

**Caribbean Biodiversity Fund
Financial Statements
Year ended 30 September 2022**

Charity registration number: 1149889
Company registration number: 08204716

Caribbean Biodiversity Fund

Contents Page

Year ended 30 September 2022

Contents

	Page
Charity Reference and Administrative Details	
Trustees' Report (Including Directors' Report and Strategic Report)	1 - 12
Independent Auditor's Report	13 - 15
Statement of Financial Activities (Including Income and Expenditure Account)	16 - 17
Balance Sheet	18
Statement of Cash Flows	19
Notes to the Financial Statements	20 - 31

**Caribbean Biodiversity Fund
Charity Reference and Administrative Details
Year ended 30 September 2022**

Charity registration number	1149889
Company registration number	08204716
Trustees	Ms Brenda Boddie-John Ms Lisa Grant Mr Sixto Inchaustegui Mr Michael John Ms Petipha Lewis Mr Miguel Gutierrez Ms Anne-Isabelle Bonifassi Ms Shenique Smith Ms Karolin Troubetzkoy Mr Curtis Bernard Mr Glenn Bannister
Chief executive officer	Mrs Karen McDonald Gayle
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 2022

The Trustees present their report and the audited financial statements of the Charity for the year ended 30 September 2022. 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 prior to the year end (September 30, 2022) were as follows:

1. Mr Garry Gore	resigned June 15, 2022
2. Ms Lisa Grant	
3. Mr Sixto Inchaustegui	
4. Mr Michael John	
5. Dr Jens Mackensen	resigned November 19, 2022
6. Mrs Eleanor Phillips	resigned December 16, 2022
7. Mrs Brenda Boddie-John	
8. Ms Kelley Bostwick-Toote	resigned June 30, 2022
9. Mr Huswald Timothée	resigned September 22, 2022
10. Mrs Karolin Troubetzkoy	
11. Mrs Petipha Lewis	
12. Glenn Bannister	appointed July 1, 2022
13. Mr. Curtis Bernard	appointed September 20, 2022
14. Ms. Anne-Isabelle Bonifassi	appointed September 23, 2022

Since the year end, the following directors were appointed to the Board: Mr M Gutierrez (November 9, 2022) and Ms S Smith (December 16, 2022)

Objectives and activities

The Caribbean Biodiversity Fund (CBF) is a regional umbrella environmental fund that implements innovative solutions and consolidates regional conservation impacts in the Caribbean through a range of financial instruments. The Caribbean Biodiversity Fund works in the water and its ecosystems in countries across the region. The vision for the organization is to include more countries in future. Our programs and projects create natural solutions to the climate and biodiversity crises so that our people and environment thrive. Currently, the CBF has two programs: (i) the Conservation Finance Program, anchored by an endowment fund and (ii) the Climate Change Program, focused on Ecosystem-based Adaptation (EbA), with a 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, from all its Programs. 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 CBF is not actively engaged in fundraising activities which would require registration with the UK Fundraising Regulator.

Caribbean Biodiversity Fund Trustees' Report (Including Directors Report) Year ended 30 September 2022

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 2022 (Oct 1 2021 to Sept 30, 2022), the CBF's activities and key achievements included the following:

Overall Governance and Operations

A. CBF Board

- At the end of FY2022 the CBF Board was composed of nine appointed Directors and two Member Directors.
- Member Director from KfW, Dr Mackensen remained as Chair of the Board.
- Member Director from TNC, 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 six (6) Board Meetings were held in FY22:
 - 45th CBF Board Meeting (December 9, 2021)
 - 46th CBF Board Meeting (Extraordinary Meeting for CEO selection)
 - 47th CBF Board Meeting (March 25, 2022)
 - 48th CBF Board Meeting (June 23, 2022)
 - 49th CBF Board Meeting (September 20-21, 2022)

B. CBF Annual Meeting

The 10th CBF Annual Meeting took place in Freeport, Bahamas on September 21-22, 2021. This meeting also served as the 44th Board Meeting of the CBF.

Key topics discussed included:

- CBF FY21 Status Report including Institutional Update, Conservation Finance Program, Climate Change Program, and FY22 Outlook
- Official Signing of Advancing Circular Economy Agreement (with KfW)
- Establishment of a Governance Working Group
- Approval of Expanded Executive Committee
- Election of new Executive Committee Members
- Appointment of Curtis Bernard and Anne-Isabelle Bonifassi

C. Committees

Finance Committee Meetings - A total of four (4) CBF Finance Committee Meetings took place in FY22:

- 29th Finance Committee Meeting (December 13, 2021)
- 30th Finance Committee Meeting (March 16, 2022)
- 31st Finance Committee Meeting (June 16, 2022)
- 32nd Finance Committee Meeting (September 15, 2022)

EbA Facility Committing Meetings - A total of four (4) CBF EbA Facility Committee Meetings took place in FY22::

- 12th EbA Committee Meeting (November 11, 2021)
- 13th EbA Committee Meeting (January 20, 2022)
- 14th EbA Committee Meeting (April 20, 2022)
- 15th EbA Committee Meeting (July 27, 2022)

Caribbean Biodiversity Fund Trustees' Report (Including Directors Report) Year ended 30 September 2022

Operations

A. Key Institutional Documents Approved:

- CBF Memorandum of Understanding with Wayaj, Inc - January 2022
- CBF Memorandum of Understanding with CABI Caribbean – January 2022
- CBF Gender Policy (March 2022)
- CBF- Guyana Protected Areas Trust Partnership Agreement - May 2022

B. Legal Structure

- During FY2022, the CBF formally registered as a company in Jamaica on December 14, 2021. CBF also continued to work on the process related to registration in the United States of America process as a 501(c)3. Their 501(c)4 registration is current.

C. Strategic Plan and Fundraising Strategy

- The CBF continued to implement its 2020 Strategic Plan and began the process for contracting consultants for development of the 2022-2026 Strategic Plan.
- The CBF did not receive any new deposits for its EbA Facility in FY2022.
- A contribution of US\$5,000 was received from GIZ for the CBF Caribbean Conservation Finance Congress (CCCFC).

D. Programmes

Conservation Finance Programme

Endowment Fund

Countries and their process towards CBF-eligible NCTFs made important progress in FY22 in their grant-making and operational systems. Table 1 below shows progress through a set of key milestones.

Country	Funds	Legally Established	Functional Board	Pre-Financing Agreement	By-laws	OM (Board Approved)	Staff Hiring	CBF Eligibility Request	Partnership Agreement Negotiations	First CBF Payment	CBF-funded grants awarded
Antigua and Barbuda	MEPA										
Bahamas	BPAF			NA							
Cuba	n/a			TBD							
Dominica	DNCTF										
Dom Rep	MARENA			NA							
Grenada	GSDTF										
Guyana	GPAT			NA							
Haiti	FHB			NA							
Jamaica	NCTFJ										
St Kitts and Nevi	SCNCF										
St. Lucia	SLUNCF										
St. Vincent and the Grenadines	SVGCF										

Table 1 - NCTFs Dashboard tracking establishment progress (as of September 2022)

