

CARIBBEAN BIODIVERSITY FUND

England & Wales · Charity number 1149889

Details

Other names	CBF
Status	Registered
Legal form	Charitable company
Company number	08204716
Registered	2012-11-23
Register	View on the Charity Commission register

Contact

Address	Oakwood Corporate Services 3rd Floor 1 Ashley Road Altrincham Cheshire
Phone	+44(0)161 9424731
Email	secretariat@caribbeanbiodiversityfund.org
Website	www.caribbeanbiodiversityfund.org

Activities

Objects: THE OBJECTS OF THE CHARITY ARE TO PROMOTE FOR THE BENEFIT OF THE PUBLIC THE CONSERVATION, PROTECTION, MANAGEMENT AND EXPANSION OF THE NATIONAL PROTECTED AREAS SYSTEMS OF THE PARTICIPATING COUNTRIES BY PROVIDING A SUSTAINABLE FLOW OF FUNDS TO SUPPORT, WITHOUT LIMITATION, ENFORCEMENT, INFRASTRUCTURE, MONITORING NEEDS AND OTHER ACTIVITIES THAT CONTRIBUTE SUBSTANTIALLY TO THE CONSERVATION, PROTECTION AND MAINTENANCE OF BIODIVERSITY WITHIN THE NATIONAL PROTECTED AREAS SYSTEMS OR ANY OTHER AREA OF ENVIRONMENTAL SIGNIFICANCE OF THE PARTICIPATING COUNTRIES (THE "OBJECTS"). THE CHARITY'S INCOME AND ASSETS SHALL BE USED EXCLUSIVELY FOR CHARITABLE, EDUCATIONAL AND SCIENTIFIC PURPOSES FOR THE BENEFIT OF THE PUBLIC, AND THE PROVISIONS OF THESE ARTICLES SHALL BE INTERPRETED IN A MANNER CONSISTENT WITH THESE OBJECTS.

Activities: Established in September 2012, the Caribbean Biodiversity Fund (CBF) is a regional Environmental Fund whose objective is to provide a sustainable flow of resources to support activities that contribute substantially to the conservation, protection and maintenance of biodiversity in the Caribbean.

Classification

- **How:** Makes Grants To Organisations, Provides Other Finance, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Education/training, Arts/culture/heritage/science, Animals, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- Antigua And Barbuda
- Dominican Republic
- Grenada
- Jamaica
- Saint Vincent
- St Kitts And Nevis
- St Lucia
- The Bahamas
- City Of London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£16,360,142	£20,408,395	£115,575,440	0
2023-09-30	£14,388,817	£16,535,707	£107,610,618	0
2022-09-30	£3,105,617	£10,474,908	£102,862,760	0
2021-09-30	£2,751,276	£8,876,900	£100,054,491	0
2020-09-30	£41,590,807	£7,210,441	£97,009,876	0

Trustees

Name	Role	Appointed
Karolin Troubetzkoy	Chair	2020-10-02
Brenda Boddie-John		2020-12-11
Glenn Bannister		2022-06-30
Luis-Miguel Gutierrez		2022-11-07
Sixto Joaquin Inchaustegui		2017-12-12

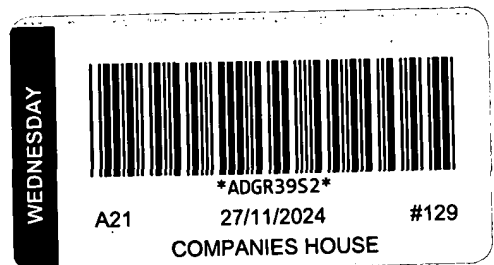
CARIBBEAN BIODIVERSITY FUND

England & Wales - Charity number 1149889

Accounts

Caribbean Biodiversity Fund
Financial Statements
Year ended 30 September 2023

Charity registration number: 1149889
Company registration number: 08204716



Contents	Page
Charity Reference and Administrative Details	1
Trustees' Report (Including Directors' Report and Strategic Report)	2 - 19
Independent Auditor's Report	20 - 22
Statement of Financial Activities (Including Income and Expenditure Account)	23 - 24
Balance Sheet	25
Statement of Cash Flows	26
Notes to the Financial Statements	27 - 38

**Caribbean Biodiversity Fund
Charity Reference and Administrative Details
Year ended 30 September 2023**

Charity Registration Number 1149889

Company Registration Number 08204716

Trustees

Ms. Lisa Grant
Mr. Sixto Inchaustegui
Mr. Michael John
Mr. Luis Miguel Gutierrez
Ms. Anne-Isabelle Bonifassi
Ms. Karolin Troubetzkoy
Mrs. Brenda Boddie-John
Mr. Glenn Bannister
Mr. Curtis Bernard
Mrs. Petipha Lewis
Mr. Albert Arlington Paul
Mr Joth Singh
Ms. Melanie McTurk

Chief Executive Officer

Mrs. Karen McDonald Gayle

Registered Office

3rd Floor 1 Ashley Road
Altrincham
Cheshire
WA14 2DT

Principal Place of Business

70 Half Way Tree Road
Kingston
Saint Andrew
Jamaica

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 2023**

The Trustees present their report and the audited financial statements of the Charity for the year ended 30 September 2023. 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, 2023) were as follows:

1. Mrs. Karolin Troubetzkoy	reappointed Chairperson February 17, 2023
2. Mrs. Brenda Boddie-John	
3. Ms. Lisa Grant	reappointed September 23, 2023
4. Mr. Sixto Inchaustegui	
5. Mr. Michael John	reappointed May 23, 2023
6. Mrs. Petipha Lewis	reappointed September 22, 2023
7. Mr. Glenn Bannister	appointed July 1, 2022
8. Ms. Shenique Albury-Smith	appointed December 17, 2022, resigned January 12, 2024
9. Mr. Luis-Miguel Gutiérrez	appointed November 9, 2022
10. Ms. Anne-Isabelle Bonifassi	appointed September 23, 2022
11. Mr. Curtis Bernard	resigned September 28, 2023
12. Mrs. Eleanor Phillips	resigned November 9, 2022
13. Dr. Jens Mackensen	resigned November 9, 2022
14. Mr Albert Arlington Paul	appointed July 4, 2023
15. Mr Joth Singh	appointed January 12, 2024
16. Ms Melanie McTurk	appointed March 15, 2024

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 land, water and ecosystems in 13 countries across the region. The vision for the organization is to include more countries in the future. Their programs and projects create natural solutions to the climate and biodiversity crises so that Caribbean people and its environment thrive. Currently, the CBF has three programs: (i) the Conservation Finance Program, anchored by an endowment fund, (ii) the Climate Change Program, anchored by an Ecosystem-based Adaptation (EbA) Facility, with a sinking fund and (iii) the Nature-Based Economies Program, anchored by an Advancing Circular Economy (ACE) Facility, 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 finance 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.

Fundraising Standards Information

The CBF is not actively engaged in fundraising 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

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2023**

was established for the benefit of the public as it promotes the conservation, protection, management, and expansion of the National Protected Areas Systems and key conservation areas in the Caribbean with regional and international partners.

Achievements and Performance

During fiscal year 2023 (Oct 1, 2022 to Sept 30, 2023), the CBF's activities and key achievements included the following:

Overall Governance and Operations

A. CBF Board

- At the end of FY23 the CBF Board was composed of nine appointed Directors and two Member Directors. The members are:
 1. Ms. Shenique Albury-Smith
 2. Mr. Luis-Miguel Gutiérrez

B. Board Meetings - A total of four (4) Board Meetings were held in FY23:

- 50th CBF Board Meeting (December 14, 2022)
- 51st CBF Board Meeting (March 30, 2023)
- 52nd CBF Board Meeting (July 4, 2023)
- 53rd CBF Board Meeting (September 22, 2023)

C. CBF Annual Meeting

The 11th CBF Annual Meeting took place virtually on September 22, 2023. This meeting also served as the 53rd Board Meeting.

Key topics discussed included:

- CBF FY24 Budget Approval
- Approval of the Grant Agreement and Separate Agreement relating to the EbA Facility (Phase III)
- Approval of EFJ Sub-Agreement with CBF
- Approval of the revised CBF Conflict of Interest Policy & Director's Compliance Pack
- Approval of the Amendments to FHB Partnership and AFD Endowment Agreements

D. Committees

Executive Committee Meetings - Eight (8) CBF Executive Committee Meetings took place in FY23 on these dates:

- November 4, 2022
- December 12, 2022
- January 30, 2023
- March 7, 2023
- April 20, 2023
- May 16, 2023
- June 19, 2023
- July 24, 2023

Finance Committee Meetings - Four (4) CBF Finance Committee Meetings took place in FY23:

- 33rd Finance Committee Meeting (December 7, 2022)
- 34th Finance Committee Meeting (March 15, 2023)
- 35th Finance Committee Meeting (June 14, 2023)
- 36th Finance Committee Meeting (September 13, 2023)

EbA Facility Committee Meetings - Four (4) CBF EbA Facility Committee Meetings took place in FY23:

- 16th EbA Committee Meeting (October 28, 2022)
- 17th EbA Committee Meeting (February 18, 2023)
- 18th EbA Committee Meeting (April 28, 2023)
- 19th EbA Committee Meeting (September 8, 2023)

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2023**

ACE Facility Committee Meeting - the formulation of the ACE Facility Committee commenced during this reporting period.

Operations

A. Key Institutional Documents Approved

No key institutional documents were modified and approved in this financial year.

B. Legal Structure

The CBF continues to maintain its registration with the UK Companies House, the UK Charity Commission, the Companies Office of Jamaica and with the US Government through the filing under 501(c)4.

C. Strategic Plan and Fundraising Strategy

During the period October 1, 2022, and September 30, 2023, the following activities were undertaken:

- A grant agreement was signed between the CBF and Global Affairs Canada (GAC) valued at CAD 7,748,214 on March 29th, 2023. The CBF received the first tranche of funds from the GAC in the amount of CAD 500,000 with an US equivalent of USD 369,105.
- A grant agreement was signed between the CBF and Conservation International (CI) on behalf of the Blue Nature Alliance (BNA) on May 10, 2023, valued at USD 750,000. The CBF received the first tranche of funds of USD 46,420.
- The CBF received USD 5,000 from The Ocean Foundation which served as a contribution to partially offset the expenses associated with 1 CBF staff member attending the 27th Conference of the Parties (COP27) for the UN Framework Convention on Climate Change (UNFCCC) in Egypt in November 2022.

D. Programs

Conservation Finance Program

I. Endowment Fund

Countries and their process towards CBF-eligible NCTFs made important progress in FY23 in their grant-making and operational systems. Table 1 below shows the progression through a set of key milestones:

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2023**

Country	Fund	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
1. Antigua and Barbuda											
2. The Bahamas	Bahamas Protected Areas Fund (BPAF)			NA							
3. Cuba	Cuba			TBD							
4. Dominica	Dominica National Conservation Trust Fund (DNCTF)										
5. Dominican Republic	Fondo Nacional para el Medio Ambiente y Recursos Naturales (MARENA)										
6. Grenada	Grenada Sustainable Development Trust Fund (GSDTF)										
7. Guyana	GPAT Guyana Protected Areas Trust Fund			NA							
8. Haiti	Fonds Haitien pour la Biodiversité (FHB)			NA							
9. Jamaica	National Conservation Trust Fund of Jamaica NCTFJ										
10. St. Kitts and Nevis	St. Christopher and Nevis Conservation Trust Foundation (SCNCF)										
11. St. Lucia	St. Lucia National Conservation Trust Fund (SLUNCF)										
12. St. Vincent and the Grenadines	St. Vincent and the Grenadines Conservation Foundation (SVGCF)										

Table 1 - NCTFs Dashboard tracking establishment progress (as of September 2023)

• **Partnership Agreements**

For the reporting period (FY23), nine (9) NCTFs had active Partnership Agreements (PA) with the CBF:

1. Fondo MARENA (first PA signed December 2016, second PA signed April 2022)
2. Saint Lucia National Conservation Fund (SLUNCF) (first PA signed June 2017, second PA signed February 2023)
3. Saint Vincent and the Grenadines Conservation Fund (SVGCF) (signed March 2019)
4. National Conservation Trust Fund of Jamaica (NCTFJ) (signed June 2019)
5. Grenada Sustainable Development Trust Fund (GSDTF) (signed June 2019)
6. Saint Christopher and Nevis Conservation Foundation (SCNCF) (signed October 2020)
7. Bahamas Protected Areas Fund (BPAF) (signed November 2020)
8. Haiti Biodiversity Fund (FHB) (signed November 2020)
9. Guyana Protected Areas Trust (signed in March 2022)

• **NCTFs Development**

1. Dominica: The Dominica National Conservation Trust Fund (Partnership Agreement signed in December 2022). The DNCTF was registered in September 2022. A pre-financing Agreement was signed in September 2022 for a value of USD 80,000 to support the establishment and operational start-up of the Fund to be able to receive funding from the CBF Endowment. At September 2023, USD 40,000 had been disbursed. To date, no payment requests have been made under the Partnership Agreement.
2. Cuba: The CBF has made significant progress to reach an Agreement for the 12th sub-account under the CBF Endowment, with Cuba. A consultant has been hired by the CBF to assess the situation in establishing a NCTF in Cuba and will make a final recommendation by the end of calendar year 2023 for next steps.
3. Antigua and Barbuda: The first Partnership Agreement in Antigua and Barbuda with the Marine Ecosystems Protected Areas Trust (MEPA) expired in Jan 2023, after 5.5 years. Unfortunately, as of September 2023, MEPA was unable to meet the requirements for signing a second Partnership Agreement. Requirements consisted mainly in the preparation of an Action Plan based on the End of

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2023**

Agreement Evaluation performed in June 2022. In total, the MEPA requested and received from the CBF Endowment a total of USD 268,077 (up to Payment #2).

- **NCTF Payments**

The CBF made nine (9) Partnership Agreement Payments in FY23 for a total of USD 5,539,178.35 since inception. See Table 2 for further details.

