10,000.00
Grand Total	\$1,941,593.79	\$128,242.80	\$2,069,836.59

Investment Policies

Currently the CBF has two investment policies, one for the CBF Endowment and one for the CBF 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.

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.

Secretariat Operational Budget

The CBF Secretariat had, as approved by the Board, an operational budget of US\$747,930.00 for FY20 from with the Endowment contributing \$382,100.00 and the EbA Facility \$365,830.00, as amended by the Board.

Reserves Policy

The CBF Endowment, is currently funded by KfW (the German Development Bank), The Nature Conservancy (TNC), and the Global Environment Facility (GEF). As of September 2020, an additional total of US\$27 million has been deposited to the CBF Endowment as per the pledge made by KfW. As part of its management strategy, the CBF has established an endowment 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% return on investments based on a 36-month average value of each Participating Country Sub-Account.

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 the Secretariat operations. In addition, the CBF has established an Operations Reserve as a sub-account within the CBF Endowment, as this reserve builds-up, it will bring additional stability to its operations funding base.

The CBF EbA Facility is currently funded by KfW. As of September 30, 2020, the KfW has deposited US\$48 Million under the EbA Facility. This is a sinking fund and is expected to be fully expendable by 2025. The EbA Facility also contributes to the operational budget thus also securing the institutional sustainability.

Caribbean Biodiversity Fund

Trustees' Report (Including Directors Report)

Year ended 30 September 2020

Principal Risks and Uncertainties

The CBF Board has recognized the importance of having a Risk Registry and strategies to manage all risks associated with the CBF including financial, reputational, and others. An amended Risk Registry was approved in March 2020. The Risk Registry will serve as a key management tool for the CBF Board and its CEO.

CBF FY2020 finances and programmatic activities were impacted by the COVID-19 pandemic. More specifically:

- CBF grantees and projects funded have seen a reduced pace of implementation which has also resulted in a slower than expected disbursements under the different agreement being implemented.
- At the end of FY20 Quarter 1 (March 2020) and during the beginning of FY20 Quarter 2 (April 2020) the CBF Endowment and EbA Facility returns on investments and overall market value was affected by the economic impact of the pandemic. However, by November 2020 both instruments' market values had recovered to pre-pandemic levels.

As the CBF is not dependent on fundraising from individuals and has a solid financial base through its endowment and sinking fund, the operations and activities of the CBF are expected to continue their implementation throughout FY21 and beyond albeit with some delays.

Structure, governance, and management

Established in September 2012, the CBF was incorporated as a UK Registered Company and subsequently registered as a UK Registered Charity. Its main governing documents are its Memorandum and Articles of Association and its Principal Operational Manual.

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 September 2020, the Board was composed of seven (7) Directors.

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.