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2022**

- *Partnership Agreements*
 - For the reporting period (FY22), ten (9) NCTFs had signed Partnership Agreements with the CBF:
 - Fondo MARENA (signed December 2016, second PA signed in April 2022)
 - Marine Ecosystem Protected Area Trust (MEPA) (signed June 2017)
 - Saint Lucia National Conservation Fund (SLUNCF) (signed June 2017)
 - St. Vincent and the Grenadines Conservation Fund (SVGCF) (signed March 2019)
 - National Conservation Trust Fund of Jamaica (NCTFJ) (signed June 2019)
 - Grenada Sustainable Development Trust Fund (GSDTF) (signed June 2019)
 - St. Christopher and Nevis Conservation Foundation (SCNCF) (signed October 2020)
 - Bahamas Protected Areas Fund (BPAF) (signed November 2020)
 - Haiti Biodiversity Fund (FHB) (signed November 2020)
 - Guyana Protected Areas Trust (signed in March 2022)
 - Payments
 - The CBF made nine (9) Partnership Agreement Payments in FY22 for a total of US\$2,988,578.81 since inception.
- *Other Grant Agreements*
 - The CBF has issued grants to the Bahamas Protected Areas Fund (BPAF) for Hurricane Dorian relief efforts and to the St. Vincent and the Grenadines Conservation Fund (SVGCF) for relief efforts from the volcanic eruptions in the country.
 - The CBF has disbursed a total of US\$ 400,000.00 in other grants in this FY. This brings the total to US\$ 950,000 disbursed to BPAF and US\$100,000 to SVGCF since the signature of these special relief grants in 2020 and 2021 respectively.
- *Pre-financing Agreements*
 - There were no active pre-financing Agreements in the reporting period, thus no recorded payments were made.

Regional projects:

1. MesoAmerican Reef (MAR) Fund – Implemented from January - June 2022, budget from MARFUND USD 22,250.

Finalized regional initiative (but with plans for follow-up and replication/upscaling): Meso-American Reef (MAR) Fund and Ocean Risk and Resilience Alliance (ORRAA): "Reef Resilience and Risk Financing in the Greater Caribbean"

The overall goal of this project was to build capacity to increase coastal resilience using innovative financing mechanisms, such as parametric reef insurance. Major results: i) Enhancing local capacity in the Greater Caribbean /knowledge sharing by signing Letter of Agreements with pilot sites NCTFs (Jamaica, St. Lucia, St. Vincent and the Grenadines) and Training Courses on Reef Resilience and Risk Financing (May 31, 2022) and Post-Storm Reef Response in the Greater Caribbean (June 13, 2022); iii) First version of the Pay-out distribution guidelines developed for the Reefs in the Greater Caribbean to operationalize emergency grants and ii) CBF and partner NCTFs identified potential implementing partners and governmental partners to support this initiative.

2. Title: Caribbean Regional Architecture for Biodiversity (CRAB)

Objective: Ensure that the conservation of ecosystems in the Caribbean region has sustainable and sufficient resources. Through: consolidate the Architecture financially and technically for conservation in the Caribbean, to support, in the long term, the maintenance and restoration of biodiversity and natural resources. This project is designed to support National Conservation Trust Funds (NCTFs) and CBF in a consolidation phase and ultimately ensure their financial and institutional sustainability, based on the orientations and recommendations of the Sustainability Action Plan for the Architecture.

Caribbean Biodiversity Fund Trustees' Report (Including Directors Report) Year ended 30 September 2022

Target countries: Antigua and Barbuda, Dominican Republic, Dominica, Grenada, Guyana, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, The Bahamas, French territories (Guadeloupe, Martinique, French Guiana, St. Martin and St. Barthélemy)

Project duration: 5 years (2022 – 2026), approved early 2022, Agreement between AFD and CBF signed in March 2022. Donors and budget: 4 million Euros from AFD / FFEM

In addition, CBF is holding within investments €10 million on behalf of Le Fonds Haitien Pour La Biodiversite ("FHB") in Haiti. The funds were a grant made to FHB by AFD. CBF holds these funds as agent of FHB and all gains or losses generated by the funds are attributable to FHB.

Climate Adaptation Programme

Ecosystem-based Adaptation Facility

- Payments
 - The Ecosystem-based Adaptation (EbA) Facility has disbursed a total of US\$5,968,986.59 to its grantees and beneficiaries since inception. A total of US\$265,672.26 was disbursed under Proposal Preparation Grants (PPGs) for two Calls for Proposals (1CfP and 2 CfP) and a total of US\$5,703,314.33 for approved and signed Grant Agreements.
- Calls for Proposals (CfPs)
 - 1CfP: Under the 1st Call for Proposal, the CBF disbursed a total of US\$2,877,321.03 for Grant Agreements already in force for FY21. The total disbursements since inception totalled to US\$4,458,775.52. Annual Work plans including budget and a procurement plan were approved for 9 of 11 grantees from 1CfP with the remaining 2 under review, Semi-annual Technical and Financial Reports were received from all 11 1CfP grantees.
 - 2CfP: Eight projects under the 2CfP were approved, and the CBF disbursed US\$137,429.46 for the Proposal Preparation Grant (PPG) and US\$884,399.51 for Grant Agreements approved. Three of the five successful applicants signed grant agreements from 2CfP with two under review.
 - 3CfP: The Third Call for Proposals was launched on 31st August 2021.
 - Figures 1 and 2 below show the distribution of CBF EbA projects from 1st CfP and 2nd CfP by country and by investment respectively