NCTF Payments Summary – until September 2023								TOTAL in- USD	
NCTF	Pre-financing	Payment 1	Payment 2	Payment 3	Payment 4	Payment 5	Payment 6		
MEPA Trust	185,000 (Oct 2016, Jan 2018, Feb 2020, May 2021)	161,288.55 (Nov 2018 / March 2021)	106,789.00 (Feb 2022)					453,077.55	
BPAF	N/A	119,393.88 (Feb 2021 / May 2023)						119,393.88	
DNCTF	40,000 (Oct 2022 / July 2023)							40,000.00	
Fondo MARENA	N/A	320,451.54 (Oct 2017 / Oct 2018)	379,937.18 (April / Dec 2019)	418,728.58 (May 2020 / May 2021)	225,032 (Sept 2022 / April 2023)			1,569,181.30	
GSTDF	175,000 (Oct 2016, Jan 2018, Feb 2020, May 2021)	194,817.06 (May 2020 / March 2022)	217,232.00 (July 2022 / Dec 2022)	110,852 (Sept 2023)				697,901.06	
GPAT	NA	192,720.00 (Oct 2022 / March 2023)						192,720.00	
FHB	NA	411,850.98 (July 2021 / Jan 2023)	228,290.00 (Aug 2023)					739,404.98	
FHB AFD Endowm		99,264.00 (Aug 2023)							
NCTFJ	127,588.00 (Oct 2016, Jan 2018, Feb 2020, May 2021)	210,956.56 (Dec 2019 / Sept 2020)	249,754.21 (April / Dec 2021)	277,659.00 (Nov 2022 / Aug 2023)				865,957.77	
SCNCF	175,000 (Jan 2019, March and Oct 2020, Feb 2021)	202,557.58 (Feb 2021 / May 2023)						377,557.58	
SLUNCF	161,000 (Nov 2016, Dec 2017, May and Oct 2018)	161,472.60 (March / Oct 2018)	176,123.62 (March / Sept 2019)	188,747.87 (May / Oct 2020)	190,800.31 (May / Oct 2021)	198,806 (Aug / Dec 2022)	\$100,052.00 (June 2023)	1,177,002.00	
SVGCF	185,000 (Dec 2017, Nov 2018, July 2019, August 2020)	185,315.56 (Oct 2019 / August 2020)	202,308.27 (May 2021 / May 2022)	107,242.00 (Jan 2023)				672,623.83	
		TOTAL payments to NCTF under Partnership Agreements (excluding pre-financing)							5,539,178.35
		TOTAL Pre-Finance							1,048,588.00
		TOTAL OTHER agreements (Bahamas USD 1,150,000 and St. Vincent and the Grenadines USD 100,000)							1,460,000.00
		TOTAL ALL Payments							8,047,766.35

Table 2 - NCTFs Payment Summary (as of September 2023)

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2023**

In August 2023, FHB (Haiti) received Payment 1 from the designated FHB - AFD Endowment (Agreement signed November 2021) sub-account. This AFD endowment ensures the matching requirement for FHB as established in the CBF Matching requirement policy. For efficiency, FHB received this Payment 1 together with Payment 2 from the CBF Endowment.

- *Other Grant Agreements*
 - The CBF has disbursed a total of USD 210,000 in additional grants during this fiscal year, bringing the overall disbursement to USD 1,260,000 to BPAF (100% disbursed) and USD 200,000.00 to SVGCF (100% disbursed) since the signing of these special relief grants in 2020 for Hurricane Dorian relief efforts and 2021 for the Saint Vincent and the Grenadines Conservation Fund volcanic grant relief.

- *Pre-financing Agreements*
 - The pre-finance Agreement with Dominica was signed in September 2022. The first payment was made in October 2022 (USD 20,000.00) and the second in July 2023 (USD 20,000.00).

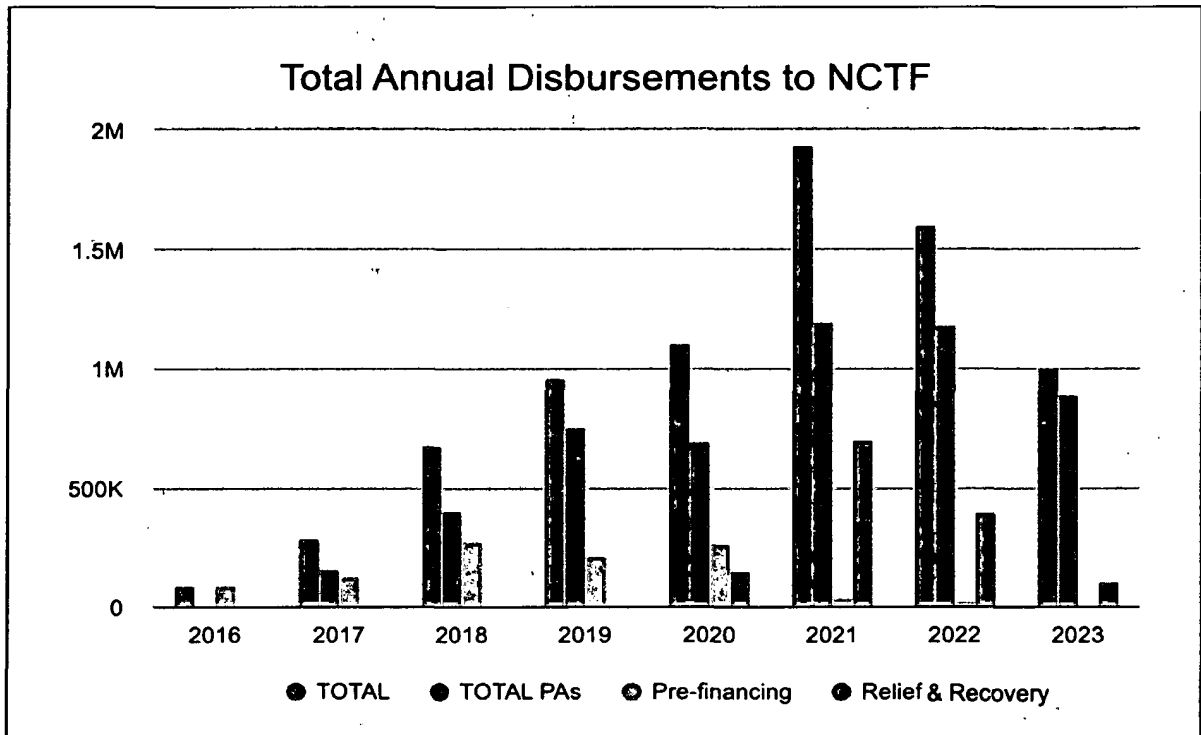


Table 3 - NCTFs Total Annual Disbursements (as of September 2023)

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2023**

	Country	Prefinancing	Payment 1	Payment 2	Payment 3	Payment 4	Payment 5	Payment 6
MEPA Trust	Antigua and Barbuda	Yes	X	X				
BPAF	Bahamas	No	X					
CUBA	Cuba	TBD						
DNCTF	Dominica	Yes						
Fondo MARENA	Dominican Republic	Yes	X	X	X	X		
GSTDF	Grenada	Yes	X	X	X			
PAT	Guyana	No	X					
FHB	Haiti	No	X	X				
NCTFJ	Jamaica	Yes	X	X	X			
SCNCF	St. Kitts and Nevis	Yes	X					
SLUNCF	St. Lucia	Yes	X	X	X	X	X	X
SVGCF	St. Vincent and the Grenadines	Yes	X	X	X			

Table 4 - NCTFs Dashboard tracking payments progress (as of September 2023)

II. Regional projects supporting the Caribbean Sustainable Finance Architecture under the Conservation Finance Program:

1. Project 1: Caribbean Regional Architecture for Biodiversity (CRAB)

Objective: Ensure that the conservation of ecosystems in the Caribbean region has sustainable and sufficient resources. Components: (i) consolidation in the Architecture financially and technically for conservation in the Caribbean, (ii) 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.

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

2. Project 2: The Caribbean Organizations for a Resilient Environment (CORE)

Objective: Strengthening knowledge and capacity of environmental and women rights organizations (potential grantees of the NCTFs) related to the incorporation of Inclusive Gender Responsiveness in (Nature Based Climate Solutions and specifically ecosystem-based adaptation (EbA), Climate Change (CC), and Circular Economy (CE) initiatives, through technical assistance (TA) on key concepts such as EbA, CC, CE, gender, and grant making (proposal writing, etc.), among others.

Target countries: Belize, Dominica, Guyana, Jamaica, Saint Lucia, and Saint Vincent and the Grenadines, Suriname

Project duration: 4 years (scheduled for 2023 – 2027). Project proposal approved by the donor in December 2022. Agreement between CBF and Global Affairs Canada signed in April 2023. Budget and donor: CAD 8 million (USD 5.93 M) (Global Affairs Canada)

3. Project 3: The USAID Sustainable Financing For Caribbean Regional Conservation

The objective of the project is to ensure that the conservation of ecosystems in the Caribbean region is safeguarded through sustainable financing. This will be achieved through capacity building of the National Conservation Trust Funds in different topics, such as grant-making, monitoring and evaluation.

Caribbean Biodiversity Fund Trustees' Report (Including Directors Report) Year ended 30 September 2023

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.

Project duration: 5 years (scheduled for 2023-2028). The Agreement between CBF and USAID was signed in August 2023. Budget and donor: USD 4 million (USAID).

4. Project 4: Caribbean Blue Economy Financing Project (Caribbean BluEFin)

Objective: This project will work with the CBF to move the concept of the "Blue Economy" into practical spheres. It will work to identify and educate on Blue Economy opportunities, in particular in the post pandemic reactivation for small and medium enterprises and how they can be utilized for sustainable financing in the insular Caribbean. (i) identify sources of sustainable economic value in marine and coastal areas; and (ii) support the development of long-term financing solutions for their conservation.

Target countries: Saint Lucia, Dominican Republic, Saint Vincent and the Grenadines, The Bahamas, Grenada
Project duration: 4 years (scheduled for 2023-2027). Proposal approved by the GEF in December 2022, Agreement to be signed in December 2023. Budget and donor: USD 6 million (GEF)

5. Project 5: Effective Marine Protected Area Activities for the Caribbean (EMPAC)

Objective: This proposed project will be implemented by the CBF with financial and technical support from the Blue Nature Alliance ('The Alliance'). The project is envisioned to (a) extend the CCI as the political vehicle to catalyze MPA implementation within the region and (b) develop a Marine Protected Area Facility for sustainable financing mechanism under CBF. Enabling partnerships for a Caribbean Action Plan towards achieving sustainable funded, effective marine management.

Target countries: regional Caribbean

Project duration: 3 years (2023 – 2026). Project contract Agreement signed between CBF and Conservation International (on behalf of Blue Nature Alliance) in May 2023.
Donors and budget: Blue Nature Alliance, USD 0.75 million

Climate Change Program

Ecosystem-based Adaptation (EbA) Facility

- Payments
 - The EbA Facility has disbursed a total of USD 17,303,848.84 to its grantees and beneficiaries since inception. A total of USD 431,669.87 was disbursed under Proposal Preparation Grants (PPGs) for four Calls for Proposals (1 CfP, 2 CfP, 3 CfP and 4 CfP) and a total of USD 16,872,178.97 for approved and signed Grant Agreements.
- Calls for Proposals (CfPs)
 - *1 CfP:* Under the 1st Call for Proposal, the CBF disbursed a total of USD 10,255,144.42 for Grant Agreements already in force for FY23. The total disbursements since inception totalled to USD 10,383,697.22 (including 128,552.80 PPG). Annual Work plans including budget and a procurement plan were approved for 11 of 11 grantees from 1 CfP, Semi-annual Technical and Financial Reports were received from all 11 1 CfP grantees.
 - *2 CfP:* Eight projects under the 2 CfP were approved, and the CBF disbursed USD 137,379.46 for the Proposal Preparation Grant (PPG) and USD 4,747,018.43 for Grant Agreements approved FY23. All applicants signed grant agreements from 2CfP.
 - *3 CfP:* The Third Call for Proposals was launched on August 31, 2021. The CBF disbursed a total of USD 70,000.00 for the Proposal Preparation Grant (PPG) and USD 1,870,016.12 for the 8 Grant Agreements approved FY23.
 - *4 CfP:* The Fourth Call for Proposal was launched on Thursday November 17, 2022 at the UNFCCC COP27 side event "Ecosystem-based Adaptation in vulnerable rural communities experiences from Haiti, Cuba and the DR" in Sharm el Sheikh, November 17, 2022. The CBF disbursed USD 95,737.61 for ten of eleven Proposal Preparation Grant (PPG) received; only seven signed Grant Agreements.
 - Figures 1 and 2 below show the distribution of CBF EbA projects from 1 CfP and 4 CfP by investment and by country respectively:

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2023**

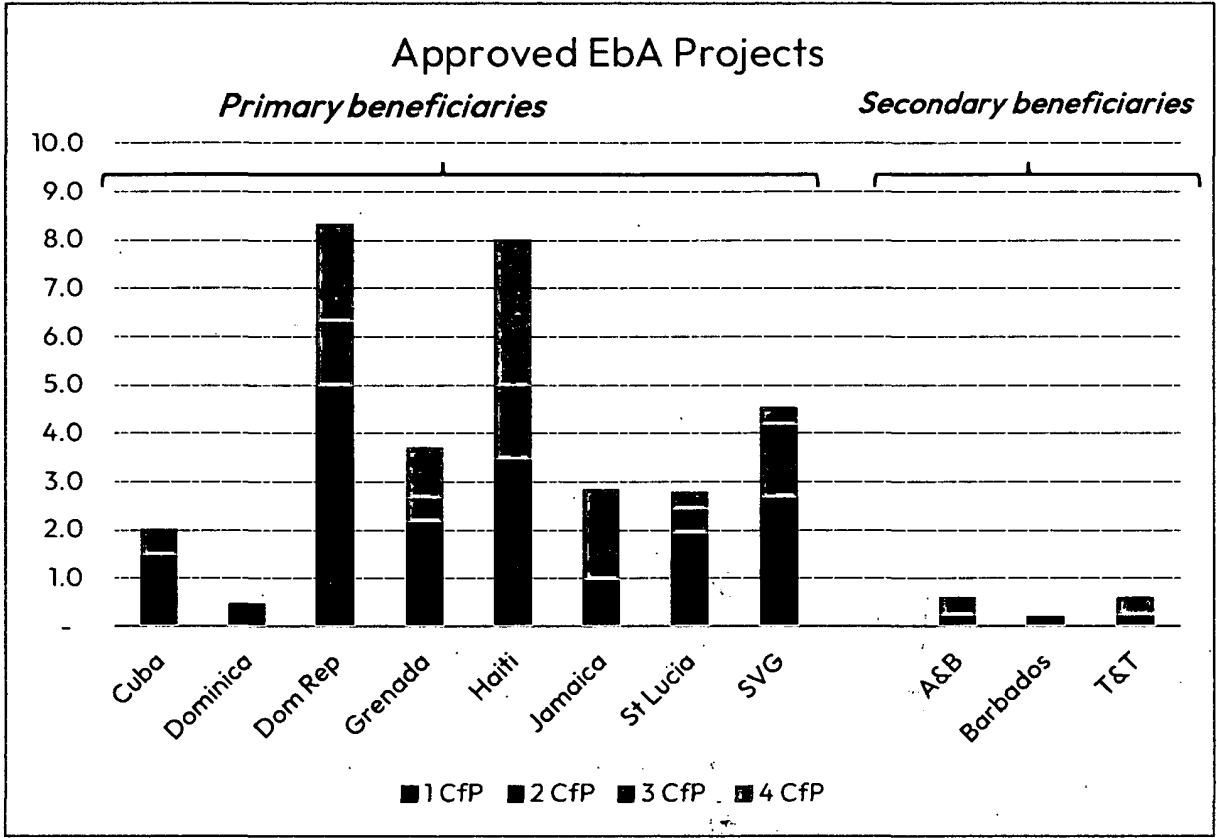


Figure 1 - CBF EbA Projects by Country: Four Calls for Proposals

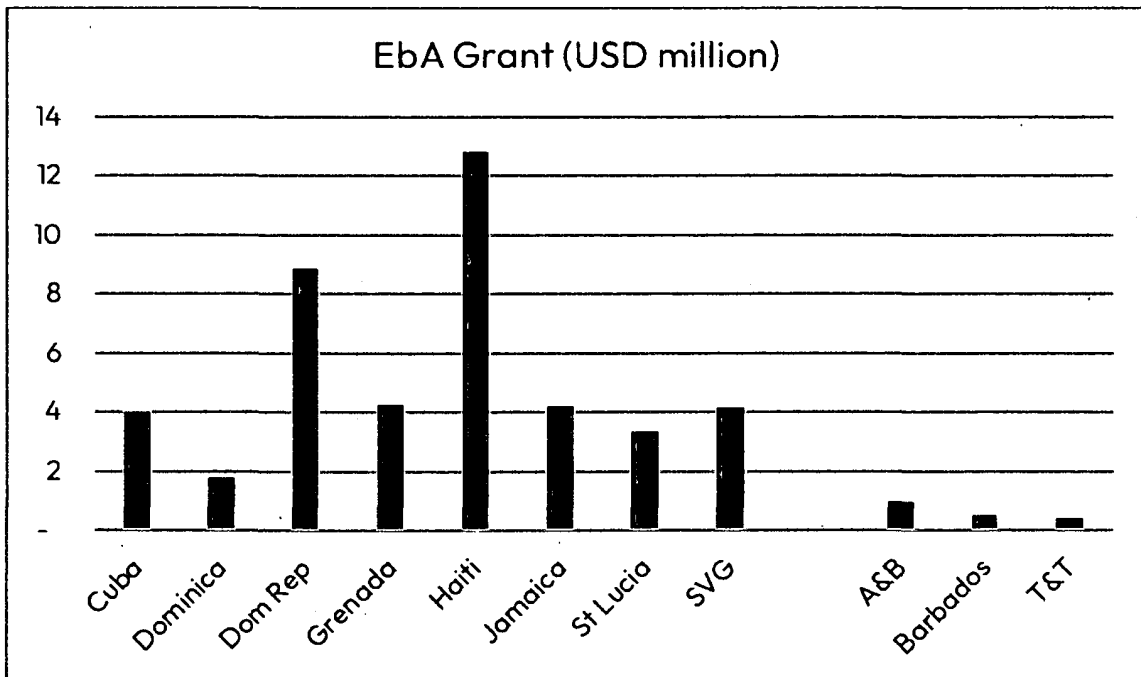


Figure 2 - CBF EbA Committed Investment per Country

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2023**

iii The Nature-Based Economies Program - Advancing Circular Economy (ACE) Facility

The first CfP under the ACE Facility is scheduled for commencement in June 2024. As such, there are no associated grantee payments associated with this reporting period. Expenses to date (USD 30,894.00) are attributed to the staffing of the Program and Asset Management costs.