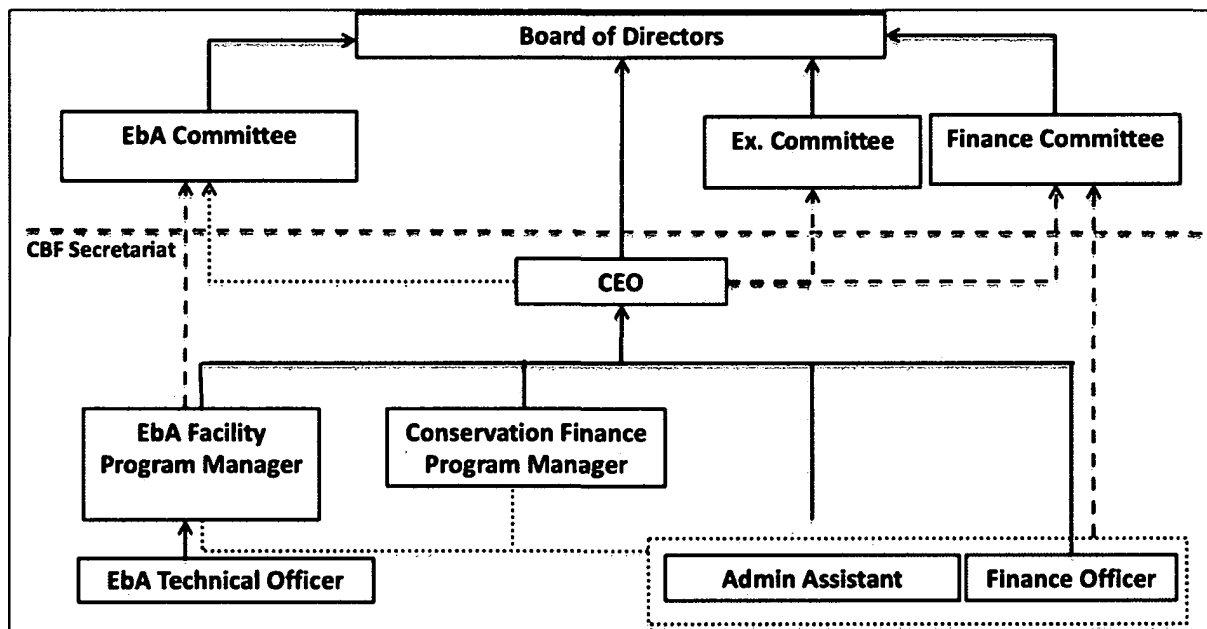
Caribbean Biodiversity Fund

Trustees' Report (Including Directors Report)

Year ended 30 September 2020

CBF Governance Chart
(as of September 2020)

CBF Organizational Chart



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"). Currently, the CBF manages about US\$130 million through these two instruments. Each of the financial instruments is respectively the key instruments of the CBF Conservation Finance Program and the 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 or relevant agreements have not been signed yet.

Conservation Finance Program – the Endowment

The CBF was originally established with approximately US\$42 million of initial financial commitments to capitalize its Endowment Fund. 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 Program (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.

In December 2019, the CBF and KfW signed a separate agreement (CBF Endowment III) for (a) the additional capitalization of the Recipient's endowment fund for potential new member countries and (b) capacity building and support measures to the benefit of the CBF and its partner National Conservation Trust Funds. The new financing from KfW will (i) increase the capital basis of the CBF Endowment Fund, split-up into the respective sub-account of up to four new member countries (Haiti, Dominica, Cuba and Guyana), and (ii) finance capacity building and support measures to the benefit of the CBF and its partner NCTFs.

The Separate Agreement also included emergency response funds for the NCTF of Bahamas (Bahamas Protected Areas Fund (BPAF)) in order to remedy impacts of Hurricane "Dorian" that affected them in September 2019.

Caribbean Biodiversity Fund

Trustees' Report (Including Directors Report)

Year ended 30 September 2020

Current CBF Endowment participating, and observer countries include:

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

The CBF channels funding from its Endowment Fund each year to the NCTFs that have been declared eligible to receive support and that have signed a Partnership Agreement with the CBF. The transfer of funds is 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 that provides a match to the CBF payments. In FY20, the CBF approved a Match Requirement Policy that establishes the requirement, pursuant to each Partnership Agreement to match the sums disbursed by way of each payment by the CBF under the relevant Agreement. The ability of the NCTF to satisfy the Matching Requirement is one of the evaluation criteria under the CBF's Eligibility Policy and Procedures. Each NCTF must satisfy the Matching Requirement in accordance with this policy. The policy is part of the CBF Endowment Operational Manual and shall be included as an annex in all Partnership Agreements, as amended from time to time, including as required on, about or following the date of this policy in order to bring it into effect. The match revenue sources could be private and/or public.

Climate Adaption Programme – the EbA Facility

In December 2016 and in partnership with the Government of Germany through KfW, the CBF established a €25m fund for Ecosystem-based Adaptation (EbA) to climate change. In December 2019, the CBF received a 20 Million Euros Top-Up for the EbA Facility from the Government of Germany through KfW. 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. Projects are identified through open call for proposals (CfPs). Four (4) such CfPs are planned for the current lifetime of the Facility.

CBF EbA Facility participating countries that are eligible include:

- Antigua & Barbuda
- Cuba
- Dominica
- Dominican Republic
- Grenada
- Haiti
- Jamaica
- Saint Lucia
- St. Vincent & the Grenadines

Other countries that can benefit include Barbados, The Bahamas, St. Christopher & Nevis, Trinidad & Tobago, if they are included in regional projects where the eligible countries are in three-quarters majority.

Caribbean Biodiversity Fund

Trustees' Report (Including Directors Report)

Year ended 30 September 2020

Trustees' responsibilities

The Trustees (who are also directors of the Foundation for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 FRS 102;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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

As far as each of the Trustees is aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by Section 415a of the Companies Act 2006. Preparing the accounts for a small company does not require the preparation of a Strategic Report, however, much of the typical content of a Strategic Report is included within the Trustees Report.