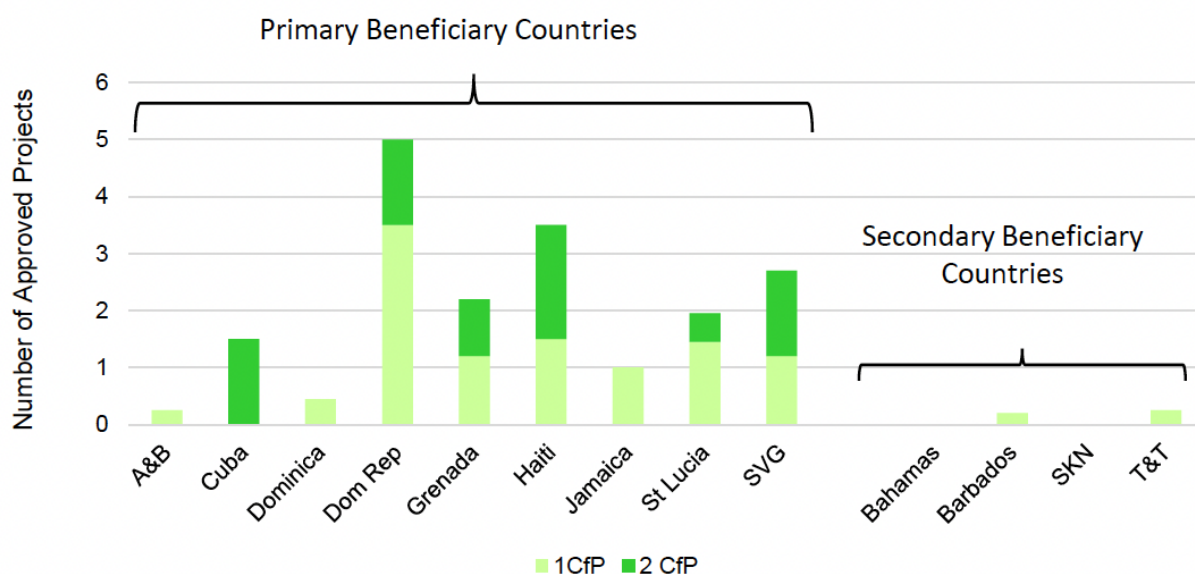


Figure 1 - CBF EbA Projects by Country: 1CfP and 2CfP

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2022**

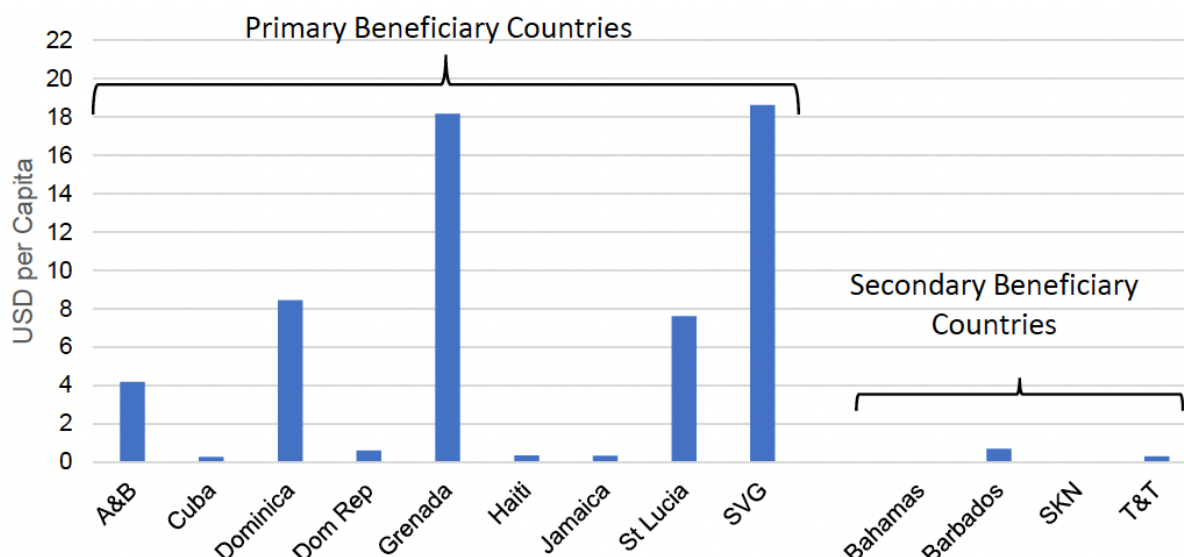


Figure 2 - CBF EbA Investment by Country: 1CfP and 2CfP

Partnerships & Projects

Year Ahead - CBF FY2023 Annual Work Plan

The CBF's FY2023 Work Plan is being developed under the Governance and Strategic Plan consultancy. It is also useful for the new CBF CEO to be involved in the approval of the Work Plan. The CBF Secretariat presented the follow priorities for FY2022 to the CBF Board ahead of the final work plan:

- 1) Institutional:
 - Human Resources
 - Recruitment of CEO
 - Recruitment of CFPM
 - Contract Review process
 - Consultancies
 - Gender Review
 - Communications revisit
 - Project Management and Tracking System
 - Monitoring, Evaluation and Learning
 - Implementation of institutional framework
 - Annual Reports
 - Advancing Circular Economy Facility
 - Program Manager
 - Roll out
 - 10th Anniversary Annual Meeting – September 2022
 - Meetings of Board and Committees

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2022**

- 2) Conservation Finance Programme (Endowment)
 - Endowment
 - Dominica Pre-Financing and Partnership Agreement
 - ESMS roll out
 - Signing of second Partnership Agreement between CBF and Fondo Marena (Dominican Republic) in April 2022
 - Increased grant-making
 - End of Agreement Evaluation for MEPA and SLUNCF ahead of renewal of Agreements. The reviews were done by using the Practice Standards for Conservation Trust Funds, by an externally hired consultant. The three assessments were concluded by July 2022. Each NCTF was tasked with preparing an Action Plan with the priorities as identified in the End of Agreement Evaluation. The Partnership Agreements expired June 2022, but the Board approved a No Cost Extension of both Agreements until Jan 2023 to allow for the preparation and approval of the Action Plan by CBF, which would be Annexed to the second Partnership Agreement
 - AFD – FHB National Endowment (10M euros) and AFD - WB Supplemental to CBF Endowment Haiti sub-account (EUR 3 M)

- 3) Projects
 - Global Environment Facility (GEF) – Full Project Proposal submitted on Sept 30, 2022 to the GEF Secretariat for their review
 - Executing Agency – UN Environment Programme (UNEP)
 - Caribbean BluEFin (Caribbean Blue Economy Financing) International Waters (IW) Project
 - GEF contribution requested: US\$ 6 M (4 years). Direct beneficiary countries: Bahamas, Dominican Republic, Grenada, Saint Lucia, Saint Vincent and the Grenadines

 - Government of Canada – expected Q3 2023
 - Consolidation of Regional Environmental Funds and Organizations in the Caribbean (CORE) Project first version was submitted to Global Affairs Canada (GAC) November 2021
 - Cuso International Volunteer support discussed
 - Project has a strong gender focus

 - US Government – submitted October 2020 No recent update
 - USAID Project “Improved Management Performance & Advanced in Caribbean Trust Funds”

- 4) Climate Change Programme - Ecosystem-based Adaptation Facility
 - 1st CfP Projects
 - Key Indicator targets advancing
 - Accelerated disbursement of funds for implementation
 - Mid-Term Evaluation of results
 - 2nd CfP Projects
 - Remaining 3 Grant Agreements signed, and projects activated
 - Efficient Flow of financing for implementation
 - 3rd CfP Projects
 - Up to 15 projects selected and Grant Agreements signed
 - Implementation initiated
 - 1st and 2nd financial disbursements to grantees
 - 4th CfP Projects
 - Fourth CfP Launched (Nov 2022)
 - Project selection initiated
 - Monitoring, Evaluation and Learning
 - Verification of project implementation - site visits to project sites by EbA Team
 - Workshops - best practice and Knowledge Exchange workshop with EbA Grantees and 3CfP orientation
 - Consultant support to review and develop Monitoring and Evaluation Framework

Caribbean Biodiversity Fund Trustees' Report (Including Directors Report) Year ended 30 September 2022

Financial Review

CBF Endowment Performance

As of September 30, 2022, the CBF Endowment Account assets totalled US\$84,299,251. Figure 3 below shows the historical CBF Endowment market value since the inception of investments through September 30, 2022.