Partnerships & Projects

Year Ahead - CBF FY23 Annual Work Plan

The CBF's FY23 Work Plan was developed in accordance with the Governance and Strategic Plan consultancy completed in FY22. The CBF Secretariat presented the following priorities for FY23 to the CBF Board ahead of the final work plan:

- 1) Institutional:
 - Human Resources
 - Recruitment of the following posts:
 - Program Manager - ACE Facility
 - Technical Officer - CRAB Project Leader
 - Technical Officer - CORE Project Leader
 - Finance Officer
 - Administrative Assistant
 - Communication Assistant
 - Promotions:
 - Finance Officer to Senior Finance Officer
 - Administrative Assistant to Program Officer, Conservation Finance Program
 - Consultancies
 - Investment Consultant: the consultant's examined the CBF Endowment investment account and conducted a capacity-building workshop with the NCTF on the fundamentals of investment.
 - Cuba Consultants: A local and international consultant were engaged to explore options on setting up an NCTF in Cuba.
 - RedLac Event Planner: The consultant is working with the CBF and the SLUNCF on planning the Latin American and the Caribbean Network of Environmental Funds (RedLac) congress to be held in October 2024 in Saint Lucia.
 - Monitoring, Evaluation and Learning
 - Annual Reports
- 2) Conservation Finance Program (CFP)
 - A. Endowment
 - Signing of first Partnership Agreement with the Dominica National Conservation Trust Fund (DNCTF) in December 2022, and with the hiring of the first CEO in January 2023.
 - Signing of second Partnership Agreement between CBF and Saint Lucia National Conservation Fund (SLUNCF) in February 2023
 - Haiti Sub-account - World Bank contributed EURO 3 million to CBF Endowment Haiti sub-account in February 2023
 - B. Regional Projects supporting the Caribbean Sustainable Finance Architecture (CSFA) under the CFP:
 1. AFD / FFEM - Agreement signed in March 2022. Funding is EUR 4 M (USD 4.3 M). Caribbean Regional Architecture for Biodiversity (CRAB).
 2. Government of Canada - Consolidation of Regional Environmental Funds and Organizations in the Caribbean (CORE) – Approved in December 2022 and Agreement signed in April 2023. GAC contribution: CAD 8 million (USD 5.88 M)

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2023**

3. USAID Sustainable Financing For Caribbean Regional Conservation – submitted October 2020, and approved in the beginning of 2023. Agreement signed in August 2023.
 - o USAID contribution: USD 4 M
 4. Blue Nature Alliance: Effective Marine Protected Area Activities for the Caribbean (EMPAC): Enabling partnerships for a Caribbean Action Plan towards achieving sustainably funded, effective marine management. Approved and Contract Agreement signed between CBF and Conservation International in May 2023. Blue Nature Alliance contribution: USD 750,000 for three years.
- 3) Climate Change Program - Ecosystem-based Adaptation Facility
- 1st CfP Projects
 - o Key Indicator targets advancing
 - o Projects closing out
 - o Report review and extraction of lessons learnt
 - 2nd CfP Projects
 - o Accelerated disbursement of funds for implementation
 - o Efficient flow of financing and technical support for implementation
 - o First two projects closing out
 - 3rd CfP Projects
 - o Eight projects approved; seven Grant Agreements signed
 - o Implementation initiated and supported team
 - o 1st and 2nd financial disbursements to grantees
 - 4th CfP Projects
 - o Fourth CfP Launched (Nov 2022)
 - o Eleven concept notes shortlisted
 - o Ten Project Preparation Grants awarded and paid
 - o Project selection advancing
 - Monitoring, Evaluation and Learning
 - o Verification of project implementation - site visits to by EbA Team and virtual mini-conferences
 - Workshops - Mid-Term Evaluation webinar on Portfolio Analysis
 - Operational Manual Review
 - Selection of new Program Officers
 - Environmental and Social Management System (ESMS) rolled out with 3rd and 4th CfP

Financial Review

CBF Endowment Performance

As of September 30, 2023, the CBF Endowment Account assets totalled USD 81,087,167. Figure 3 below shows the historical CBF Endowment market value since the inception of investments through September 30, 2023:

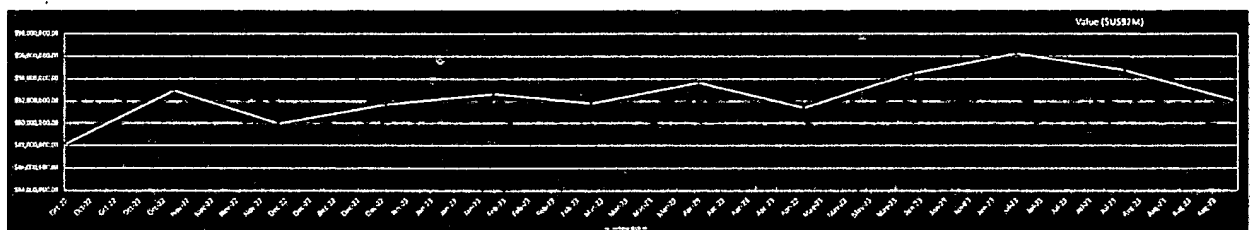


Figure 3 - Historical CBF Endowment Market Value Performance to Sept. 30, 2023

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2023**

The Endowment has disbursed at total of USD 1,048,588.00 in Pre-financing Agreements, USD 5,866,380 in Partnership Agreements and USD 1,360,000 in Other Grants Agreement, totalling USD 8,274,968 up to September 30, 2023. See Table_2 for details.

NCTFs	Country	Partnership Agreement (US)	Pre-finance Agreement (US)	Other Agreement (US)	Total (US)
BPAF	The Bahamas	\$119,393.88		\$1,260,000.00	\$1,379,393.88
Fondo MARENA	Dominican Republic	\$1,569,181.29			\$1,569,181.30
GSDTF	Grenada	\$412,049.06	\$175,000.00		\$587,049.06
MEPA	Antigua & Barbuda	\$268,077.55	\$185,000.00		\$453,077.55
NCTFJ	Jamaica	\$752,312.17	127,588.00		\$879,900.17
SCNCF	Saint Kitts & Nevis	\$ 202,557.58	\$175,000.00		\$ \$ 377,557.58
SLUNCF	Saint Lucia	\$1,015,818.66	\$161,000.00		\$1,176,818.66
SVGCF	Saint Vincent & the Grenadines	\$594,865.83	\$185,000.00	\$100,000.00	\$879,865.83
FHB	Haiti	\$ 739,404.98			\$739,404.98
GPAT	Guyana	\$ 192,720.00			\$ 192,720.00
DNCTF	Dominica		\$ 40,000.00		\$ 40,000.00
Grant Totals		\$5,866,381.00	\$1,048,588.00	\$1,360,000.00	\$8,274,969.01

Table 2 - CBF Endowment Disbursements Record

Ecosystem Based Adaptation Facility

As of September 30, 2023, the CBF EbA Facility has disbursed USD 431,669 under the Project Preparation Grants agreements and USD 16,872,178 under regular Grants for implementation, totalling USD 17,303,849. This Facility also contributes to the CBF operations budget.

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2023**

EbA Facility Grantee	Actual
Biodiversite Ministere de l'Environnement, Haiti	10,000.00
Caribbean Community Climate Change Centre	10,000.00
Caribbean Natural Resources Institute	311,396.70
CATIE	792,476.50
CLEAR2	200,000.00
CORE Community Organized relief Effort	220,000.00
Deutsche Welthungerhilfe e. V.	9,650.00
Fauna & Flora International	847,725.75
Fundacion Grupo Puntacana	687,570.36
FUNDACIÓN PLENITUD	9,000.00
Fundacion Sur Futuro	196,146.47
FUNDAMAR	10,000.00
Grenada CDA	761,190.87
IDD!	1,920,000.00
IFRC	200,000.00
IICA	1,568,589.87
Instituto Tecnológico de Santo Domingo	10,000.00
International Federation of the Red Cross	10,000.00
J/P Haitian Relief Organization	180,174.40
J/P Haitian Relief Organization	33,337.10
Mercy Corps	10,000.00
Ministry of Blue & Green Economy - Dominica	10,000.00
Mona Informatix Ltd	1,000,000.00
Netherlands Red Cross	413,479.18
OECS Commission Small Grante	10,000.00
Pan American Development Foundation (PADF)	723,963.00
REDDOM	1,531,702.80
REDDOM 04	7,172.66
REDDOM 056	9,564.95
REDDOM 077	80,100.00
REDDOM 2	635,986.32
Richmond Vale Academy (RVA)	10,000.00
SLNT	340,539.44
Smith Warner International Limited	20,000.00
Sustainable Grenadines Inc	261,486.10
The Centre for Livelihoods, Ecosystems, Energy, Adaptation and Resilience in the Caribbean Ltd. (CLEAR)	599,791.40
The Ocean Foundation	1,383,860.96
University of the West Indies	442,300.83
UWI CERMES	609,980.12
UWI Dept. Science & Technology	10,000.00
UWI Mona	210,000.00
WCMC	209,900.50
Wildlife Conservation Society	425,864.10
Windward Islands Research and Education Foundationn (WINDREF)	360,638.45
Grand Total	17,303,588.83

Table 3 - CBF EbA Facility Disbursements Record

Investment Policies

Currently the CBF has three Investment Policies, one for the CBF Endowment Fund, one for the CBF EbA Facility's Sinking Fund and one for the ACE 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 the Endowment Fund and another for the EbA and ACE Facilities Sinking Funds. Each Investment Manager is restricted to investments that fall under the ESG guidelines stipulated in each fund's Investment Policy Statement (IPS).

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2023**

Secretariat Operational Budget

The CBF Secretariat had an operational budget of USD 2,265,469.98 for FY23 with the Endowment Fund contributing USD 420,521.82, the CRAB Project USD 722,990.00, the EbA Facility USD 803,465.15, the ACE Facility USD 318,493.01, as amended by the CBF Board.

Reserves Policy

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.

As of September 30, 2023, the KfW had deposited USD 10 Million under the ACE Facility. The ACE Facility also contributes to the operational budget.

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.

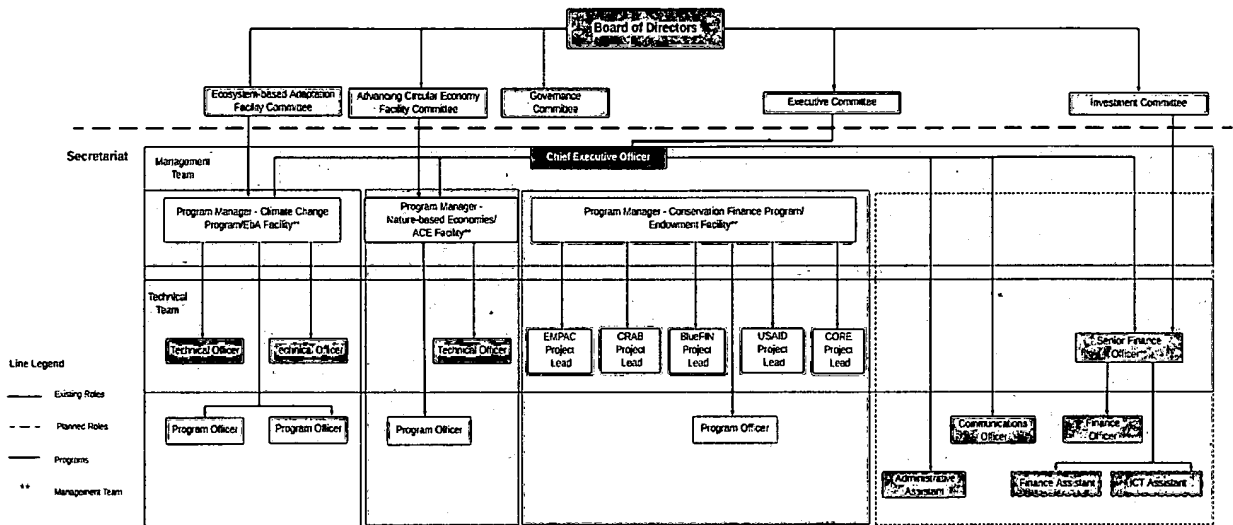
Structure, governance, and management

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 2023, 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 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.

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2023**



Financial Instruments

The CBF is structured as an umbrella fund with a range of funding sources - permanent and non-permanent. It currently works through three main instruments: i) an endowment for conservation priorities (the "Endowment Fund"), ii) a sinking fund for ecosystem-based adaptation (the "EbA Facility") and, iii) a sinking fund for the advancing circular economy ("the ACE Facility"). Addition to the main sources the CBF is implementing projects under the Conservation Finance Program. Currently, the CBF manages about USD 180 million through these instruments and projects. Each of the financial instruments is respectively the key instruments of the Conservation Finance Program, the Climate Change Program and the Nature Based Economies Program.

Conservation Finance Program

A. The Endowment Fund

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
- Saint Kitts and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines

In addition, a Sub-Account funded by the Agence Francaise de Development (AFD) was created as match requirement for FHB and a Sub-Account for CBF operations is managed and CBF is actively investigating 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.