On behalf of the board

Dr Jen Mackensen
Trustee


24th 2021

Caribbean Biodiversity Fund

Independent Auditor's Report to the Trustees of Caribbean Biodiversity Fund

Year ended 30 September 2020

Opinion

We have audited the financial statements of the Caribbean Biodiversity Fund (the 'charitable company') for the year ended 30 September 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 Financial Reporting Standard 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 2020 and of its incoming resources and application of resources, 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.

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 other 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 opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to 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.

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 whether 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.

Caribbean Biodiversity Fund

Independent Auditor's Report to the Trustees of Caribbean Biodiversity Fund

Year ended 30 September 2020

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 trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report 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 directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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.

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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 the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Caribbean Biodiversity Fund

Independent Auditor's Report to the Trustees of Caribbean Biodiversity Fund

Year ended 30 September 2020

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. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

Azets Audit Services

Paul Creasey (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Statutory Auditor
Chartered Accountants
Egham

Date: 24 June 2021

Caribbean Biodiversity Fund

Statement of Financial Activities (Including Income and Expenditure Account)

Year ended 30 September 2020

				2020	2019
	Note	Unrestricted funds	Endowment funds	Total	Total
		\$	\$	\$	\$
Income and endowments from:					
Charitable activities	2	-	50,206,793	50,206,793	4,000,000
Investments	3	-	2,796,486	2,796,486	1,695,424
Total income and endowments		-	53,003,279	53,003,279	5,695,424
Expenditure on:					
Raising funds – cost of managing investments		-	468,981	468,981	283,947
Charitable activities	4	563,316	3,767,937	4,331,253	1,561,176
Total expenditure		563,316	4,236,918	4,800,234	1,845,123
Net gains on investments	15	-	1,946,964	1,946,964	1,953,713
Net (expenditure) / income		(563,316)	50,713,325	50,150,009	5,804,014
Transfers between funds	15	563,316	(563,316)	-	-
Net movement in funds	15	-	50,150,009	50,150,009	5,804,014
Reconciliation of funds:					
Total funds brought forward	15	-	75,161,462	75,161,462	69,357,448
Total funds carried forward	15	-	125,311,471	125,311,471	75,161,462

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 21 to 30 form part of these financial statements.

Caribbean Biodiversity Fund

Statement of Financial Activities (Including Income and Expenditure Account)

Year ended 30 September 2019

				2019	2018
	Note	Unrestricted funds \$	Endowment funds \$	Total \$	Total \$
Income and endowments from:					
Charitable activities	2	-	4,000,000	4,000,000	2,730,454
Investments	3	-	1,695,424	1,695,424	1,597,271
Total income and endowments		-	5,695,424	5,695,424	4,327,725
Expenditure on:					
Raising funds – cost of managing investments		-	283,947	283,947	356,474
Charitable activities	4	536,925	1,024,251	1,561,176	598,792
Total expenditure		536,925	1,308,198	1,845,123	955,266
Net gains on investments	15	-	1,953,713	1,953,713	762,139
Net (expenditure) / income		(536,925)	6,340,939	5,804,014	4,134,598
Transfers between funds	15	536,925	(536,925)	-	-
Net movement in funds	15	-	5,804,014	5,804,014	4,134,598
Reconciliation of funds:					
Total funds brought forward	15	-	69,357,448	69,357,448	65,222,850
Total funds carried forward	15	-	75,161,462	75,161,462	69,357,448

Caribbean Biodiversity Fund

Balance Sheet

As at 30 September 2020

	Note	2020 \$	2019 \$
Fixed assets			
Tangible assets	10	7,473	3,790
Investments	11	124,306,543	72,603,118
		<u>124,314,016</u>	<u>72,606,908</u>
Current assets			
Debtors	12	343,411	775,892
Cash at bank and in hand		781,437	2,555,319
		<u>1,124,848</u>	<u>3,331,211</u>
Creditors: amounts falling due within one year	13	(107,393)	(756,657)
Net current assets		<u>1,017,455</u>	<u>2,574,554</u>
Total assets less current liabilities		<u>125,331,471</u>	<u>75,181,462</u>
Creditors: amounts falling due after more than one year	14	(20,000)	(20,000)
Net assets		<u>125,311,471</u>	<u>75,161,462</u>
Charity Funds			
Endowment funds	15	125,311,471	75,161,462
Unrestricted funds	15	-	-
Total charity funds	15	<u>125,311,471</u>	<u>75,161,462</u>

The financial statements were approved and authorised for issue by the Board and signed on behalf of the board of trustees


Dr Jen Mackensen, Trustee

Jen Mackensen
.....2021

The notes on pages 21 to 30 form part of these financial statements.