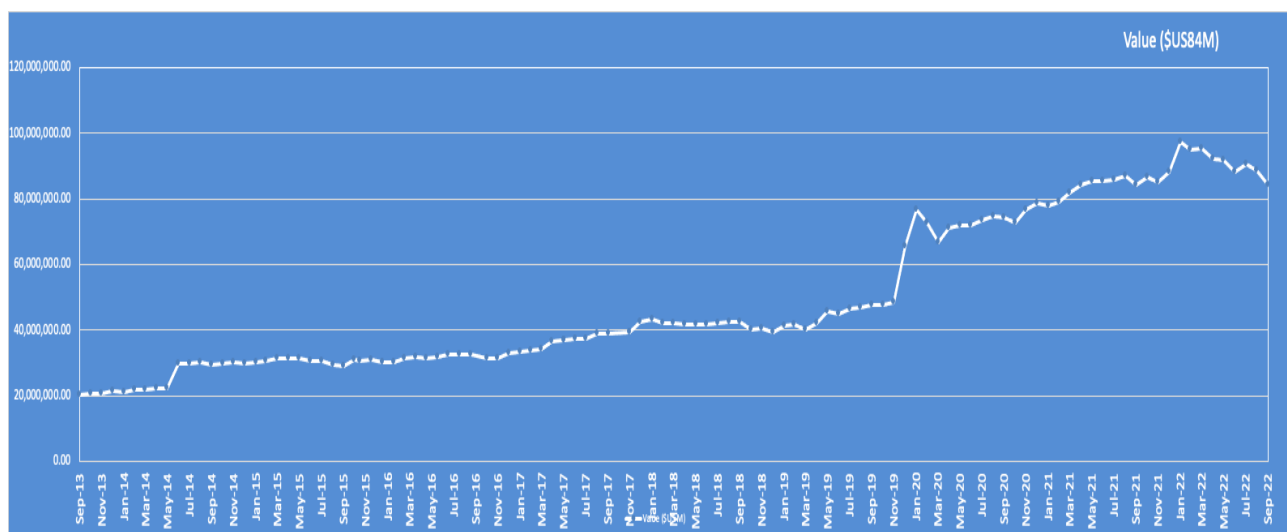


Figure 3 - Historical CBF Endowment Market Value Performance to Sept. 30, 2021

The Endowment has disbursed at total of US\$1,008,588.00 in Pre-financing Agreements, US\$ 3,947,258.79 in Partnership Agreements and US\$1,050,000.00 in Other Grants Agreement, totalling US\$4,647,166.81 up to September 30, 2022. See Table_2 for details.

NCTFs	Country	Partnership Agreement (US)	Pre-finance Agreement (US)	Other Agreement (US)	Total (US)
BPAF	The Bahamas	\$59,696.94		\$950,000.00	\$1,009,696.94
Fondo MARENA	Dominican Republic	\$1,344,149.29			\$1,344,149.29
GSDTF	Grenada	\$303,433.06	\$175,000.00		\$478,433.06
MEPA	Antigua & Barbuda	\$268,077.55	\$185,000.00		\$453,077.55
NCTFJ	Jamaica	\$460,710.67	\$127,588.00		\$588,298.67
SCNCF	St. Kitts & Nevis	\$101,278.79	\$175,000.00		\$276,278.79
SLUNCF	St. Lucia	\$816,363.66	\$161,000.00		\$977,363.66
SVGCF	St. Vincent & the Grenadines	\$387,623.83	\$185,000.00	\$100,000.00	\$672,623.83
FHB	Haiti	\$205,925.00			\$205,925.00
Grant Totals		\$3,947,258.79	\$1,008,588.00	\$1,050,000.00	\$6,005,846.79

Table 2 - CBF Endowment Disbursements Record

As of September 30, 2022, the CBF EbA Facility has disbursed US\$335,672.26 under the Project Preparation Grants agreements and US\$11,391,002.40 under regular Grants for implementation, totalling US\$ 11,726,674.66. The 2025 end date for the Facility is under review given delays in implementation. This Facility also contributes to the CBF operations budget.

Caribbean Biodiversity Fund Trustees' Report (Including Directors Report) Year ended 30 September 2022

Actual	Payment Type		
	G	PG	Grand Total
Biodiversite Ministere de l'Environnement, Haiti		\$10,000.00	\$10,000.00
CATIE	\$782,476.50	\$10,000.00	\$792,476.50
Fauna & Flora International	\$638,752.83	\$9,650.00	\$648,402.83
Fundacion Grupo Puntacana	\$677,570.36	\$10,000.00	\$687,570.36
Fundacion Sur Futuro		\$10,000.00	\$10,000.00
Grenada CDA	\$466,888.66	\$9,480.00	\$476,368.66
IDDI	\$1,900,000.00	\$10,000.00	\$1,910,000.00
IICA	\$1,234,695.43	\$10,000.00	\$1,244,695.43
J/P Haitian Relief Organization	\$26,027.10	\$7,310.00	\$33,337.10
Mona Informatix Ltd	\$875,004.60	\$10,000.00	\$885,004.60
REDDOM	\$1,388,076.88	\$9,802.80	\$1,397,879.68
SUNT	\$340,539.44		\$340,539.44
Sustainable Grenadines Inc		\$19,817.78	\$19,817.78
UWI CERMES	\$405,496.33	\$2,000.00	\$407,496.33
UWI Dept. Science & Technology		\$10,000.00	\$10,000.00
FUNDACIÓN PLENITUD		\$9,000.00	\$9,000.00
Deutsche Welthungerhilfe e. V.		\$9,650.00	\$9,650.00
Netherlands Red Cross	\$403,539.18	\$9,940.00	\$413,479.18
Smith Warner International Limited		\$20,000.00	\$20,000.00
Instituto Tecnológico de Santo Domingo		\$10,000.00	\$10,000.00
Wildlife Conservation Society	\$265,725.00	\$10,000.00	\$275,725.00
The Ocean Foundation	\$753,173.00	\$10,000.00	\$763,173.00
The Centre for Livelihoods, Ecosystems, Energy, Adaptation and Resilience in the Caribbean Ltd. (CLEAR)	\$494,803.20	\$1,850.00	\$496,653.20
Windward Islands Research and Education Foundation (WINDREF)	\$106,575.20	\$10,000.00	\$116,575.20
Mercy Corps		\$10,000.00	\$10,000.00
Caribbean Natural Resources Institute	\$64,364.70	\$7,500.00	\$71,864.70
Caribbean Community Climate Change Centre		\$10,000.00	\$10,000.00
Pan American Development Foundation (PADF)	\$237,185.00	\$10,000.00	\$247,185.00
J/P Haitian Relief Organization	\$52,327.17		\$52,327.17
REDDOM 2	\$277,781.82	\$9,671.68	\$287,453.50
WCMC		\$10,000.00	\$10,000.00
UWI Mona		\$10,000.00	\$10,000.00
International Federation of the Red Cross		\$10,000.00	\$10,000.00
Ministry of Blue & Green Economy - Dominica		\$10,000.00	\$10,000.00
CORE Community Organized relief Effort		\$10,000.00	\$10,000.00
Richmond Vale Academy (RVA)		\$10,000.00	\$10,000.00
Grand Total	\$11,391,002.40	\$335,672.26	\$11,726,674.66

Table 3 - CBF EbA Facility Disbursements Record

Investment Policies

Currently the CBF has two Investment Policies, one for the CBF Endowment Fund and one for the CBF EbA Facility's Sinking Fund. Investment results and compliance with the CBF Investment Policy is monitored by the CBF Board and its Finance Committee. The CBF Finance Committee oversees investment performance and is supported by 2 Investment Managers – one for each Fund. Each Investment Managers is restricted to investments that fall under the ESG guidelines stipulated in each fund's Investment Policy Statement (IPS).

Secretariat Operational Budget

The CBF Secretariat had an operational budget of US\$1,283,828.06 for FY22 with the Endowment Fund contributing US\$535,106.13 and the EbA Facility US\$748,721.93, as amended by the CBF Board.

Financial Review and Reserves Policy

The CBF's income is generated from two investment portfolios and grants from partner organisations. Total income for the year totalled \$3.97 million (2021: \$3.77 million). Grant disbursements during the year totalled \$7.13 million (2021: \$5.53 million), with total expenditure of \$9.42 million (2021: \$6.87 million).

Losses generated by the investment portfolio totalled \$13.76 million (2021: \$12.55 million gains).

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. A reserves policy is in development by the trustees.

As of September 30, 2022, the KFW had deposited US\$48 Million under the EbA Facility. As a sinking fund, the EbA Facility is expected to be fully expended. The original proposed date of final expenditure was 2025 but this is under review. The EbA Facility also contributes to the operational budget.