B. Projects supporting the CSFA

In the reporting period, the CBF reports active Partnership Agreements with 10 National Conservation Trust Funds (NCTFs). These agreements have facilitated, to date, the disbursement of over USD 8.44 million from the CBF's Conservation Finance Program, supporting conservation activities across the region.

The NCTFs, under these agreements, have reported a total of 79 grantee projects to date, including relief projects for the Bahamas and St. Vincent and the Grenadines. The total committed or spent on these projects amounts to USD 4,011,034.00. In addition to these projects, To date, USD 1,048,588.00 has been disbursed

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2023**

under pre-financing Agreements to initiate the conservation trust funds, covering activities such as hiring a CEO and capacity building. Approximately 25% of the funds disbursed to the NCTFs, encompassing both Partnership Agreements and relief grants, have been allocated for operational expenses, aligning with the terms of the CBF Partnership Agreement. It is noteworthy that this information is compiled based on progress reports submitted by the NCTFs.

Furthermore, we note the progress on the regional projects:

Title: Caribbean Regional Architecture for Biodiversity (CRAB)

The overall objective of the CRAB project is to consolidate the Caribbean Sustainable Finance 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 Caribbean Sustainable Finance Architecture. One of the outputs is supporting the NCTFs in implementing an E&S framework system.

Major accomplishments achieved include the hiring of the project coordinator as of December 2022 and the signing of a sub-agreement with the OECS on the implementation of Bio-Blue chain value chains, focusing on queen conch, seamoss and sargassum.

Title: The Caribbean Organizations for a Resilient Environment (CORE)

Objective: Strengthening knowledge and capacity of environmental and women rights organizations (potential grantees of the NCTFs) related to the incorporation of Inclusive Gender Responsive in NbCS (Nature Based Climate Solutions) and specifically ecosystem-based adaptation (EbA), Climate Change (CC), and Circular Economy (CE) initiatives, through technical assistance (TA) on key concepts such as EbA, CC, CE, gender, and grant-making (proposal writing, etc.), among others.

Approved by the donor in December 2022. The Agreement between CBF and Global Affairs Canada was signed in April 2023. In addition to the Caribbean NCTFs, two non-CBF countries will also have access to the innovative IGR for Nature-based Climate Solution (NbCS) tools developed through CORE, through the NCTF network (under the KfW project): Suriname and Belize.

Title: The USAID Sustainable Financing For Caribbean Regional Conservation

Objective: The objective of the project is to ensure that the conservation of ecosystems in the Caribbean region is safeguarded through sustainable financing.

This will be achieved through capacity building of the National Conservation Trust Funds in different topics, such as grant-making, monitoring and evaluation, etc.

The Agreement between CBF and USAID was signed in August 2023, and the first action will be the hiring of a project coordinator.

Climate Change Program

In December 2016, in partnership with the Government of Germany through KfW, the CBF established a EURO 25 million sinking fund for Ecosystem-based Adaptation (EbA) to climate change, known as the EbA Facility. This initiative received an additional EURO 20 million from KfW in December 2019, broadening its scope. The KfW resources in the EbA Facility were initially planned for disbursement between 2018 and 2025, with projects identified through four open Calls for Proposals (CfPs). 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.

CBF EbA Facility eligible participating countries are:

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

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2023**

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

The Nature-Based Economies Program

In October 2022 in partnership with the Government of Germany (on behalf of the Federal Ministry for Economic Cooperation and Development) through KfW, the CBF established a EURO 25.7m/USD 28.3m sinking fund for Sustainable Financing Mechanisms for Marine Protection in the Caribbean (Advancing Circular Economy (ACE) Facility). The ACE Facility is designed to award grants that support sustainable interventions that contribute to the reduction of marine litter in the Caribbean by promoting the circular economy among public and private actors. The ACE Facility works with public and private sector partners as well as other Caribbean stakeholders to fund projects that promote and apply practical circular economy principles to minimize, prevent or remove waste entering the marine environment and/or removing marine litter. This is to be achieved by investments in equipment and infrastructure but also generation of data and knowledge, policy support and education of consumers.

The KfW resources in the ACE Facility were initially programmed to be disbursed between 2023 and 2028. Projects are being identified through two open Call for Proposals (CfPs), which are scheduled for June 2024 and June 2025. The geographical focus of the ACE Facility is on the following countries of the insular Caribbean:

- Cuba
- Dominica
- Dominican Republic
- Grenada
- Haiti
- Jamaica
- Montserrat
- St. Lucia
- St. Vincent and the Grenadines

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;
- 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

**Caribbean Biodiversity Fund
Trustees' Report (Including Directors Report)
Year ended 30 September 2023**

- 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

Glenn Bannister
Trustee and Director

Nov 22 2024 15:18 EST
..... 2024

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

Year ended 30 September 2023

Opinion

We have audited the financial statements of the Caribbean Biodiversity Fund (the 'charitable company') for the year ended 30 September 2023 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 2023 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 2023

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.

Caribbean Biodiversity Fund

Statement of Financial Activities (Including Income and Expenditure Account)

Year ended 30 September 2023

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.

Azets Audit Services

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

22 November 2024

Caribbean Biodiversity Fund**Statement of Financial Activities (Including Income and Expenditure Account)****Year ended 30 September 2023**

			2023	2022
	Note	Unrestricted funds \$	Endowment funds \$	Total \$
Income and endowments from:				
Charitable activities	2	-	13,936,543	1,126,081
Investments	3	-	3,686,396	2,839,583
Total income and endowments		-	17,622,939	3,965,664
Expenditure on:				
Raising funds – cost of managing investments		-	426,840	555,933
Charitable activities	4	1,066,796	8,591,097	8,863,665
Total expenditure		1,066,796	9,017,937	9,419,598
Net gains/(losses) on investments	15	-	8,444,783	(13,755,448)
Net (expenditure) / income		(1,066,796)	17,049,785	(19,209,382)
Transfers between funds	15	1,066,796	(1,066,796)	-
Net movement in funds	15	-	15,982,989	(19,209,382)
Reconciliation of funds:				
Total funds brought forward	15	-	115,539,785	134,749,167
Total funds carried forward	15	-	131,522,774	115,539,785

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 27 to 38 form part of these financial statements.

Caribbean Biodiversity Fund**Statement of Financial Activities (Including Income and Expenditure Account)****Year ended 30 September 2022**

	Note	Unrestricted funds \$	Endowment funds \$	2022 Total \$	2021 Total \$
Income and endowments from:					
Charitable activities	2	-	1,126,081	1,126,081	755,000
Investments	3	-	2,839,583	2,839,583	3,008,858
Total income and endowments		-	3,965,664	3,965,664	3,763,858
Expenditure on:					
Raising funds – cost of managing investments		-	555,933	555,933	523,382
Charitable activities	4	1,439,421	7,424,244	8,863,665	6,348,041
Total expenditure		1,439,421	7,980,177	9,419,598	6,871,423
Net (losses)/gains on investments	15	-	(13,755,448)	(13,755,448)	12,545,261
Net (expenditure) / income		(1,439,421)	(17,769,961)	(19,209,382)	9,437,696
Transfers between funds	15	1,439,421	(1,439,421)	-	-
Net movement in funds	15	-	(19,209,382)	(19,209,382)	9,437,696
Reconciliation of funds:					
Total funds brought forward	15	-	134,749,167	134,749,167	125,311,471
Total funds carried forward	15	-	115,539,785	115,539,785	134,749,167

Caribbean Biodiversity Fund**Balance Sheet****As at 30 September 2023**

	Note	2023 \$	2022 \$
Fixed assets			
Tangible assets	10	18,542	12,078
Investments	11	113,603,406	102,995,563
		<u>113,621,948</u>	<u>103,007,641</u>
Current assets			
Debtors	12	296,688	143,540
Cash and cash equivalents		28,095,985	22,178,344
		<u>28,392,673</u>	<u>22,321,884</u>
Creditors: amounts falling due within one year	13	(10,471,847)	(9,769,740)
Net current assets		<u>17,920,826</u>	<u>12,552,144</u>
Total assets less current liabilities		<u>131,542,774</u>	<u>115,559,785</u>
Creditors: amounts falling due after more than one year	14	(20,000)	(20,000)
Net assets		<u>131,522,774</u>	<u>115,539,785</u>
Charity Funds			
Endowment funds	15	131,522,774	115,539,785
Unrestricted funds	15	-	-
Total charity funds	15	<u>131,522,774</u>	<u>115,539,785</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 and Director

Nov 22 2024 15:18 EST

The notes on pages 27 to 38 form part of these financial statements.

Company registration number: 08204716

Caribbean Biodiversity Fund**Statement of Cashflows****Year ended 30 September 2023**

	Note	2023 \$	2022 \$
Cash flow from operating activities	16	(8,582,813)	11,680,297
Cash flow from investing activities			
Payments to acquire investments		(105,108,415)	(100,482,879)
Receipts from sales of investments		115,934,982	101,938,070
Payments to acquire tangible fixed assets		(12,508)	(7,867)
Receipts on sale of tangible fixed assets		-	312
Investment income received		3,686,395	2,839,582
Net cash flow from investing activities		14,500,454	4,287,218
Net increase in cash and cash equivalents		5,917,641	15,967,515
Cash and cash equivalents at 1 October 2022		22,178,344	6,210,829
Cash and cash equivalents at 30 September 2023		28,095,985	22,178,344
Cash and cash equivalents consists of:			
Cash at bank and in hand		6,115,735	2,454,175
Treasury bills		21,980,250	19,724,169
Cash and cash equivalents at 30 September 2023		28,095,985	22,178,344

Analysis of changes in net funds

	At 1 October 2022 \$	Cash flows \$	At 30 September 2023 \$
Cash and cash equivalents	22,178,344	5,917,641	28,095,985
	<u>22,178,344</u>	<u>5,917,641</u>	<u>28,095,985</u>

The notes on pages 28 to 39 form part of these financial statements.

Caribbean Biodiversity Fund

Notes to the financial statements

Year ended 30 September 2023

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 2023

performance, the grant is then 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
-----------------------	----------------

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 2023

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 \$	2023 \$	2022 \$
Grant income- KfW Development Bank	-	-	-	160,081
Grant income- Micronesia Conservancy Trust (MCT)	-	-	-	22,500
Grant income- United Nations Environment Programme (UNEP)	-	-	-	142,500
Grant income- Fonds Francais pour L'Environnement Mondial (AFD/FFEM)	-	-	-	801,000
Grant income – The Ocean Foundation		5,000	5,000	-
Grant income – Global Affairs Canada		369,123	369,123	-
Grant income – Conservation International		46,420	46,420	-
Grant income – Advancing Circular Economy (ACE)		10,516,000	10,516,000	-
Grant income – (END) IBRD Trust funds		3,000,000	3,000,000	-
	-	13,936,543	13,936,543	1,126,081

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

3 Income from investments

	Unrestricted \$	Endowment \$	2023 \$	2022 \$
Interest and dividends	-	3,686,396	3,686,396	2,839,583
	-	3,686,396	3,686,396	2,839,583

Caribbean Biodiversity Fund**Notes to the Financial Statements****Year ended 30 September 2023****4 Charitable activities**

	Unrestricted \$	Endowment \$	2023 \$	2022 \$
Conservation Finance Program - grants	-	2,366,031	2,366,031	1,358,680
Conservation Finance Program – other costs	-	94,234	94,234	126,401
EbA Program - grants	-	5,556,915	5,556,915	5,757,688
EbA Program- other costs	-	157,591	157,591	33,886
ACE Program- grants	-	-	-	-
ACE Program- other costs	-	-	-	-
Other Program- grants	-	-	-	15,000
Other Program- other costs	-	416,326	416,326	132,589
Support costs (note 5)	983,725	-	983,725	1,340,212
Governance costs (note 6)	83,071	-	83,071	99,209
	1,066,796	8,591,097	9,657,893	8,863,665

5 Support costs

	Unrestricted \$	Endowment \$	2023 \$	2022 \$
Staff and contractor costs	531,118	-	531,118	402,560
Travel costs	357,228	-	357,228	181,388
Office costs	59,423	-	59,423	65,199
Insurance	35,956	-	35,956	14,968
Foreign exchange loss	-	-	-	676,097
	983,725	-	983,725	1,340,212

6 Governance costs

	2023 \$	2022 \$
Audit fees	26,772	35,000
Accountancy fees	-	5,206
Legal fees	-	1,260
Other professional fees	50,255	54,088
Depreciation	6,044	3,655
	83,071	99,209

Caribbean Biodiversity Fund**Notes to the Financial Statements****Year ended 30 September 2023****7 Grants**

Grant expenditure during the year was as follows:

	2023	2022
	\$	\$
<u>Conservation Finance Program</u>		
St Vincent and the Grenadines Conservation Fund	207,242	101,154
BPAF	200,000	400,000
SCNCF	101,279	-
National Conservation Trust Fund of Jamaica	277,659	124,877
	219,468	206,025
Grenada Sustainable Development Trust Fund		
Fondo MARENA	225,032	225,032
MEPA Trust	-	106,789
St. Lucia National Conservation Fund	199,455	194,803
Haiti Biodiversity Fund (FHB)	533,479	-
Bahamas protected areas fund	169,697	-
Dominica National Conservation Trust Fund	40,000	-
Guyana Protected Areas Commission	192,720	-
	2,366,031	1,358,680
<u>EbA Program</u>		
CATIE	-	658,956
Fauna & Flora International	199,323	291,545
Fundacion Grupo Puntacana	-	288,245
GRENCODA	284,822	-
IDDI	10,000	696,879
IICA	323,894	774,033
J/P Haitian Relief Organization	568,379	10,000
Mona Informatix Ltd	114,995	271,599
REDDOM	409,330	671,091
St. Lucia National Trust	-	198,614
Sustainable Grenadines Inc	241,668	-
UWI CERMES	-	261,350
Livelihoods, Ecosystems, Energy FFC	503,138	287,678
Fundacion Plenitud	-	-
Smith Warner International	-	10,000
The Ocean Foundation	620,689	554,069
Netherlands Red Cross	-	403,539
IT Santo Domingo	-	-
WINDREF	244,063	-
Wildlife Conservation Society	150,139	265,725
PADF	20,000	-
Caribbean Natural Resource	9,000	64,365
IFRC	200,000	10,000
Richmond Vale Academy	-	10,000
Ministry of Agriculture	-	10,000
WCMC	199,901	10,000
UWI Dept. Science & Technology	1,101,563	10,000
OECS	10,000	-
Dominicana	10,000	-
Fundación Sur Futuro	356,011	-
	5,576,915	5,757,688

Caribbean Biodiversity Fund**Notes to the Financial Statements****Year ended 30 September 2023**

	2023 \$	2022 \$
<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>-</u>	<u>15,000</u>
Total grants awarded	<u>7,922,946</u>	<u>7,131,368</u>

At the year-end, the charity had committed to pay further grant awards totalling \$5.5 million (2022: \$8.7 million) under the EbA Program and \$2.3 million (2022: \$1.3 million) under the Endowment Program.

8 Net income for the year

Net income is stated after charging / (crediting):

	2023 \$	2022 \$
Depreciation of tangible fixed assets	6,044	3,655
Net losses on foreign exchange	-	676,097
Audit fees	26,772	35,000
	<u>-</u>	<u>-</u>

9 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2022: \$Nil).

The total amount of key management remuneration amounted to \$117,750 (2022: \$116,250). The Trust considers its key management personnel comprise of the Trustees and the Chief Executive Officer.