Company registration number: 08204716

Caribbean Biodiversity Fund

Statement of Cash Flows

Year ended 30 September 2020

	Note	2020 \$	2019 \$
Cash flow from operating activities	16	45,192,117	2,260,529
Cash flow from investing activities			
Payments to acquire investments		(91,086,143)	(93,521,814)
Receipts from sales of investments		41,329,682	90,969,208
Payments to acquired tangible fixed assets		(6,024)	(4,345)
Investment income received		2,796,486	1,695,424
Net cash flow from investing activities		(46,965,999)	(861,527)
Net (decrease)/increase in cash and cash equivalents		(1,773,882)	1,399,002
Cash and cash equivalents at 1 October 2019		2,555,319	1,156,317
Cash and cash equivalents at 30 September 2020		781,437	2,555,319
Cash and cash equivalents consists of:			
Cash at bank and in hand		781,437	2,555,319
Cash and cash equivalents at 30 September 2020		781,437	2,555,319

Analysis of changes in net funds

	At 1 October 2019 \$	Cash flows \$	\$
Cash at bank and in hand	2,555,319	(1,773,882)	781,437
	2,555,319	(1,773,882)	781,437

The notes on pages 21 to 30 form part of these financial statements.

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2020

1 Summary of significant accounting policies

General information and basis of preparation

Caribbean Biodiversity Fund is a private charitable company, limited by guarantee and registered in England and Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustees' Annual Report.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in US dollars which is the functional currency of the charity and rounded to the nearest \$.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Endowment funds represent those assets which must be held permanently by the charity, as described in note 15 to the financial statements. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holding assets for investment purposes and includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Expenditure recognition and allocation

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2020

performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

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.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Fixtures and fittings	25-33% on cost
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Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains /(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2020

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. Notwithstanding the impact of Covid-19 since the year end on investment values (as set out in the Trustees Report on page 9), the budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Judgements and key sources of estimation uncertainty

No material judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies in these financial statements.

The charity 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 in the next financial year.

2 Funding for charitable activities

	Unrestricted \$	Endowment \$	2020 \$	2019 \$
Grant income – KfW	-	50,206,793	50,206,793	-
Grant income - TNC	-	-	-	4,000,000
	-	50,206,793	50,206,793	4,000,000

All current and prior year grant income was in respect of the Endowment fund.

3 Income from investments

	Unrestricted \$	Endowment \$	2020 \$	2019 \$
Interest and dividends	-	2,796,486	2,796,486	1,695,424
	-	2,796,486	2,796,486	1,695,424

4 Charitable activities

	Unrestricted \$	Endowment \$	2020 \$	2019 \$
Conservation Finance Program - grants	-	1,629,977	1,629,977	1,024,251
Conservation Finance Program – other costs	-	67,815	67,815	-
EbA Program - grants	-	2,070,145	2,070,145	-
Support costs (note 5)	567,529	-	567,529	462,613
Governance costs (note 6)	(4,213)	-	(4,213)	74,312
	563,316	3,767,937	4,331,253	1,561,176

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2020

5 Support costs

	Unrestricted \$	Endowment \$	2020 \$	2019 \$
Staff and contractor costs	407,255	-	407,255	351,913
Travel costs	120,508	-	120,508	129,195
Office costs	31,198	-	31,198	36,806
Insurance	5,324	-	5,324	4,148
Foreign exchange loss	3,244	-	3,244	(59,449)
	<u>567,529</u>	<u>-</u>	<u>567,529</u>	<u>462,613</u>

6 Governance costs

	2020 \$	2019 \$
Audit fee	10,379	18,000
Accountancy fees	31,740	26,000
Legal fees	4,468	4,934
Other professional fees	(53,141)	24,823
Depreciation	2,341	555
	<u>(4,213)</u>	<u>74,312</u>