Caribbean Biodiversity Fund Trustees' Report (Including Directors Report) Year ended 30 September 2022

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 FY2022 finance and programmatic activities, which has steadily increased pace (post Covid) as countries relaxed their lockdowns and travelling protocol measures. The CBF operations virtually and the work of the institution never ceased.

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. The Board is composed of 11 directors. They have been nominated by the donors KfW (1) and TNC (1), and Caribbean NCTFs (9). In accordance with CBF governing documents, most of the Board shall not be affiliated with any Government. As of September 2022, the Board was composed of nine (9) Directors and two (2) Member Directors.

The CEO acts as the head of, and with assistance of, the CBF Secretariat. The CBF Program Managers lead technical oversight and overall management of the financial instruments and principally report through the CEO to the Board and relevant donors. The CBF Board and Technical Committees were 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.

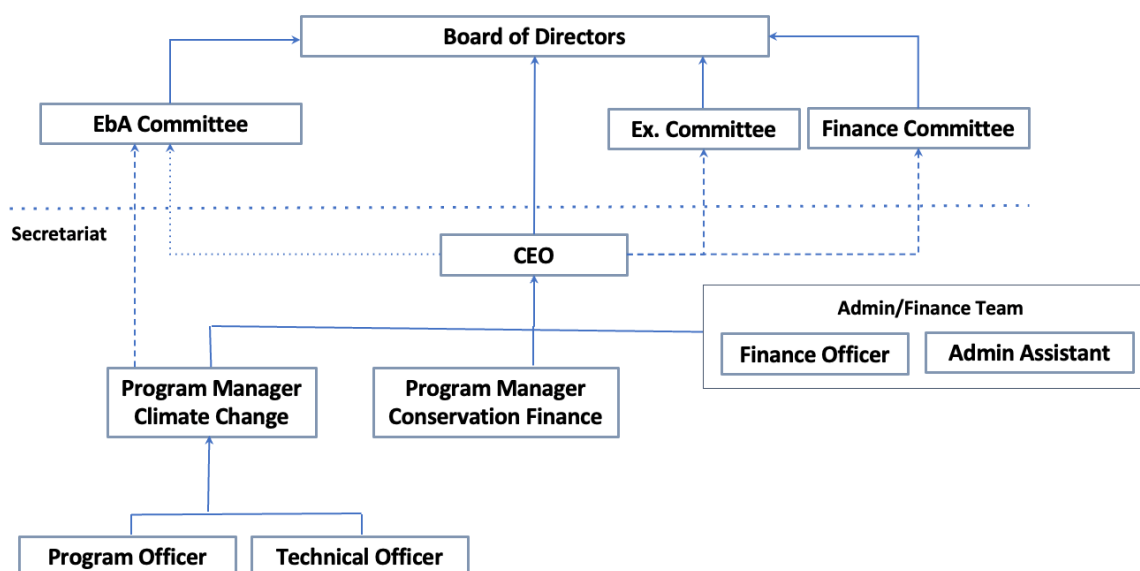


Figure 1 - CBF Governance Chart (as of September 2021)

Financial instruments

The CBF is structured as an umbrella fund with a range of funding sources - permanent and non-permanent. It currently works through two main instruments: i) an endowment for conservation priorities (the “Endowment Fund”), and ii) a sinking fund for ecosystem-based adaptation (the “EbA Facility”). Currently, the CBF manages about US\$131 million through these two instruments. Each of the financial instruments is respectively the key instruments of the Conservation Finance Program and the Climate Change Program.

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2022**

Conservation Finance Program – the Endowment

The CBF Endowment fund currently maintains the following 12 Country Sub-Accounts:

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

In addition, a Sub-Account for CBF operations is managed and CBF is actively investigated sources for funding other new Sub-Accounts.

For the Conservation Finance Program, the CBF channels funding from the relevant Country Sub-account of its Endowment Fund each year, to the Country's Partner NCTF that has been confirmed eligible to receive funding through 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.

Climate Adaption Programme – the EbA Facility

In December 2016 in partnership with the Government of Germany through KfW, the CBF established a €25m sinking fund for Ecosystem-based Adaptation (EbA) to climate change. The EbA Facility, as it was named, was increased in December 2019 when the CBF received an additional €20m for the Facility from KfW. The EbA Facility is 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 were initially programmed to be disbursed between 2018 and 2025. Projects are being identified through four open call for proposals (CfPs), of which two had been completed by FY2021.

CBF EbA Facility eligible participating countries are:

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

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

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's 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.

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2022**

- 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 CBF Board of Directors



Glenn Bannister
Trustee

..... 2023

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

Year ended 30 September 2022

Opinion

We have audited the financial statements of the Caribbean Biodiversity Fund (the 'charitable company') for the year ended 30 September 2022 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 2022 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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 course of 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 themselves. 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.

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

Year ended 30 September 2022

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 has 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 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 within 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 that 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, 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

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

Year ended 30 September 2022

We obtain and update our understanding of; the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding; we identify and assess the risks of material misstatement of the financial statements (whether due to fraud or error), design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

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

Date:.....

Caribbean Biodiversity Fund**Statement of Financial Activities (Including Income and Expenditure Account)**

Year ended 30 September 2022

			2022	2021
	Unrestricted funds	Endowment funds	Total	Total
Note	\$	\$	\$	\$
Income and endowments from:				
Charitable activities	2	-	1,126,081	1,126,081
Investments	3	-	2,839,583	2,839,583
		-	3,965,664	3,965,664
Total income and endowments			3,965,664	3,763,858
Expenditure on:				
Raising funds – cost of managing investments		-	555,933	555,933
Charitable activities	4	1,439,421	7,424,244	8,863,665
		-	7,980,177	8,863,665
Total expenditure			7,980,177	6,871,423
Net (losses)/gains on investments	15	-	(13,755,448)	(13,755,448)
			(13,755,448)	12,545,261
Net (expenditure) / income			(1,439,421)	(17,769,961)
Transfers between funds	15	1,439,421	(1,439,421)	-
			-	-
Net movement in funds	15	-	(19,209,382)	(19,209,382)
			(19,209,382)	9,437,696
Reconciliation of funds:				
Total funds brought forward	15	-	134,749,167	134,749,167
			134,749,167	125,311,471
Total funds carried forward	15	-	115,539,785	115,539,785
			115,539,785	134,749,167

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 32 form part of these financial statements.