The trustees did not have any expenses reimbursed during the year (2022: \$Nil).

10 Tangible fixed assets

	Fixtures, fittings and equipment \$	Total \$
Cost or valuation:		
At 1 October 2022	21,050	21,050
Additions	12,508	12,508
At 30 September 2023	<u>33,558</u>	<u>33,558</u>
Depreciation:		
At 1 October 2022	8,972	8,972
Charge for the year	6,044	6,044
At 30 September 2023	<u>15,016</u>	<u>15,016</u>
Net book value:		
At 30 September 2023	<u>18,542</u>	<u>18,542</u>
At 30 September 2022	<u>12,078</u>	<u>12,078</u>

Caribbean Biodiversity Fund
Notes to the Financial Statements
Year ended 30 September 2023

11 Fixed asset investments

	Listed investments \$	Total \$
Cost or valuation		
At 1 October 2022	102,995,563	102,995,563
Additions	105,108,415	105,108,415
Disposals	(115,934,982)	(115,934,982)
Realised investment gains	(1,038,398)	(1,038,398)
Unrealised investment losses	22,472,808	22,472,808
	<u>113,603,406</u>	<u>113,603,406</u>
Carrying amount:		
At 30 September 2023	<u>113,603,406</u>	<u>113,603,406</u>
At 30 September 2022	<u>102,995,563</u>	<u>102,995,563</u>
Investments at fair value compromise:		
	2023 \$	2022 \$
Equities	52,183,976	57,976,858
Securities	61,419,431	45,018,705
	<u>113,603,407</u>	<u>102,995,563</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.

Funds held as agent

During the year, \$nil (2023: \$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.

Cumulative investment losses on the principal sum amounted to \$842,025 at the year end.

A creditor of \$10,471,478 (2022: \$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

	2023 \$	2022 \$
Prepayments	11,182	12,317
Accrued income	285,506	131,223
	<u>296,688</u>	<u>143,540</u>

Caribbean Biodiversity Fund**Notes to the Financial Statements****Year ended 30 September 2023****Endowment funds**

	1 October 2022 \$	Income \$	Expenditure \$	Transfers \$	Gains / (losses) \$	30 September 2023 \$
Conservation Finance Program Endowment	74,811,389	5,232,238	(3,461,023)	(423,517)	4,922,080	81,081,167
Climate Adaption Program EbA Facility Fund	39,909,986	1,219,671	(5,556,914)	(486,977)	3,500,063	38,585,829
Ace Facility	0	10,755,487	-	(38,957)	22,640	10,739,170
Other funds	818,410	415,543	-	(117,345)	-	1,116,608
	115,539,785	17,622,939	(9,017,937)	(1,066,796)	8,444,783	131,522,774

	1 October 2021 \$	Income \$	Expenditure \$	Transfers \$	Gains / (losses) \$	30 September 2022 \$
Conservation Finance Program – Endowment Fund	84,325,758	2,100,586	(1,381,378)	(792,158)	(9,441,419)	74,811,389
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

Conservation Finance Program- the Endowment Fund

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

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2023

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.

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.

The Nature-Based Economies Program— the Advancing Circular Economy (ACE) Facility

The objective of the ACE Facility is contributed to the reduction of marine litter in the insular Caribbean. ACE facility works with public and private sector partners as well as other Caribbean stakeholders to fund projects that promote and apply practical circular economy principles to minimize, prevent or remove waste entering the marine environment and/or removing marine litter. This is to be achieved by investment in equipment and infrastructure but also general of data and knowledge, policy support and education of customers.

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

	2023 \$	2022 \$
Net income/(expenditure) for the year	15,982,989	(19,209,382)
Depreciation	6,044	3,655
Investment income receivable	(3,686,395)	(2,839,583)
Losses (Gains) on investments	(21,434,410)	23,940,484
(Increase)/decrease in debtors	(153,148)	50,273
Increase/(decrease) in creditors	702,107	9,734,850
Net cash flow from operating activities	<u>(8,582,813)</u>	<u>11,680,297</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 2023

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, resigned on 12 January 2024) and was replaced by Joth Sigh.

During the year the company received \$10,516,000 (2022: \$160,081) from KfW Development Bank.

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 (2023)	Payment to organisation (2022)
Mr G Gore	Marine Ecosystem Protected Area Trust	\$nil	\$106,789
Ms L Grant	National Conservation Trust Fund of Jamaica	\$138,820	\$129,877
Mr S Inchaustegui	Fondo MARENA	\$225,032	\$225,032
Mr M John Essias	St Vincent and the Grenadines Conservation Fund	\$100,000	\$106,154
Mr G Mason & Ms Petipha Lewis	Grenada Sustainable Development Trust Fund	\$110,852	\$206,025
Mr Huswald Timothee & Ms Anne-Isabelle Bonifassi	Haitian Biodiversity Fund (FHB)	\$327,554	\$ nil
Ms Karolin Troubetzkoy	Saint Lucian National Conversation Fund	\$99,403	\$199,803
Ms Brenda Boddie-John	St Christopher and Nevis Conservation Foundation	\$100,052	\$ nil
Mr Albert Arlington Paul	DNCTF	\$20,000.00	\$ nil
Mr Glenn Bannister	Bahamas Protected Area	\$169,697	\$400,000

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2023

19 Financial instruments

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

	2023 \$	2022 \$
<i>Financial assets</i>		
Measured at fair value through net income:		
- Fixed asset listed investments (note 11)	113,603,406	102,995,563
Debt instruments measured at amortised cost:		
- Cash at bank and in hand	28,095,985	22,178,344
<i>Financial liabilities</i>		
Measured at fair value through net income:		
- Other creditors (note 13)	10,471,478	9,728,740
Measured at amortised cost		
- Trade creditors (note 13)	369	41,000
- Other creditors (note 14)	20,000	20,000
	<u>20,369</u>	<u>61,000</u>

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

	2023 \$	2022 \$
<i>Income and expense</i>		
Financial assets measured at fair value through net income	3,686,395	2,839,582
<i>Net gains and losses (including changes in fair value)</i>		
Realised gains on investment assets	(1,038,398)	553,456
Unrealised (losses) gains on investment assets	11,069,936	(14,308,904)

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:

	2023 \$	2022 \$
Sterling		
Year-end rate	\$1: £0.8182	\$1: £0.8903
Average rate	\$1: £0.8165	\$1: £0.7831
	<u> </u>	<u> </u>

CARIBBEAN BIODIVERSITY FUND

England & Wales - Charity number 1149889

Accounts

**Caribbean Biodiversity Fund
Financial Statements
Year ended 30 September 2021**

Charity registration number: 1149889
Company registration number: 08204716

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

Contents

	Page
Charity Reference and Administrative Details	
Trustees' Report (Including Directors' Report and Strategic Report)	1 - 13
Independent Auditor's Report	14 - 17
Statement of Financial Activities (Including Income and Expenditure Account)	18 - 19
Balance Sheet	20
Statement of Cash Flows	21
Notes to the Financial Statements	22 - 32

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

Charity registration number	1149889
Company registration number	08204716
Trustees	Ms Brenda Boddie-John Mrs Kelley Botswick-Toote Mr Garry Gore Ms Lisa Grant Mr Sixto Inchaustegui Mr Michael John Mrs Petipha Lewis Dr Jen Mackensen Mrs Eleanor Phillips Mr Huswald Timothée Ms Karolin Troubetzkoy
Chief executive officer	Mr Yabanex Batista (to July 31, 2021) Mrs Karen McDonald Gayle (Acting to September 2021)
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

Financial Statements

Year ended 30 September 2021

The Trustees present their report and the audited financial statements of the charity for the year ended 30 September 2021. 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:

Ms Brenda Boddie-John	
Mrs Kelley Botswick-Toote	
Mr Garry Gore	
Ms Lisa Grant	
Mr Sixto Inchaustegui	
Mrs Petipha Lewis	Appointed 15 September 2021
Mr Michael John	
Dr Jen Mackensen	
Mr George Mason	Resigned 28 February 2021
Mrs Eleanor Phillips	
Mr Huswald Timothée	Appointed 18 March 2021
Ms Karolin Troubetzkoy	

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 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. 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 2021, the CBF's activities and key achievements included the following:

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

Overall Governance and Operations

A. CBF Board

- At the end of FY2021 the CBF Board was composed of 9 appointed Directors and 2 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 FY21:
 - 39th CBF Board Meeting (October 2, 2020)
 - 40th CBF Board Meeting (December 11, 2020)
 - 41st CBF Board Meeting (March 18, 2021)
 - 42nd CBF Board Meeting (June 17, 2021)
 - 43rd CBF Board Meeting¹ (July 25, 2021)
 - 9th CBF Annual Meeting² (September 15th 2021)

B. CBF Annual Meeting

The 9th CBF Annual Meeting took place virtually due to the COVID-19 Pandemic, on September 15, 2020. 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
- Approval of the FY21 Auditors
- Approval of MOU with OECS
- Approval of CBF FY22 Budget

C. Committees

Finance Committee Meetings - A total of four (4) CBF Finance Committee Meetings took place in FY21:

- 25th Finance Committee Meeting (December 3, 2020)
- 26th Finance Committee Meeting (March 3, 2021)
- 27th Finance Committee Meeting (June 10, 2021)
- 28th Finance Committee Meeting (September 1, 2021)

EbA Facility Committing Meetings - A total of two (2) CBF EbA Facility Committee Meetings took place in FY21:

- 10th EbA Committee Meeting (March 4, 2021)
- 11th EbA Committee Meeting (July 27, 2021)

Operations

A. Key Institutional Documents Approved:

- CBF-Caribbean Biological Corridor MOU - December 2020
- CBF-OECS MOU – September 2021
- CBF- St. Christopher and Nevis Conservation Foundation – October 2020
- CBF- Bahamas Protected Areas Fund (BPAF) Partnership Agreement – November 2020
- CBF - Haiti Biodiversity Fund (FHB) Partnership Agreement – November 2020
- Finance Committee and Executive Committee Charters

B. Legal Structure

- During FY2021, the CBF formally deregistered as a company in The Bahamas and began the process to register the organisation in Jamaica. This is expected to be concluded in FY2022. CBF

¹Extraordinary Board Meeting

² also served as 44th CBF Board Meeting

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

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 received new deposits for its Endowment of \$750,000 for the Bahamas Endowment Sub-Account in FY2021
- 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 FY21 in their grant-making and operational systems. Table 1 below shows progress through a set of key milestones.

NCTFs Dashboard – September 2021

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
A&B	MEPA	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Bah	BPAF	Complete	Complete	Not applicable	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Cuba	n/a	Not initiated yet	Not initiated yet	TBD	Not initiated yet	Not initiated yet	Not initiated yet	Not initiated yet	Not initiated yet	Not initiated yet	Not initiated yet
Dominica	n/a	Not initiated yet	Not initiated yet	TBD	Not initiated yet	Not initiated yet	Not initiated yet	Not initiated yet	Not initiated yet	Not initiated yet	Not initiated yet
Dom Rep	MARENA	Complete	Complete	Not applicable	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Grenada	GSDTF	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	In progress
Guyana	GPAT	Complete	Complete	Not Applicable	Complete	Complete	In progress	In progress	In progress	Not initiated yet	Not initiated yet
Haiti	FHB	Complete	Complete	Not Applicable	Complete	Complete	Complete	Complete	Complete	Complete	In progress
Jamaica	NCTFJ	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Kitts/Nevis	SCNCF	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	In progress
Lucia	SLUNCF	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Vin/Gren.	SVGCF	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete

Table 1 - NCTFs Dashboard tracking establishment progress (as of September 2021)

- **Partnership Agreements**
 - For the reporting period (FY21), nine (9) NCTFs had signed Partnership Agreements with the CBF:
 - Fondo MARENA (signed December 2016)
 - 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)
- **Payments**
 - The CBF made nine (9) Partnership Agreement Payments in FY21 for a total of US\$2,988,578.81 since inception. See Table II below:

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

- *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\$650,000.00 in total grants. US\$550,000 was disbursed to BPAF and US\$100,000 to SVGCF since inception.
- *Pre-financing Agreements*
 - Last payments for the final 2 existing Pre-financing Agreements (listed below) were made in FY21 to Saint Christopher and Nevis Conservation Foundation (SCNCF) and Grenada Sustainable Development Trust Fund (GSDTF)
 - In FY21, the CBF made pre-financing payments in the amount of US\$125,000, for a total of US\$1,008,588.00 since inception.

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 was received from all 11 1CfP grantees.
 - *2CfP*: 8 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. 3 of the 5 grantees signed agreements from 2CfP with 2 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

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

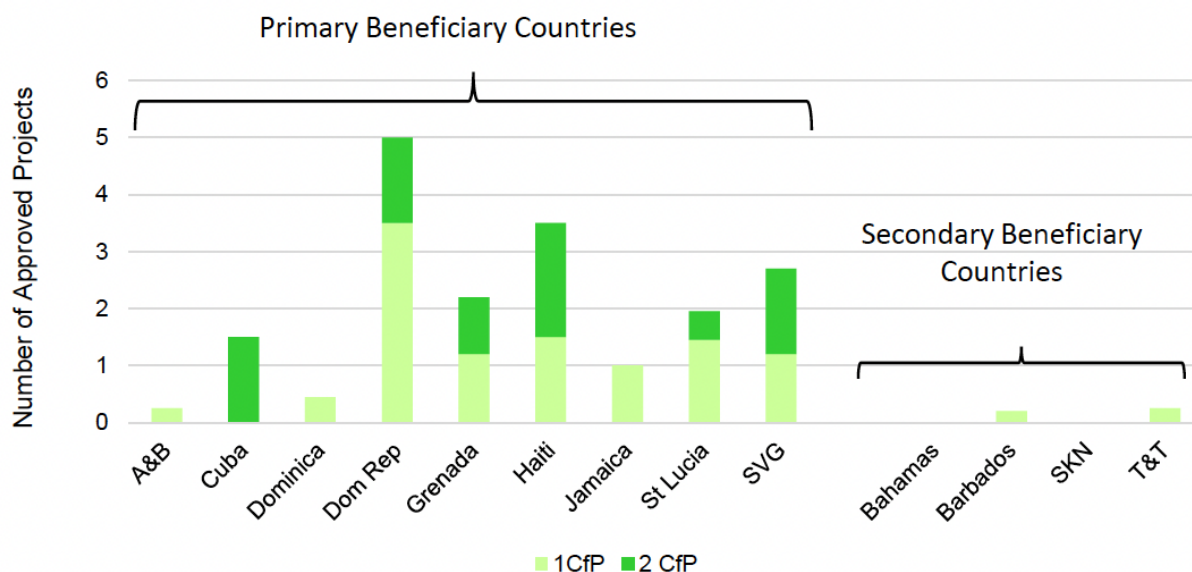


Figure 1 - CBF EbA Projects by Country: 1CfP and 2CfP

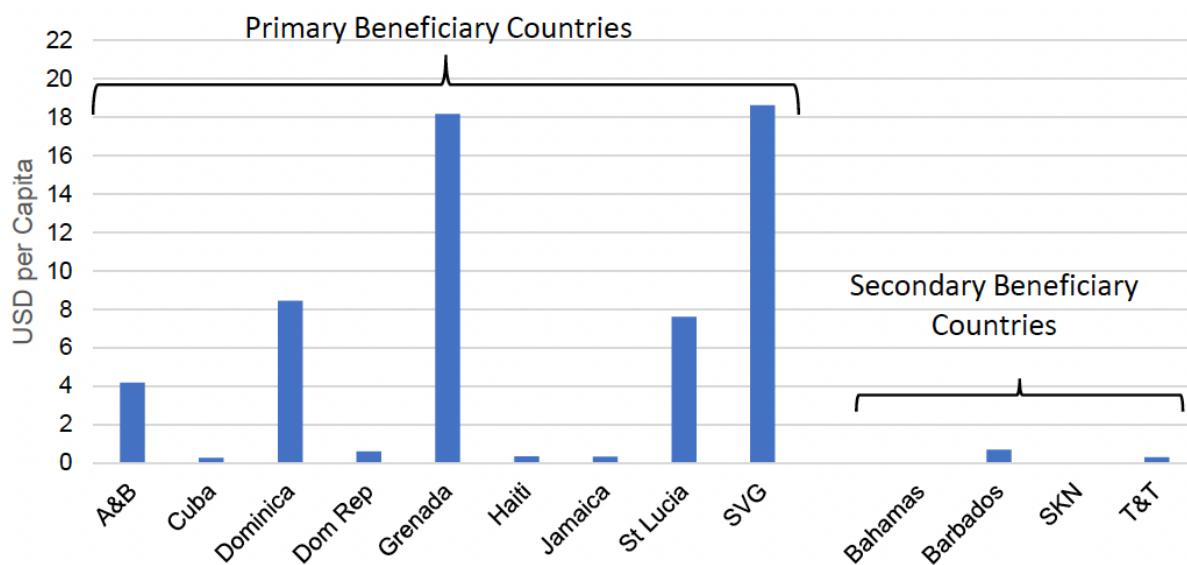


Figure 2 - CBF EbA Investment by Country: 1CfP and 2CfP

Partnerships & Projects

Year Ahead - CBF FY2022 Annual Work Plan

The CBF's FY2022 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
 - Contract Review process
 - Consultancies