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2020

7 Grants

Grant expenditure during the year was as follows:

	2020 \$	2019 \$
<u>Conservation Finance Program</u>		
St Vincent and the Grenadines Conservation Fund	370,316	-
BPAF	150,000	-
SCNCF	45,000	-
National Conservation Trust Fund of Jamaica	338,545	-
Grenada Sustainable Development Trust Fund	232,409	-
Fondo MARENA	399,333	350,194
Marine Ecosystem Protected AT	-	175,644
St. Lucia National Conservation	94,374	498,413
	<u>1,629,977</u>	<u>1,024,251</u>
<u>EbA Program</u>		
Biodiversite Ministere de'l'Envi	10,000	-
CATIE	133,520	-
Fauna & Flora International	101,262	-
Fundacion Grupo Puntacana	173,742	-
Fundacion Sur Futuro	10,000	-
GRENCODA	88,607	-
IDDI	472,000	-
IICA	470,662	-
J/P Haitian Relief Organization	33,336	-
Mona Informatix Ltd	109,000	-
REDDOM	205,952	-
St. Lucia National Trust	141,925	-
Sustainable Grenadines Inc	10,000	-
UWI CERMES	100,139	-
UWI Dept. Science & Technology	10,000	-
	<u>2,070,145</u>	<u>-</u>
Total grants awarded	<u>3,700,122</u>	<u>1,024,251</u>

8 Net income for the year

Net income is stated after charging / (crediting):

	2020 \$	2019 \$
Depreciation of tangible fixed assets	2,341	555
Net (gains) / losses on foreign exchange	3,243	(59,449)
Audit fees	10,379	18,000
	<u>15,963</u>	<u>(30,894)</u>

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2020

9 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2019: \$Nil).

The total amount of key management remuneration amounted to \$297,280 (2019: \$331,418). The Trust considers its key management personnel comprise the trustees, Chief Executive Officer and Program managers.

The trustees did not have any expenses reimbursed during the year (2019 - \$nil).

10 Tangible fixed assets

	Fixtures, fittings and equipment \$	Total \$
Cost or valuation:		
At 1 October 2019	6,677	6,677
Additions	6,024	6,024
Disposals	-	-
At 30 September 2020	12,701	12,701
Depreciation:		
At 1 October 2019	2,887	2,887
Charge for the year	2,341	2,341
At 30 September 2020	5,228	5,228
Net book value:		
At 30 September 2020	7,473	3,790
At 30 September 2019	3,790	3,790

11 Fixed asset investments

	Listed investments \$	Total \$
Cost or valuation		
At 1 October 2019	72,603,118	72,603,118
Additions	91,086,143	91,086,143
Disposals	(41,329,682)	(41,329,682)
Realised investment losses	(849,597)	(849,597)
Unrealised investment gains	2,796,561	2,796,561
At 30 September 2020	124,306,543	124,306,542
Carrying amount:		
At 30 September 2020	124,306,543	124,306,543
At 30 September 2019	72,603,118	72,603,118

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2020

Investments at fair value comprise:

	2020 \$	2019 \$
Equities	57,868,070	34,097,211
Securities	66,438,473	38,505,907
	<u>124,306,543</u>	<u>72,603,118</u>

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

12 Debtors

	2020 \$	2019 \$
Prepayments	142,930	602,295
Accrued income	200,481	173,597
	<u>343,411</u>	<u>775,892</u>

13 Creditors: amounts falling due within one year

	2020 \$	2019 \$
Trade creditors	107,393	756,657
	<u>107,393</u>	<u>756,657</u>

14 Creditors: amounts falling due after more than one year

	2020 \$	2019 \$
Other creditors	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2020

15 Fund reconciliation

Unrestricted funds

	At 1 October 2019 \$	Income \$	Expenditure \$	Transfers \$	Gains / (losses) \$	At 30 September 2020 \$
Unrestricted	-	-	(563,316)	563,316	-	-
	-	-	(563,316)	563,316	-	-

	At 1 October 2018 \$	Income \$	Expenditure \$	Transfers \$	Gains / (losses) \$	At 30 September 2019 \$
Unrestricted	-	-	(536,925)	536,925	-	-
	-	-	(536,925)	536,925	-	-