Caribbean Biodiversity Fund**Statement of Financial Activities (Including Income and Expenditure Account)****Year ended 30 September 2021**

			2021	2020
	Unrestricted funds	Endowment funds	Total	Total
Note	\$	\$	\$	\$
Income and endowments from:				
Charitable activities	2	-	755,000	755,000
Investments	3	-	3,008,858	3,008,858
Total income and endowments		-	3,763,858	3,763,858
Expenditure on:				
Raising funds – cost of managing investments		-	523,382	523,382
Charitable activities	4	671,649	5,676,392	6,348,041
Total expenditure		671,649	6,199,774	6,871,423
Net gains on investments	15	-	12,545,261	12,545,261
Net (expenditure) / income		(671,649)	10,109,345	9,437,696
Transfers between funds	15	671,649	(671,649)	-
Net movement in funds	15	-	9,437,696	9,437,696
Reconciliation of funds:				
Total funds brought forward	15	-	125,311,471	125,311,471
Total funds carried forward	15	-	134,749,167	134,749,167
				75,161,462
				125,311,471

Caribbean Biodiversity Fund**Balance Sheet****As at 30 September 2022**

	Note	2022 \$	2021 \$
Fixed assets			
Tangible assets	10	12,078	8,178
Investments	11	102,995,563	128,391,238
		<u>103,007,641</u>	<u>128,399,416</u>
Current assets			
Debtors	12	143,540	193,812
Cash and cash equivalents		22,178,344	6,210,829
		<u>22,321,884</u>	<u>6,404,641</u>
Creditors: amounts falling due within one year	13	(9,769,740)	(34,890)
Net current assets		<u>12,552,144</u>	<u>6,369,751</u>
Total assets less current liabilities		<u>115,559,785</u>	<u>134,769,167</u>
Creditors: amounts falling due after more than one year	14	(20,000)	(20,000)
Net assets		<u>115,539,785</u>	<u>134,749,167</u>
Charity Funds			
Endowment funds	15	115,539,785	134,749,167
Unrestricted funds	15	-	-
Total charity funds	15	<u>115,539,785</u>	<u>134,749,167</u>

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

Glenn Bannister, Trustee

.....2023

The notes on pages 21 to 32 form part of these financial statements.

Company registration number: 08204716

Caribbean Biodiversity Fund**Statement of Cash Flows****Year ended 30 September 2022**

	Note	2022 \$	2021 \$
Cash flow from operating activities	16	<u>11,680,297</u>	<u>(6,036,517)</u>
Cash flow from investing activities			
Payments to acquire investments		(100,482,879)	(50,435,961)
Receipts from sales of investments		101,938,070	58,896,527
Payments to acquire tangible fixed assets		(7,867)	(3,515)
Receipts on sale of tangible fixed assets		312	-
Investment income received		2,839,582	3,008,858
Net cash flow from investing activities		<u>4,287,218</u>	<u>11,465,909</u>
Net increase in cash and cash equivalents		15,967,515	5,429,392
Cash and cash equivalents at 1 October 2021		6,210,829	781,437
Cash and cash equivalents at 30 September 2022		<u>22,178,344</u>	<u>6,210,829</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		2,454,175	1,859,130
Treasury bills		<u>19,724,169</u>	<u>4,351,699</u>
Cash and cash equivalents at 30 September 2022		<u>22,178,344</u>	<u>6,210,829</u>

Analysis of changes in net funds

	At 1 October 2021 \$	Cash flows \$	At 30 Sep 2022 \$
Cash and cash equivalents	6,210,829	15,967,515	22,178,344
	<u>6,210,829</u>	<u>15,967,515</u>	<u>22,178,344</u>

The notes on pages 20 to 31 form part of these financial statements.

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2022

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

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2022

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
-----------------------	----------------

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, is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes.

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2022

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 worldwide events since the year end on investment values, 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 \$	2022 \$	2021 \$
Grant income – The Nature Conservancy (TNC)	-	-	-	755,000
Grant income- KfW Development Bank	-	160,081	160,081	-
Grant income- Micronesia Conservancy Trust (MCT)	-	22,500	22,500	-
Grant income- United Nations Environment Programme (UNEP)	-	142,500	142,500	-
Grant income- Fonds Francais pour L'Environnement Mondial (AFD/FFEM)	-	801,000	801,000	-
	-	1,126,081	1,126,081	755,000

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

3 Income from investments

	Unrestricted \$	Endowment \$	2022 \$	2021 \$
Interest and dividends	-	2,839,583	2,839,583	3,008,858
	-	2,839,583	2,839,583	3,008,858

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2022

4 Charitable activities

	Unrestricted \$	Endowment \$	2022 \$	2021 \$
Conservation Finance Program - grants	-	1,358,680	1,358,680	1,543,644
Conservation Finance Program – other costs	-	126,401	126,401	99,374
EbA Program - grants	-	5,757,688	5,757,688	3,987,127
EbA Program- other costs	-	33,886	33,886	46,247
Other Program- grants	-	15,000	15,000	-
Other Program- other costs	-	132,589	132,589	-
Support costs (note 5)	1,340,212	-	1,340,212	574,261
Governance costs (note 6)	99,209	-	99,209	97,388
	<u>1,439,421</u>	<u>7,424,244</u>	<u>8,863,665</u>	<u>6,348,041</u>

5 Support costs

	Unrestricted \$	Endowment \$	2022 \$	2021 \$
Staff and contractor costs	402,560	-	402,560	426,445
Travel costs	181,388	-	181,388	24,265
Office costs	65,199	-	65,199	88,710
Insurance	14,968	-	14,968	10,943
Foreign exchange loss	676,097	-	676,097	23,898
	<u>1,340,212</u>	<u>-</u>	<u>1,340,212</u>	<u>574,261</u>

6 Governance costs

	2022 \$	2021 \$
Audit fees	35,000	25,000
Accountancy fees	5,206	25,102
Legal fees	1,260	14,340
Other professional fees	54,088	30,136
Depreciation	3,655	2,810
	<u>99,209</u>	<u>97,388</u>

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2022

7 Grants

Grant expenditure during the year was as follows:

	2022	2021
	\$	\$
<u>Conservation Finance Program</u>		
St Vincent and the Grenadines Conservation Fund	101,154	201,154
BPAF	400,000	400,000
SCNCF	-	186,279
National Conservation Trust Fund of Jamaica	124,877	124,877
Grenada Sustainable Development Trust Fund	206,025	40,000
Fondo MARENA	225,032	209,364
MEPA Trust	106,789	80,644
St. Lucia National Conservation Fund	194,803	95,401
Haiti (FHB)	-	205,925
	<u>1,358,680</u>	<u>1,543,644</u>
<u>EbA Program</u>		
CATIE	658,956	-
Fauna & Flora International	291,545	255,907
Fundacion Grupo Puntacana	288,245	225,583
GRENCODA	-	387,761
IDDI	696,879	741,122
IICA	774,033	-
J/P Haitian Relief Organization	10,000	52,327
Mona Informatix Ltd	271,599	504,405
REDDOM	671,091	844,185
St. Lucia National Trust	198,614	-
Sustainable Grenadines Inc	-	9,818
UWI CERMES	261,350	98,139
CLEAR	287,678	208,976
Fundacion Plenitud	-	9,000
Smith Warner International	10,000	10,000
The Ocean Foundation	554,069	209,104
Netherlands Red Cross	403,539	9,940
IT Santo Domingo	-	10,000
WINDREF	-	116,575
Wildlife Conservation Society	265,725	10,000
Agro Action	-	9,650
Mercy Corps	-	10,000
CCCCC	-	10,000
CNRI	-	7,500
PADF	-	247,135
Caribbean Natural Resource	64,365	-
IFRC	10,000	-
Richmond Vale Academy	10,000	-
Ministry of Agriculture	10,000	-
WCMC	10,000	-
UWI Dept. Science & Technology	10,000	-
	<u>5,757,688</u>	<u>3,987,127</u>

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2022

	2022 \$	2021 \$
<u>ORRA MAR Fund Mechanism Development Program</u>		
National Conservation Trust Fund of Jamaica	5,000	-
St Lucia National Conservation Fund	5,000	-
St. Vincent and the Grenadines Conservation Fund	5,000	-
	<u>15,000</u>	<u>-</u>
Total grants awarded	<u>7,131,368</u>	<u>5,530,771</u>

At the year-end, the charity had committed to pay further grant awards totalling \$8.7 million (2021: \$9.6 million) under the EbA Program.