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

- 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
- 2) Conservation Finance Programme (Endowment)
- Endowment
 - Guyana Partnership Agreement
 - Dominica Pre-Financing Agreement
 - ESMS roll out
 - Design and Finance Mechanisms
 - Increased grant-making
 - End of Agreement Reviews for MARENA, MEPA and SLUNCF partnerships ahead of renewal of Agreements
- 3) Projects
- Government of France (AFD/FFEM)
 - Caribbean Regional Architecture for Biodiversity (CRAB) Project
 - AFD – FHB National Endowment (10M euros)
 - MesoAmerican Reef (MAR) Fund – approved in 2022
 - ORRAA - Reef Resilience and Risk Financing in the Greater Caribbean Project
 - Global Environment Facility (GEF) – Project Preparation Grant Awarded. Full Project Development underway
 - Executing Agency – UN Environment Programme (UNEP)
 - Caribbean BluEFin (Caribbean Blue Economy Financing) International Waters (IW) Project
 - Government of Canada – expected Q3 2022
 - Consolidation of Regional Environmental Funds and Organizations in the Caribbean (CORE) Project with Cuso International – submitted to Global Affairs Canada (GAC) November 2021
 - Cuso International Volunteer support – since October 2021
 - Communications
 - Gender considerations
 - US Government – submitted October 2020 No recent update
 - USAID Project “Developing Sustainable Finance Solutions for Effective Marine Management in the Caribbean”
- 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

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

- Up to 15 projects selected and Grant Agreements signed
- Implementation initiated
- 1st and 2nd financial disbursements to grantees
- 4th CfP Projects
 - Fourth CfP Launched
 - 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

Financial Review

CBF Endowment Performance

As of September 30, 2021, the CBF Endowment Account assets totalled US\$84,083,596.07. Figure 3 below shows the historical CBF Endowment market value since the inception of investments through September 30, 2021.

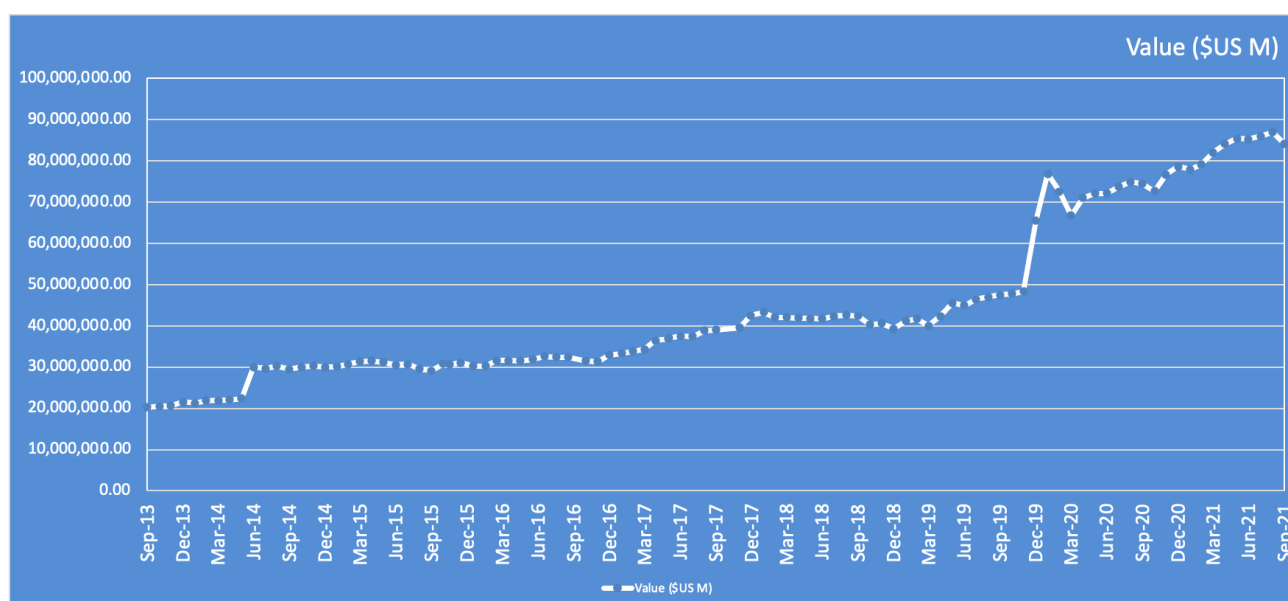


Figure 3 - Historical CBF Endowment Market Value Performance to Sept. 30, 2021

The Endowment has disbursed at total of US\$1,008,588.00 in Pre-financing Agreements, US\$ 2,988,578.81 in Partnership Agreements and US\$650,000.00 in Other Grants Agreement, totalling US\$4,647,166.81 up to September 30, 2021. See Table_2 for details.

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

NCTFs	Country	Partnership Agreement (US)	Pre-finance Agreement (US)	Other Agreement (US)	Total (US)
BPAF	The Bahamas	\$69,696.94		\$550,000.00	\$609,696.94
Fondo MARENA	Dominican Republic	\$1,119,117.29			1,119,117.29
GSDTF	Grenada	\$97,408.53	\$175,000.00		\$272,408.53
MEPA	Antigua & Barbuda	\$161,288.55	\$185,000.00		\$346,288.55
NCTFJ	Jamaica	\$335,833.67	\$127,588.00		\$463,421.67
SCNCF	St. Kitts & Nevis	\$101,278.79	\$175,000.00		\$276,278.79
SLUNCF	St. Lucia	\$621,560.35	\$161,000.00		\$782,560.35
SVGCF	St. Vincent & the Grenadines	\$286,469.69	\$185,000.00		\$571,469.69
FHB	Haiti	\$205,925.00			\$205,925.00
Grant Totals		\$2,988,578.81	\$1,008,588.00	\$650,000.00	\$4,647,166.81

Table 2 - CBF Endowment Disbursements Record

As of September 30, 2021, the CBF EbA Facility has disbursed US\$265,672.26 under the Project Preparation Grants agreements and US\$5,703,314.33 under regular Grants for implementation, totalling US\$ 5,968,986.59. The 2025 end date for the Facility is under review given delays in implementation. This Facility also contributes to the CBF operations budget.

Actual Grantees	Payment Type		
	Grant	eparation Gra	Grand Total
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	\$347,208.26	\$9,650.00	\$356,858.26
Fundacion Grupo Puntacana	\$389,325.59	\$10,000.00	\$399,325.59
Fundacion Sur Futuro		\$10,000.00	\$10,000.00
Grenada CDA	\$466,888.66	\$9,480.00	\$476,368.66
IDDI	\$1,203,121.42	\$10,000.00	\$1,213,121.42
IICA	\$460,662.00	\$10,000.00	\$470,662.00
J/P Haitian Relif Organization	\$26,027.10	\$7,310.00	\$33,337.10
Mona Informatix Ltd	\$603,405.20	\$10,000.00	\$613,405.20
REDDOM	\$860,357.65	\$9,802.80	\$870,160.45
SLNT	\$141,925.00		\$141,925.00
Sustainable Grenadines Inc		\$19,817.78	\$19,817.78
UWI CERMES	\$144,146.77	\$2,000.00	\$146,146.77
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		\$9,940.00	\$9,940.00
Smith Warner International Limited		\$10,000.00	\$10,000.00
Instituto Tecnológico de Santo Domingo		\$10,000.00	\$10,000.00
Wildlife Conservation Society		\$10,000.00	\$10,000.00
The Ocean Foundation	\$199,103.60	\$10,000.00	\$209,103.60
The Centre for Livelihoods, Ecosystems, Energy, Adaptation and Resilience in the Caribbean Ltd. (CLEAR)	\$207,125.63	\$1,850.00	\$208,975.63
Windward Islands Research and Education Foundatiinn (WINDREF)	\$106,575.20	\$10,000.00	\$116,575.20
Mercy Corps		\$10,000.00	\$10,000.00
Caribbean Natural Resources Institute		\$7,500.00	\$7,500.00
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	\$134,410.08	\$9,671.68	\$144,081.76
Grand Total	\$5,703,314.33	\$265,672.26	\$5,968,986.59

Table 3 - CBF EbA Facility Disbursements Record

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

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. Investment Managers are restricted to investments that falls under the ESG guidelines as defined by MSCI.

Secretariat Operational Budget

The CBF Secretariat had an operational budget of US\$879,689.80 for FY21 with the Endowment Fund contributing US\$398,424.80 and the EbA Facility US\$481,265.00, as amended by the CBF Board.

Reserves Policy

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.

As of September 30, 2021, 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.

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 FY2021 finance and programmatic activities, that were impacted by the COVID-19 pandemic, saw a steady increase pace in implementation as territories evolved from full lockdowns to implementing COVID 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 2021, the Board was composed of nine (9) Directors and two (2) Member Directors.

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

The CEO acts as the head of, and with assistance of, the CBF Secretariat. The CBF Program Managers oversee the financial instruments and assets and principally reports through the CEO to the Board. 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

CBF Organizational Chart

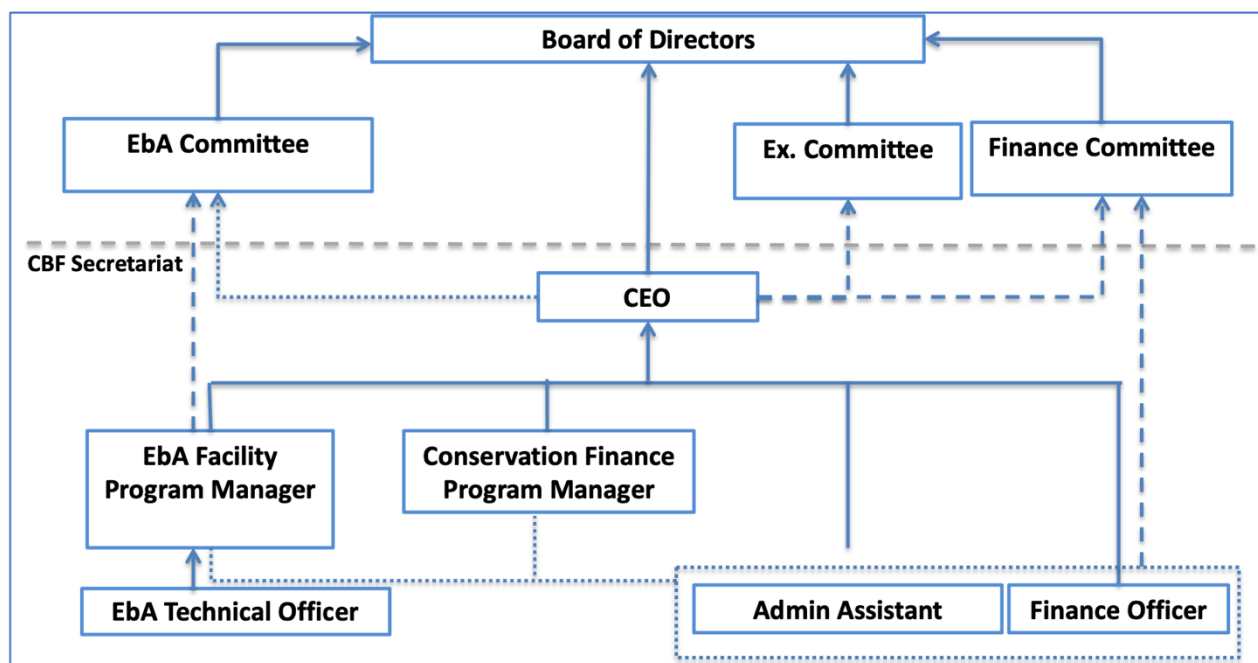


figure 4 - CBF Governance Chart (as of September 2021)

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\$130 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.

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

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

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. 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 being identified through four (4) open call for proposals (CfPs), of which two (2) had been completed by FY2021.

CBF EbA Facility eligible participating countries are:

- 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.

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.

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

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



Eleanor Phillips
Trustee

...15 June,..... 2022

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

Opinion

We have audited the financial statements of the Caribbean Biodiversity Fund (the 'charitable company') for the year ended 30 September 2021 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 2021 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 director's 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 directors with respect to going concern are described in the relevant sections of this report.

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.

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

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.

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.

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;
- 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.

Caribbean Biodiversity Fund

Financial Statements

Year ended 30 September 2021

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: 16 June 2022
Date:.....

Caribbean Biodiversity Fund

Statement of Financial Activities (Including Income and Expenditure Account)

Year ended 30 September 2021

				2021	2020
	Note	Unrestricted funds \$	Endowment funds \$	Total \$	Total \$
Income and endowments from:					
Charitable activities	2	-	755,000	755,000	50,206,793
Investments	3	-	3,008,858	3,008,858	2,796,486
Total income and endowments		-	3,763,858	3,763,858	53,003,279
Expenditure on:					
Raising funds – cost of managing investments		-	523,382	523,382	468,981
Charitable activities	4	671,649	5,676,392	6,348,041	4,331,253
Total expenditure		671,649	6,199,774	6,871,423	4,800,234
Net gains on investments	15	-	12,545,261	12,545,261	1,946,964
Net (expenditure) / income		(671,649)	10,109,345	9,437,696	50,150,009
Transfers between funds	15	671,649	(671,649)	-	-
Net movement in funds	15	-	9,437,696	9,437,696	50,150,009
Reconciliation of funds:					
Total funds brought forward	15	-	125,311,471	125,311,471	75,161,462
Total funds carried forward	15	-	134,749,167	134,749,167	125,311,471

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 22 to 32 form part of these financial statements.