Restricted funds

	At 1 October 2019 \$	Income \$	Expenditure \$	Transfers \$	Gains / (losses) \$	At 30 September 2020 \$
Endowment	75,161,462	53,003,279	(4,236,918)	(563,316)	1,946,964	125,311,471
	75,161,462	53,003,279	(4,236,918)	(563,316)	1,946,964	125,311,471

	At 1 October 2018 \$	Income \$	Expenditure \$	Transfers \$	Gains / (losses) \$	At 30 September 2019 \$
Endowment	69,357,448	5,695,424	(1,308,198)	(536,925)	1,953,713	75,161,462
	69,357,448	5,695,424	(1,308,198)	(536,925)	1,953,713	75,161,462

Endowment funds

The purpose of the 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 environmental significance of the 8 participating countries, being Antigua and 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 the 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.

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2020

Gross movements between funds relate to movement from unrestricted funds to endowment funds.

All net assets are attributable to the Endowment fund.

16 Reconciliation of net income to net cash flow from operating activities

	2020 \$	2019 \$
Net income for the year	50,150,009	5,804,014
Depreciation and impairment of tangible fixed assets	2,341	555
Investment income receivable	(2,796,486)	(1,695,424)
Gains on investments	(1,946,964)	(1,953,713)
(Increase) in debtors	432,481	(115,451)
Increase in creditors	(649,264)	220,548
Net cash flow from operating activities	<u>45,192,117</u>	<u>2,260,529</u>

17 Company limited by guarantee

The company is limited by guarantee and as such does not have 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.

18 Related party transactions

Two of the directors of the company are appointed representatives from the organisations providing the endowment funds. Mr Jens Mackensen was appointed by the German Development Bank (KfW) and Ms Eleanor Philips was appointed by The Nature Conservancy ("TNC").

During the year, KfW made contributions to the endowment fund and EBA facility of \$27,822,200 (2019: \$nil) and of \$22,384,593 (2019: \$nil) respectively.

TNC made contributions to the endowment fund of \$nil (2019: \$4,000,000). It also incurred and recharged disbursements on behalf of the Fund amounting to \$290 (2019: \$220,548) including \$nil levied by TNC under an administrative support services agreement. Repayments to TNC totalled \$756,368 (2019: \$nil). The amount due to TNC at the year-end was \$nil (2019: \$756,657).

Six directors of the company are appointed representatives from organisations receiving grants under partnership agreements. Details of the connections and of amounts remitted to each organisation are set out below.

Director	Organisation	Payment to organisation (2020)	Payment to organisation (2019)
Mr N Aziz	St Lucia National Conservation Fund	\$94,374	\$296,768
Mr G Gore	Marine Ecosystem Protected Area Trust	\$90,000	\$80,619
Ms L Grant	National Conservation Trust Fund of Jamaica	\$210,956	\$60,000
Mr S Inchaustegui	Fondo MARENA	\$399,333	\$350,194

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2020

Mr M John	St Vincent and the Grenadines Conservation Fund	\$230,316	\$90,000
Mr G Mason	Grenada Sustainable Development Trust Fund	\$142,409	\$90,000

19 Post balance sheet events

The impact of Covid-19 on the Foundation is discussed in the Trustees' Report.

20 Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	2020 \$	2019 \$
<i>Financial assets</i>		
Measured at fair value through net income:		
- Fixed asset listed investments (note 11)	124,306,542	72,603,118
Debt instruments measured at amortised cost:		
- Cash at bank and in hand	781,437	2,555,319
<i>Financial liabilities</i>		
Measured at amortised cost		
- Trade creditors (note 13)	107,393	756,657
- Other creditors (note 14)	20,000	20,000
	127,393	776,657

The income, expenses, net gains and net losses attributable the charity's financial instruments are summarised as follows:

	2020 \$	2019 \$
<i>Income and expense</i>		
Financial assets measured at fair value through net income	1,285,803	686,470
Financial assets measured at amortised cost	1,505,307	1,008,954
<i>Net gains and losses (including changes in fair value)</i>		
Realised gains/(losses) on investment assets	(849,597)	964,038
Unrealised gains/(losses) on investment assets	2,796,561	989,675

21 Presentation currency

The financial statements are presented in US dollars (\$) which reflects the functional currency of the Fund. The exchange rates applied in these financial statements were as follows:

	2020 \$	2019 \$
Sterling		
Year end rate	\$1: £0.7742	\$1: £0.8129
Average rate	\$1: £0.7847	\$1: £0.7859