8 Net income for the year

Net income is stated after charging / (crediting):

	2022 \$	2021 \$
Depreciation of tangible fixed assets	3,655	2,810
Net losses on foreign exchange	676,097	23,898
Audit fees	35,000	25,000
	<u> </u>	<u> </u>

9 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2021: \$Nil).

The total amount of key management remuneration amounted to \$116,250 (2021: \$293,337). 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 (2021 - \$nil).

10 Tangible fixed assets

	Fixtures, fittings and equipment \$	Total \$
Cost or valuation:		
At 1 October 2021	16,217	16,217
Additions	7,867	7,867
Disposals	(3,034)	(3,034)
At 30 September 2022	<u>21,050</u>	<u>21,050</u>
Depreciation:		
At 1 October 2021	8,039	8,039
Charge for the year	3,655	3,655
Eliminated on disposal	(2,722)	(2,722)
At 30 September 2022	<u>8,972</u>	<u>8,972</u>

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2022

Net book value:		
At 30 September 2022	12,078	12,078
	<hr/>	<hr/>
At 30 September 2021	8,178	8,178
	<hr/>	<hr/>

11 Fixed asset investments

	Listed investments \$	Total \$
Cost or valuation		
At 1 October 2021	128,391,238	128,391,238
Additions	100,482,879	100,482,879
Disposals	(101,938,070)	(101,938,070)
Realised investment gains	553,456	553,456
Unrealised investment losses	(24,493,940)	(24,493,940)
	<hr/>	<hr/>
	102,995,563	102,995,563
Carrying amount:		
At 30 September 2022	<hr/>	<hr/>
	102,995,563	102,995,563
At 30 September 2021	<hr/>	<hr/>
	128,391,238	128,391,238
Investments at fair value comprise:		
	2022	2021
	\$	\$
Equities	57,976,858	63,358,332
Securities	45,018,705	65,032,906
	<hr/>	<hr/>
	102,995,563	128,391,238
	<hr/>	<hr/>

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.

Funds held as agent

During the year, \$11,319,503 (€10 million) was received from the Agence Francaise De Developpement ("AFD"), to hold on behalf of the Haitian Biodiversity Fund ("FHB"). These funds have been invested as part of the Endowment investment portfolio.

Investment losses on the principal sum amounted to \$1,590,763 at the year end.

A creditor of \$9,728,740 to FHB, being the value of the principal adjusted for investment losses, is included in Other Creditors in note 13.

12 Debtors

	2022 \$	2021 \$
Prepayments	12,317	10,326
Accrued income	131,223	183,486
	<hr/>	<hr/>
	143,540	193,812
	<hr/>	<hr/>

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2022

13 Creditors: amounts falling due within one year

	2022 \$	2021 \$
Trade creditors	41,000	34,890
Other creditors	9,728,740	-
	<u>9,769,740</u>	<u>34,890</u>

14 Creditors: amounts falling due after more than one year

	2022 \$	2021 \$
Other creditors	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

15 Fund reconciliation Unrestricted funds

	1 October 2021 \$	Income \$	Expenditure \$	Transfers \$	Gains / (losses) \$	30 September 2022 \$
Unrestricted	-	-	(1,439,421)	1,439,421	-	-
	-	-	(1,439,421)	1,439,421	-	-
	-	-	(671,649)	671,649	-	-
	-	-	(671,649)	671,649	-	-

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2022

Endowment funds

	1 October 2021	Income	Expenditure	Transfers	Gains / (losses)	30 September 2022
	\$	\$	\$	\$	\$	\$
Conservation Finance Program Endowment	84,325,757	2,100,586	(1,381,378)	(792,158)	(9,441,419)	74,811,388
Climate Adaption Program EbA Facility Fund	50,423,409	899,078	(6,451,209)	(647,263)	(4,314,029)	39,909,986
Other funds	-	966,000	(147,590)	-	-	818,410
	134,749,167	3,965,664	(7,980,177)	(1,439,421)	(13,755,448)	115,539,785

Analysis of funds

	1 October 2020	Income	Expenditure	Transfers	Gains / (losses)	30 September 2021
	\$	\$	\$	\$	\$	\$
Conservation Finance Program endowment	74,738,714	2,727,897	(1,775,520)	(671,649)	9,306,315	84,325,757
Climate Adaption Program EbA Facility Fund	50,572,757	1,035,961	(4,424,255)	-	3,238,946	50,423,409
	125,311,471	3,763,858	(6,199,775)	(671,649)	12,545,261	134,749,166

Conservation Finance Program

The purpose of the endowment fund is 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 2022

Climate Adaption Program – the EbA Facility Fund

The EbA Facility is a sinking fund designed to award grants that support actions on climate change adaption and poverty alleviation through biodiversity conservation and ecosystems management.

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

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

	2022	2021
	\$	\$
Net income/(expenditure) for the year	(19,209,382)	9,437,696
Depreciation	3,655	2,810
Investment income receivable	(2,839,583)	(3,008,858)
Losses (Gains) on investments	23,940,484	(12,545,261)
Decrease in debtors	50,271	149,599
Increase/(decrease) in creditors	9,734,850	(72,503)
Net cash flow from operating activities	<u>11,680,297</u>	<u>(6,036,517)</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.

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2022

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”). Mr Mackensen resigned during the year and was replaced by Mr M Guterrez. Ms Philips resigned during the year and was replaced by Ms S Smith.

During the year the company received \$160,081 (2021: \$nil) from KfW Development Bank to reimburse the company for project expenses.

TNC made contributions to the endowment fund of \$nil (2021: \$755,000).

Nine 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 (2022)	Payment to organisation (2021)
Mr G Gore	Marine Ecosystem Protected Area Trust	\$106,789	\$80,644
Ms L Grant	National Conservation Trust Fund of Jamaica	\$129,877	\$124,877
Mr S Inchaustegui	Fondo MARENA	\$225,032	\$209,364
Mr M John Essias	St Vincent and the Grenadines Conservation Fund	\$106,154	\$201,154
Mr G Mason & Ms Petipha Lewis	Grenada Sustainable Development Trust Fund	\$206,025	\$40,000
Mr Huswald Timothee & Ms Anne-Isabelle Bonifassi	Haitian Biodiversity Fund (FHB)	\$ nil	\$205,925
Ms Karolin Troubetzkoy	Saint Lucian National Conversation Fund	\$199,803	\$189,774
Ms Brenda Boddie-John	St Christopher and Nevis Conservation Foundation	\$ nil	\$186,279
Ms Kelly Bostwick-Toote & Mr Glenn Bannister	Bahamas Protected Area	\$400,000	\$459,697

During the year, \$11,319,503 (€10 million) from the Agence Francaise De Developpement (“AFD”), to hold as agent on behalf of the Haitian Biodiversity Fund (“FHB”). These funds have been invested as part of the Endowment investment portfolio. Anne Isabelle Bonifassi is appointed to the board as a trustee/director for both FHB and the Caribbean Biodiversity Fund. A creditor of \$9,728,740 to FHB, being the value of these funds adjusted for investment losses, is included in Other Creditors in note 13.