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

Caribbean Biodiversity Fund

Balance Sheet

As at 30 September 2021

	Note	2021 \$	2020 \$
Fixed assets			
Tangible assets	10	8,178	7,473
Investments	11	128,391,238	124,306,543
		<u>128,399,416</u>	<u>124,314,016</u>
Current assets			
Debtors	12	193,812	343,411
Cash at bank and in hand		6,210,829	781,437
		<u>6,404,641</u>	<u>1,124,848</u>
Creditors: amounts falling due within one year	13	(34,890)	(107,393)
Net current assets		<u>6,349,751</u>	<u>1,017,455</u>
Total assets less current liabilities		<u>134,749,167</u>	<u>125,331,471</u>
Creditors: amounts falling due after more than one year	14	(20,000)	(20,000)
Net assets		<u>134,749,167</u>	<u>125,311,471</u>
Charity Funds			
Endowment funds	15	134,749,167	125,311,471
Unrestricted funds	15	-	-
Total charity funds	15	<u>134,749,167</u>	<u>125,311,471</u>

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



Eleanor Phillips, Trustee

.....15th June,.....2022

The notes on pages 22 to 32 form part of these financial statements.

Company registration number: 08204716

Caribbean Biodiversity Fund

Statement of Cash Flows

Year ended 30 September 2021

	Note	2021 \$	2020 \$
Cash flow from operating activities	16	<u>(6,036,517)</u>	<u>45,192,117</u>
Cash flow from investing activities			
Payments to acquire investments		(50,435,961)	(91,086,143)
Receipts from sales of investments		58,896,527	41,329,682
Payments to acquired tangible fixed assets		(3,515)	(6,024)
Investment income received		3,008,858	2,796,486
Net cash flow from investing activities		<u>11,465,909</u>	<u>(46,965,999)</u>
Net (decrease)/increase in cash and cash equivalents		5,429,392	(1,773,882)
Cash and cash equivalents at 1 October 2020		781,437	2,555,319
Cash and cash equivalents at 30 September 2021		<u>6,210,829</u>	<u>781,437</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		6,210,829	781,437
Cash and cash equivalents at 30 September 2021		<u>6,210,829</u>	<u>781,437</u>

Analysis of changes in net funds

	At 1 October 2020	Cash flows	At 30 Sep 2021
	\$	\$	\$
Cash at bank and in hand	781,437	5,429,392	6,210,829
	<u>781,437</u>	<u>5,429,392</u>	<u>6,210,829</u>

The notes on pages 22 to 32 form part of these financial statements.

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2021

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 then the grant is 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 2021

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 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.

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

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2021

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 \$	2021 \$	2020 \$
Grant income – KfW	-	-	-	50,206,793
Grant income - TNC	-	750,000	755,000	-
Event sponsorship income	-	5,000	-	-
	-	755,000	755,000	50,206,793

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

3 Income from investments

	Unrestricted \$	Endowment \$	2021 \$	2020 \$
Interest and dividends	-	3,008,858	3,008,858	2,796,486
	-	3,008,858	3,008,858	2,796,486

4 Charitable activities

	Unrestricted \$	Endowment \$	2021 \$	2020 \$
Conservation Finance Program - grants	-	1,543,644	1,543,644	1,629,977
Conservation Finance Program – other costs	-	99,374	99,374	67,815
EbA Program - grants	-	3,987,127	3,987,127	2,070,145
EbA Program- other costs	-	46,247	46,247	-
Support costs (note 5)	574,261	-	574,261	567,529
Governance costs (note 6)	97,388	-	97,388	(4,213)
	671,649	5,676,392	6,348,041	4,331,253

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2021

5 Support costs

	Unrestricted \$	Endowment \$	2021 \$	2020 \$
Staff and contractor costs	426,445	-	426,445	407,255
Travel costs	24,265	-	24,265	120,508
Office costs	88,710	-	88,710	31,198
Insurance	10,943	-	10,943	5,324
Foreign exchange loss	23,898	-	23,898	3,244
	<u>574,261</u>	<u>-</u>	<u>574,261</u>	<u>567,529</u>

6 Governance costs

	2021 \$	2020 \$
Audit fees	25,000	20,379
Accountancy fees	25,102	21,740
Legal fees	14,340	4,468
Other professional fees	30,136	(53,141)
Depreciation	2,810	2,341
	<u>97,388</u>	<u>(4,213)</u>

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2021

7 Grants

Grant expenditure during the year was as follows:

	2021 \$	2020 \$
<u>Conservation Finance Program</u>		
St Vincent and the Grenadines Conservation Fund	201,154	370,316
BPAF	400,000	150,000
SCNCF	186,279	45,000
National Conservation Trust Fund of Jamaica	124,877	338,545
Grenada Sustainable Development Trust Fund	40,000	232,409
Fondo MARENA	209,364	399,333
Marine Ecosystem Protected AT	80,644	-
St. Lucia National Conservation	95,401	94,374
Haiti (FHB)	205,925	-
	<u>1,543,644</u>	<u>1,629,977</u>
<u>EbA Program</u>		
Biodiversite Ministere de l'Envi	-	10,000
CATIE	-	133,520
Fauna & Flora International	255,907	101,262
Fundacion Grupo Puntacana	225,583	173,742
Fundacion Sur Futuro	-	10,000
GRENCODA	387,761	88,607
IDDI	741,122	472,000
IICA	-	470,662
J/P Haitian Relief Organization	52,327	33,336
Mona Informatix Ltd	504,405	109,000
REDDOM	844,185	205,952
St. Lucia National Trust	-	141,925
Sustainable Grenadines Inc	9,818	10,000
UWI CERMES	98,139	100,139
CLEAR	208,976	-
Fundacion Plenitud	9,000	-
Smith Warner	10,000	-
The Ocean Foundation	209,104	-
Netherlands Red Cross	9,940	-
IT Santo Domingo	10,000	-
WINDREF	116,575	-
Wildlife Conservation Society	10,000	-
Agro Action	9,650	-
Mercy Corps	10,000	-
CCCCC	10,000	-
CNRI	7,500	-
PADF	247,135	-
UWI Dept. Science & Technology	-	10,000
	<u>3,987,127</u>	<u>2,070,145</u>
Total grants awarded	<u>5,530,771</u>	<u>3,700,122</u>

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2021

8 Net income for the year

Net income is stated after charging / (crediting):

	2021 \$	2020 \$
Depreciation of tangible fixed assets	2,810	2,341
Net (gains) / losses on foreign exchange	23,898	3,243
Audit fees	25,000	20,379
	<hr/>	<hr/>

9 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2020: \$Nil).

The total amount of key management remuneration amounted to \$293,337 (2020: \$297,280). 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 (2020 - \$nil).

10 Tangible fixed assets

	Fixtures, fittings and equipment \$	Total \$
Cost or valuation:		
At 1 October 2020	12,701	12,701
Additions	3,515	3,515
Disposals	-	-
At 30 September 2021	<hr/> 16,216	<hr/> 16,216
Depreciation:		
At 1 October 2020	5,228	5,228
Charge for the year	2,810	2,810
At 30 September 2021	<hr/> 8,038	<hr/> 8,038
Net book value:		
At 30 September 2021	<hr/> 8,178	<hr/> 8,178
At 30 September 2020	<hr/> 7,473	<hr/> 7,473

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2021

11 Fixed asset investments

	Listed investments \$	Total \$
Cost or valuation		
At 1 October 2020	124,306,543	124,306,543
Additions	50,435,961	50,435,961
Disposals	(58,896,527)	(58,896,527)
Realised investment losses	5,365,454	5,365,454
Unrealised investment gains	7,179,807	7,179,807
At 30 September 2021	<u>128,391,238</u>	<u>128,391,238</u>
Carrying amount:		
At 30 September 2021	<u>128,391,238</u>	<u>128,391,238</u>
At 30 September 2020	<u>124,306,543</u>	<u>124,306,543</u>

Investments at fair value comprise:

	2021 \$	2020 \$
Equities	63,358,332	57,868,070
Securities	<u>65,032,906</u>	<u>66,438,473</u>
	<u>128,391,238</u>	<u>124,306,543</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

	2021 \$	2020 \$
Prepayments	10,326	142,930
Accrued income	<u>183,486</u>	<u>200,481</u>
	<u>193,812</u>	<u>343,411</u>

13 Creditors: amounts falling due within one year

	2020 \$	2020 \$
Trade creditors	<u>34,890</u>	<u>107,393</u>
	<u>34,890</u>	<u>107,393</u>

14 Creditors: amounts falling due after more than one year

	2021 \$	2020 \$
Other creditors	<u>20,000</u>	<u>20,000</u>
	<u>20,000</u>	<u>20,000</u>

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2021

15 Fund reconciliation Unrestricted funds

	1 October 2020 \$	Income \$	Expenditure \$	Transfers \$	Gains / (losses) \$	30 September 2021 \$
Unrestricted	-	-	(671,649)	671,649	-	-
	-	-	(671,649)	671,649	-	-

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

Endowment 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	84,325,758
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	(6,199,774)	(671,649)	12,545,261	134,749,167

	1 October 2019 \$	Income \$	Expenditure \$	Transfers \$	Gains / (losses) \$	30 September 2020 \$
Conservation Finance Program endowment	47,508,790	29,622,828	(1,400,496)	(563,316)	(429,092)	74,738,714
Climate Adaption Program EbA Facility Fund	27,652,672	23,380,451	(2,836,422)	-	2,376,056	50,572,757
	75,161,462	53,003,279	(4,236,918)	(563,316)	1,946,964	125,311,471

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2021

Analysis of funds

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.

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

	2021 \$	2020 \$
Net income for the year	9,437,696	50,150,009
Depreciation and impairment of tangible fixed assets	2,810	2,341
Investment income receivable	(3,008,858)	(2,796,486)
Gains on investments	(12,545,261)	(1,946,964)
(Increase)/decrease in debtors	149,599	432,481
Increase/(decrease) in creditors	(72,503)	(649,264)
Net cash flow from operating activities	<u>(6,036,517)</u>	<u>45,192,117</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 \$nil (2020: \$27,822,200) and of \$nil (2020: \$22,384,593) respectively.

TNC made contributions to the endowment fund of \$755,000 (2020: \$nil). Repayments to TNC totalled \$nil (2020: \$756,368). The amount due to TNC at the year-end was \$nil (2020: \$nil).

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.

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2021

Director	Organisation	Payment to organisation (2021)	Payment to organisation (2020)
Mr G Gore	Marine Ecosystem Protected Area Trust	\$80,644	\$90,000
Ms L Grant	National Conservation Trust Fund of Jamaica	\$124,877	\$210,956
Mr S Inchaustegui	Fondo MARENA	\$209,364	\$399,333
Mr M John	St Vincent and the Grenadines Conservation Fund	\$201,154	\$230,316
Mr G Mason	Grenada Sustainable Development Trust Fund	\$40,000	\$142,409
Mr Huswald Timothee	Haitian Biodiversity Fund	\$205,925	-
Ms Karolin Troubetzkoy	Saint Lucian National Conversation Fund	\$189,774	\$94,374
Ms Brenda Boddie-John	St Christopher and Nevis Conservation Foundation	\$186,279	-
Ms Kelly Bostwick-Toote	Bahamas Protected Area	\$459,697	-

19 Financial instruments

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

	2021 \$	2020 \$
<i>Financial assets</i>		
Measured at fair value through net income:		
- Fixed asset listed investments (note 11)	128,391,238	124,306,542
Debt instruments measured at amortised cost:		
- Cash at bank and in hand	6,210,829	781,437
<i>Financial liabilities</i>		
Measured at amortised cost		
- Trade creditors (note 13)	34,890	107,393
- Other creditors (note 14)	20,000	20,000
	<u>54,890</u>	<u>127,393</u>

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

	2021 \$	2020 \$
<i>Income and expense</i>		
Financial assets measured at fair value through net income	1,493,441	1,285,803
Financial assets measured at amortised cost	1,514,249	1,505,307
<i>Net gains and losses (including changes in fair value)</i>		
Realised gains/(losses) on investment assets	7,179,807	(849,597)
Unrealised gains/(losses) on investment assets	5,365,454	2,796,561

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2021

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:

	2021	2020
	\$	\$
Sterling		
Year end rate	\$1: £0.7742	\$1: £0.8129
Average rate	\$1: £0.7847	\$1: £0.7859
	<hr/>	<hr/>

Caribbean Biodiversity Fund
Notes to the Financial Statements
Year ended 30 September 2021

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

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2021

Statement of Financial Activities – expressed in British Pounds

			2021	2020
	Unrestricted funds	Endowment funds	Total	Total
Note	£	£	£	£
Income and endowments from:				
Charitable activities	A	-	551,884	551,884
Investments		-	2,199,392	2,199,392
Total income and endowments		-	2,751,276	2,751,276
Expenditure on:				
Raising funds – cost of managing investments		-	382,578	382,578
Charitable activities	B	490,956	8,003,366	8,494,322
Total expenditure		490,956	8,385,944	8,876,900
Net gains on investments		-	9,170,239	9,170,239
Net income / (expenditure)		(490,956)	3,535,571	3,044,615
Transfers between funds		490,956	490,956	-
Net movement in funds		-	3,044,615	3,044,615
Reconciliation of funds:				
Total funds brought forward		-	97,009,876	97,009,876
Total funds carried forward		-	100,054,491	100,054,491

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2021

Balance sheet – expressed in British pounds

	2021 £	2020 £
Fixed assets		
Tangible assets	6,072	5,785
Investments	95,333,576	96,231,910
	<hr/>	<hr/>
	95,339,648	96,237,695
Current assets		
Debtors	143,910	265,852
Cash at bank and in hand	4,611,690	604,949
	<hr/>	<hr/>
	4,755,600	870,801
Creditors: amounts falling due within one year	(25,907)	(83,138)
	<hr/>	<hr/>
Net current assets	4,729,693	787,663
Total assets less current liabilities	<hr/>	<hr/>
	100,069,341	97,025,358
Creditors: amounts falling due after more than one year	(14,850)	(15,482)
	<hr/>	<hr/>
Net assets	100,054,491	97,009,876
	<hr/>	<hr/>
Charity Funds		
Endowment funds	100,054,491	97,009,876
Unrestricted funds	-	-
	<hr/>	<hr/>
Total charity funds	100,054,491	97,009,876
	<hr/>	<hr/>

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2021

Notes to the Statement of Financial Activities – expressed in British Pounds

A Funding for charitable activities

	Unrestricted £	Endowment £	2021 £	2020 £
Grant income – KfW	-	-	-	39,396,450
Grant income - TNC	-	548,229	548,229	-
Event sponsorship income	-	3,655	3,655	-
	-	551,884	551,884	39,396,450

B Charitable activities

	Unrestricted £	Endowment £	2021 £	2020 £
Conservation Finance Program	-	1,128,361	1,128,361	1,279,016
Conservation Finance Program – other costs	-	72,640	72,640	53,213
EbA Program - grants	-	2,914,480	2,914,480	1,624,409
EbA Program- other costs	-	33,805	33,805	-
Support costs	419,769	3,854,080	4,273,849	3,889,107
Governance costs	71,188	-	71,188	(3,306)
	490,957	8,003,366	8,494,322	6,842,439

C Grants

Grant expenditure during the year was as follows:

	2021 £	2020 £
Conservation Finance Program - Fondo MARENA	153,039	313,350
Conservation Finance Program - Marine Ecosystem Protected AT	58,949	-
Conservation Finance Program - St. Lucia National Conservation	69,735	74,054
Conservation Finance Program - St Vincent and the Grenadines Conservation Fund	147,038	290,581
Conservation Finance Program - BPAF	292,389	117,702
Conservation Finance Program - SCNCF	136,165	35,311
Conservation Finance Program - National Conservation Trust Fund of Jamaica	91,282	265,651
Conservation Finance Program - Grenada Sustainable Development Trust Fund	29,239	182,367
Conservation Finance Program - Haiti (FHB)	150,525	-
EbA Program - Biodiversite Ministere de'Envi	-	7,847
EbA Program - CATIE	-	104,771
EbA Program - Fauna & Flora International	187,061	79,459
EbA Program - Fundacion Grupo Puntacana	164,443	136,332
EbA Program - Fundacion Sur Futuro	-	7,847
EbA Program - GRENCODA	283,895	69,528
EbA Program - IDDI	541,740	370,371
EbA Program - IICA	-	369,321
EbA Program - J/P Haitian Relief Organization	38,250	26,158
EbA Program - Mona Informatix Ltd	368,706	85,531
EbA Program - REDDOM	617,076	161,607
EbA Program - St. Lucia National Trust	-	111,366
EbA Program - Sustainable Grenadines Inc	7,177	7,847
EbA Program - UWI CERMES	71,737	78,577

Caribbean Biodiversity Fund

Notes to the Financial Statements

Year ended 30 September 2021

EbA Program – CLEAR	152,756	-
EbA Program - Fundacion Plenitud	6,579	-
EbA Program - Smith Warner	7,310	-
EbA Program - The Ocean Foundation	152,849	-
EbA Program - Netherlands Red Cross	7,266	-
EbA Program - IT Santo Domingo	7,310	-
EbA Program - WINDREF	85,213	-
EbA Program - Wildlife Conservation Society	7,310	-
EbA Program - Agro Action	7,054	-
EbA Program - Mercy Corps	7,310	-
EbA Program - CCCCC	7,310	-
EbA Program - CNRI	5,482	-
EbA Program - PADF	180,649	-
EbA Program - UWI Dept. Science & Technology	-	7,847
	<u>4,042,844</u>	<u>2,903,425</u>

D Support costs

	Unrestricted £	Endowment £	2021 £	2020 £
Staff and contractor costs	311,719	-	311,719	319,566
Travel costs	17,737	-	17,737	94,561
Office costs	64,845	-	64,845	24,480
Insurance	7,999	-	7,999	4,178
Foreign exchange loss	17,469	3,854,080	3,871,549	3,446,322
	<u>419,769</u>	<u>3,854,080</u>	<u>4,273,849</u>	<u>3,889,107</u>

E Governance costs

	2021 £	2020 £
Audit fees	18,274	18,144
Accountancy fees	18,349	14,906
Legal fees	10,482	4,178
Other professional fees	22,029	(41,699)
Depreciation	2,054	1,837
	<u>71,188</u>	<u>(3,306)</u>

CARIBBEAN BIODIVERSITY FUND

England & Wales - Charity number 1149889

Accounts

**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	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
BPAF	Complete	Complete	Not applicable	Complete	Complete	Complete	Complete	In progress	Not initiated yet
Fondo MARENA	Complete	Complete	Not applicable	Complete	Complete	Complete	Complete	Complete	Complete
GSDTF	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
NCTFJ	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
SCNCF	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	In progress
SLUNCF	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
SVGCF	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete

■ 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

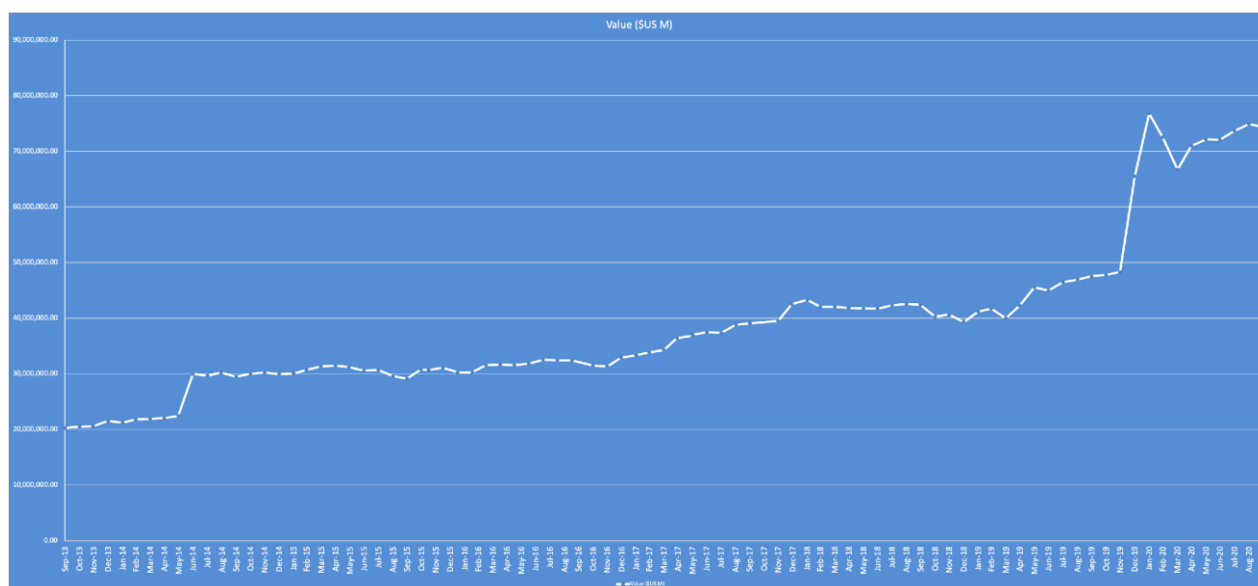
As of September 30th, 2020, the CBF Endowment account total assets were \$74,406,064.56. Graph 1 below shows the historical CBF Endowment market value since the inception of investments through September 30th, 2020.

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 Relif 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

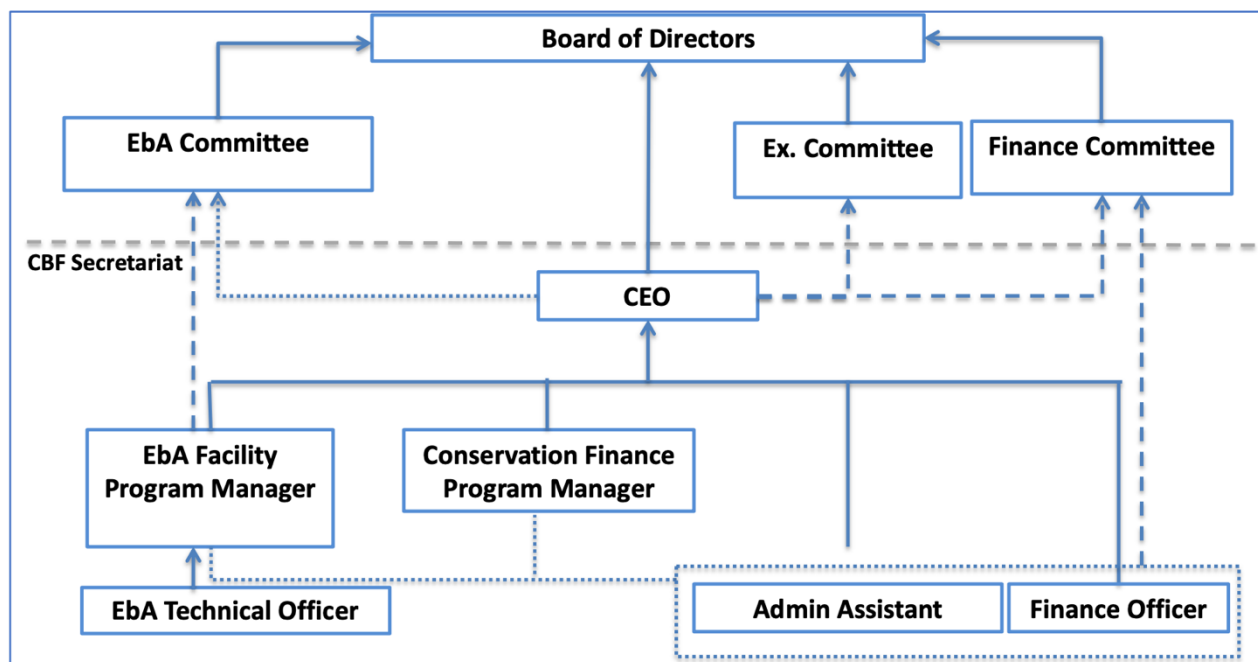
Trustees' Report (Including Directors Report)

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


..... 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
Date:.....

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 \$
Income and endowments from:				
Charitable activities	2	-	4,000,000	4,000,000
Investments	3	-	1,695,424	1,695,424
Total income and endowments		-	5,695,424	5,695,424
Expenditure on:				
Raising funds – cost of managing investments		-	283,947	283,947
Charitable activities	4	536,925	1,024,251	1,561,176
Total expenditure		536,925	1,308,198	1,845,123
Net gains on investments	15	-	1,953,713	1,953,713
Net (expenditure) / income		(536,925)	6,340,939	5,804,014
Transfers between funds	15	536,925	(536,925)	-
Net movement in funds	15	-	5,804,014	5,804,014
Reconciliation of funds:				
Total funds brought forward	15	-	69,357,448	69,357,448
Total funds carried forward	15	-	75,161,462	75,161,462

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

.....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	<u>45,192,117</u>	<u>2,260,529</u>
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		<u>(46,965,999)</u>	<u>(861,527)</u>
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		<u>781,437</u>	<u>2,555,319</u>
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		<u>781,437</u>	<u>2,555,319</u>

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
	<u>2,555,319</u>	<u>(1,773,882)</u>	<u>781,437</u>

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

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

Caribbean Biodiversity Fund

Management information

Year ended 30 September 2020

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

Caribbean Biodiversity Fund

Management information

Year ended 30 September 2020

Statement of Financial Activities – expressed in British Pounds

			2020	2019
	Unrestricted funds	Endowment funds	Total £	Total £
Note	£	£	£	£
Income and endowments from:				
Charitable activities	A	-	39,396,450	39,396,450
Investments		-	2,194,356	2,194,356
Total income and endowments		-	41,590,807	41,590,807
Expenditure on:				
Raising funds – cost of managing investments		-	368,002	368,002
Charitable activities	B	442,025	6,400,414	6,842,439
Total expenditure		442,025	6,768,416	7,210,441
Net gains on investments		-	1,527,751	1,527,751
Net income / (expenditure)		(442,025)	36,350,142	35,908,117
Transfers between funds		442,025	(442,025)	-
Net movement in funds		-	35,908,117	35,908,117
Reconciliation of funds:				
Total funds brought forward		-	61,101,759	61,101,759
Total funds carried forward		-	97,009,876	97,009,876

Caribbean Biodiversity Fund

Management information

Year ended 30 September 2020

Balance sheet – expressed in British pounds

	2020 £	2019 £
Fixed assets		
Tangible assets	5,785	3,081
Investments	96,231,910	59,021,979
	<hr/>	<hr/>
	96,237,695	59,025,060
Current assets		
Debtors	265,852	630,754
Cash at bank and in hand	604,949	2,077,321
	<hr/>	<hr/>
	870,801	2,708,075
Creditors: amounts falling due within one year	(83,138)	(615,117)
	<hr/>	<hr/>
Net current assets	787,663	2,092,958
	<hr/>	<hr/>
Total assets less current liabilities	97,025,358	61,118,018
Creditors: amounts falling due after more than one year	(15,4832)	(16,259)
	<hr/>	<hr/>
Net assets	97,009,876	61,101,759
	<hr/>	<hr/>
Charity Funds		
Endowment funds	97,009,876	61,101,759
Unrestricted funds	-	-
	<hr/>	<hr/>
Total charity funds	97,009,876	61,101,759
	<hr/>	<hr/>

Caribbean Biodiversity Fund

Management information

Year ended 30 September 2020

Notes to the Statement of Financial Activities – expressed in British Pounds

A Funding for charitable activities

	Unrestricted £	Endowment £	2020 £	2019 £
Grant income – KfW	-	39,396,450	39,396,450	-
Grant income - TNC	-	-	-	3,143,550
	-	39,396,450	39,396,450	3,143,550

B Charitable activities

	Unrestricted £	Endowment £	2020 £	2019 £
Conservation Finance Program	-	1,279,016	1,279,016	804,946
Conservation Finance Program – other costs	-	53,213	53,213	
EbA Program - grants	-	1,624,409	1,624,409	
Support costs	445,331	3,443,776	3,889,107	(2,960,312)
Governance costs	(3,306)	-	(3,306)	58,401
	442,025	6,400,414	6,842,439	(2,096,965)

C Grants

Grant expenditure during the year was as follows:

	2020 £	2019 £
Conservation Finance Program - Fondo MARENA	313,350	275,213
Conservation Finance Program - Marine Ecosystem Protected AT	-	138,036
Conservation Finance Program - St. Lucia National Conservation	74,054	391,697
Conservation Finance Program - St Vincent and the Grenadines Conservation Fund	290,581	
Conservation Finance Program - BPAF	117,702	
Conservation Finance Program - SCNCF	35,311	
Conservation Finance Program - National Conservation Trust Fund of Jamaica	265,651	
Conservation Finance Program - Grenada Sustainable Development Trust Fund	182,367	
EbA Program - Biodiversite Ministere de'Envi	7,847	
EbA Program - CATIE	104,771	
EbA Program - Fauna & Flora International	79,459	
EbA Program - Fundacion Grupo Puntacana	136,332	
EbA Program - Fundacion Sur Futuro	7,847	
EbA Program - GRENCODA	69,528	
EbA Program - IDDI	370,371	
EbA Program - IICA	369,321	
EbA Program - J/P Haitian Relief Organization	26,158	
EbA Program - Mona Informatix Ltd	85,531	
EbA Program - REDDOM	161,607	
EbA Program - St. Lucia National Trust	111,366	
EbA Program - Sustainable Grenadines Inc	7,847	
EbA Program - UWI CERMES	78,577	
EbA Program - UWI Dept. Science & Technology	7,847	
	2,903,425	804,946

Caribbean Biodiversity Fund

Management information

Year ended 30 September 2020

D Support costs

	Unrestricted £	Endowment £	2020 £	2019 £
Staff and contractor costs	319,566	-	319,566	276,564
Travel costs	94,561	-	94,561	101,533
Office costs	24,480	-	24,480	28,925
Insurance	4,178	-	4,178	3,260
Foreign exchange loss	2,546	3,443,776	3,446,322	(3,370,594)
	<u>445,331</u>	<u>3,443,776</u>	<u>3,889,107</u>	<u>(2,960,312)</u>

E Governance costs

	2020 £	2019 £
Audit fee	8,144	14,146
Accountancy fees	24,906	20,433
Legal fees	4,178	3,878
Other professional fees	(41,699)	19,508
Depreciation	<u>1,837</u>	<u>436</u>
	<u>(3,306)</u>	<u>58,401</u>