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2022

19 Financial instruments

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

	2022	2021
	\$	\$
<i>Financial assets</i>		
Measured at fair value through net income:		
- Fixed asset listed investments (note 11)	102,995,563	128,391,238
Debt instruments measured at amortised cost:		
- Cash at bank and in hand	22,178,344	6,210,829
<i>Financial liabilities</i>		
Measured at fair value through net income:		
- Other creditors (note 13)	9,728,740	-
Measured at amortised cost		
- Trade creditors (note 13)	41,000	34,890
- Other creditors (note 14)	20,000	20,000
	<u>61,000</u>	<u>54,890</u>

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

	2022	2021
	\$	\$
<i>Income and expense</i>		
Financial assets measured at fair value through net income	2,839,582	3,008,858
<i>Net gains and losses (including changes in fair value)</i>		
Realised gains on investment assets	553,456	5,365,454
Unrealised (losses) gains on investment assets	(14,308,904)	7,179,807

20 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:

	2022	2021
	\$	\$
Sterling		
Year end rate	\$1:£0.8903	\$1: £0.7742
Average rate	\$1:£0.7831	\$1: £0.7847
	<u> </u>	<u> </u>

The following pages do not form part of the audited financial statements

Statement of Financial Activities – expressed in British Pounds

			2022	2021
	Note	Unrestricted funds £	Endowment funds £	Total £
Income and endowments from:				
Charitable activities	A	-	881,864	881,864
Investments		-	2,223,753	2,223,754
Total income and endowments			3,105,617	3,105,617
Expenditure on:				
Raising funds – cost of managing investments		-	435,366	435,366
Charitable activities	B	1,127,249	(12,037,523)	(10,910,274)
Total expenditure		1,127,249	(11,602,157)	(10,474,908)
Net (losses) gains on investments		-	(10,772,256)	(10,772,256)
Net (expenditure) / income		(1,127,249)	3,935,518	2,808,269
Transfers between funds		1,127,249	(1,127,249)	-
Net movement in funds		-	2,808,269	2,808,269
Reconciliation of funds:				
Total funds brought forward		-	100,054,491	100,054,491
Total funds carried forward		-	102,862,760	102,862,760
				97,009,876
				100,054,491

Balance sheet – expressed in British pounds

	2022 £	2021 £
Fixed assets		
Tangible assets	10,753	6,072
Investments	91,694,890	95,333,576
	<hr/> 91,705,643	<hr/> 95,339,648
Current assets		
Debtors	127,791	143,910
Cash at bank and in hand	19,744,936	4,611,690
	<hr/> 19,872,727	<hr/> 4,755,600
Creditors: amounts falling due within one year	(8,697,804)	(25,907)
Net current assets	<hr/> 11,174,923	<hr/> 4,729,693
Total assets less current liabilities	<hr/> 102,880,566	<hr/> 100,069,341
Creditors: amounts falling due after more than one year	(17,806)	(14,850)
Net assets	<hr/> 102,862,760	<hr/> 100,054,491
Charity Funds		
Endowment funds	102,862,760	100,054,491
Unrestricted funds	-	-
Total charity funds	<hr/> 102,862,760	<hr/> 100,054,491

Notes to the Statement of Financial Activities – expressed in British Pounds**A Funding for charitable activities**

	Unrestricted £	Endowment £	2022 £	2021 £
Grant income – TNC	-	-	-	548,229
Grant income- KfW	-	125,364	125,364	-
Grant income- MCT	-	17,620	17,620	-
Grant income- UNEP	-	111,596	111,596	-
Grant income- AFD/FFEM	-	627,284	627,284	-
Event sponsorship income	-	-	-	3,655
	-	881,864	881,864	551,884

B Charitable activities

	Unrestricted £	Endowment £	2022 £	2021 £
Conservation Finance Program	-	1,064,018	1,064,018	1,128,361
Conservation Finance Program – other costs	-	98,988	98,988	72,640
EbA Program - grants	-	4,508,999	4,508,999	2,914,480
EbA Program- other costs	-	26,537	26,537	33,805
Other Program- grants	-	11,747	11,747	-
Other Program- other costs	-	103,834	103,834	-
Support costs	1,049,556	(17,851,646)	(16,802,090)	4,273,849
Governance costs	77,693	-	77,693	71,188
	1,127,249	(12,037,523)	(10,910,274)	8,494,323

C Grants

Grant expenditure during the year was as follows:

	2022 £	2021 £
Conservation Finance Program - Fondo MARENA	176,229	153,039
Conservation Finance Program – MEPA Trust	83,629	58,949
Conservation Finance Program - St. Lucia National Conservation	152,555	69,735
Conservation Finance Program - SVGCF	79,216	147,038
Conservation Finance Program - BPAF	313,251	292,389
Conservation Finance Program - SCNCF	-	136,165
Conservation Finance Program - NCTFJ	97,794	91,282
Conservation Finance Program - GSDTF	161,344	29,239
Conservation Finance Program - Haiti (FHB)	-	150,525
EbA Program - Biodiversite Ministere de' IEnvi	-	-
EbA Program - CATIE	516,047	-
EbA Program - Fauna & Flora International	228,317	187,061
EbA Program- Fundacion Grupo Puntocana	225,732	164,443
EbA Program - GRENCODA	-	283,895
EbA Program - IDDI	545,744	541,740
EbA Program - IICA	606,166	-
EbA Program - J/P Haitian Relief Organization	7,831	38,250
EbA Program - Mona Informatix Ltd	212,696	368,706
EbA Program - REDDOM	525,549	617,076
EbA Program - St. Lucia National Trust	155,540	-
EbA Program - Sustainable Grenadines Inc	-	7,177
EbA Program - UWI CERMES	204,670	71,737
EbA Program – CLEAR	225,288	152,756

EbA Program - Fundacion Plenitud	-	6,579
EbA Program - Smith Warner International	7,831	7,310
EbA Program - The Ocean Foundation	433,906	152,849
EbA Program - Netherlands Red Cross	316,021	7,266
EbA Program - IT Santo Domingo	-	7,310
EbA Program - WINDREF	-	85,213
EbA Program - Wildlife Conservation Society	208,096	7,310
EbA Program - Agro Action	-	7,054
EbA Program - Mercy Corps	-	7,310
EbA Program - CCCCC	-	7,310
EbA Program - CNRI	50,406	5,482
EbA Program – PADF	-	180,649
EbA Program – IFRC	7,831	-
EbA Program – Richmond Vale Academy	7,831	-
EbA Program – Ministry of Agriculture	7,831	-
EbA Program – WCMC	7,831	-
EbA Program - UWI Dept. Science & Technology	7,831	-
ORRA Mar Fund Mech.Dev Program- NCTFJ	3,916	-
ORRA Mar Fund Mech.Dev Program- SLUNCF	3,916	-
ORRA Mar Fund Mech.Dev Program- SVGCF	3,916	-
	<u>5,584,764</u>	<u>4,042,844</u>

D Support costs

	Unrestricted	Endowment	2022 £	2021 £
Staff and contractor costs	315,256	-	315,256	311,719
Travel costs	142,050	-	142,050	17,737
Office costs	51,059	-	51,059	64,845
Insurance	11,721	-	11,721	7,999
Foreign exchange loss	-	(17,851,646)	(17,851,646)	3,871,549
	<u>520,086</u>	<u>(17,851,646)</u>	<u>(17,331,560)</u>	<u>4,273,849</u>

E Governance costs

	2022 £	2021 £
Audit fees	27,409	18,274
Accountancy fees	4,077	18,349
Legal fees	987	10,482
Other professional fees	42,358	22,029
Depreciation	<u>2,862</u>	<u>2,054</u>
	<u>77,693</u>	<u>71,188</u>