



BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

Audited Financial Statements

For The Year Ended December 31, 2014



**BRITISH VIRGIN ISLANDS
NATIONAL PARKS TRUST**

Audited Financial Statements

For The Year Ended December 31, 2014





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Independent Auditor's Report

To The Directors Of
The British Virgin Islands National Parks Trust

We have audited the accompanying financial statements of The British Virgin Islands National Parks Trust which comprise the statement of financial position as at December 31, 2014, and the related statements of comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable, but not absolute assurance about whether the financial statements are free of material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on the financial statements.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The British Virgin Islands National Parks Trust as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

BDO Limited

Tortola, British Virgin Islands
November 9, 2016

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

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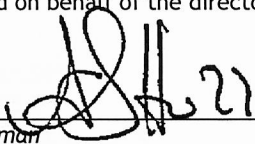
BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

Statement of Financial Position
As at December 31, 2014
Expressed in United States Dollars

	Notes	2014	2013
ASSETS			
Non-current assets			
Property, plant and equipment	3	714,666	336,050
Property, plant and equipment - restricted	3	17,041	24,979
Total non-current assets		731,707	361,029
Current assets			
Prepayments		10,761	34,136
Inventories	4	5,795	22,154
Trade and other receivables	5	112,927	98,963
Cash and cash equivalents	6	229,973	310,850
Cash and cash equivalents - restricted	7	498,873	542,230
Total current assets		858,329	1,008,333
TOTAL ASSETS		\$ 1,590,036	\$ 1,369,362
EQUITY AND LIABILITIES			
Capital and reserves			
Retained earnings - unrestricted	12	818,674	622,007
Retained earnings - restricted	12	352,576	567,209
Total equity		1,171,250	1,189,216
Current liabilities			
Trade and other payables	7,8	418,786	180,146
Total current liabilities		418,786	180,146
TOTAL EQUITY AND LIABILITIES		\$ 1,590,036	\$ 1,369,362

Signed on behalf of the directors

Chairman



Managing Director



The accompanying notes on pages 7 to 17 form an integral part of these financial statements

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

Statement of Comprehensive Income
For The Year Ended December 31, 2014
Expressed in United States Dollars

	Notes	2014	2013
OPERATING INCOME			
Moorings programme		1,169,576	1,087,119
Government grants		356,300	365,500
Terrestrial fees		255,334	215,240
Donations and other grants		105,594	28,611
Concession fees		16,000	16,350
Other income		9,472	6,685
Miscellaneous sales		30,660	79,160
TOTAL INCOME		\$ 1,942,936	\$ 1,798,665
OPERATING EXPENSES			
Advertising expenses		4,229	3,620
Bad debt written off	5	20,241	406
Bank and interest charges		6,736	4,602
Conference expense		16,655	11,369
Communications		36,523	37,236
Depreciation	3	88,921	95,974
Director fees		57,100	57,600
Insurance		31,148	27,674
Maintenance and repairs		51,884	40,032
Office expenses		81,029	68,279
Park maintenance		49,336	32,008
Professional fees		41,308	24,412
Rent expense		27,000	27,000
Salaries and emoluments	9,10	1,099,536	1,044,022
Travel and entertainment		32,211	19,710
Training expense		8,489	8,241
Utilities		59,163	32,298
Inventory write-offs	4	15,710	-
TOTAL EXPENSES		\$ 1,727,219	\$ 1,534,483
INCREASE IN UNRESTRICTED NET ASSETS		215,717	264,182
UNRESTRICTED OTHER COMPREHENSIVE NET INCOME			
Net currency gain on unrestricted net assets		9,750	-
INCREASE IN UNRESTRICTED NET ASSETS		225,467	264,182
RESTRICTED OTHER COMPREHENSIVE NET INCOME (EXPENSES)			
Restricted income received (refundable)	7	(192,138)	436,914
Restricted expenses - professional fees		(43,357)	-
Depreciation on restricted assets	3	(7,938)	(13,531)
RESTRICTED OTHER COMPREHENSIVE (EXPENSES) INCOME FOR THE YEAR		(243,433)	423,383
TOTAL (DECREASE) INCREASE IN NET ASSETS		\$ (17,966)	\$ 687,565

There have been no other gains or (losses) other than those included in the operating results for the year.

The accompanying notes on pages 7 to 17 form an integral part of these financial statements

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

Statement of Changes in Equity
For The Year Ended December 31, 2014
Expressed in United States Dollars

	Unrestricted	Restricted	Total equity
Balance at January 1, 2013	357,825	143,826	501,651
Increase in net assets	264,182	423,383	687,565
Balance at December 31, 2013	622,007	567,209	1,189,216
Decrease in net assets	225,467	(243,433)	(17,966)
Balance at December 31, 2014	\$ 847,474	\$ 323,776	\$ 1,171,250

The accompanying notes on pages 7 to 17 form an integral part of these financial statements

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST**Statement of Cash Flows**
For The Year Ended December 31, 2014
Expressed in United States Dollars

	2014	2013
CASH FLOW FROM OPERATING ACTIVITIES		
Increase in unrestricted net assets	215,717	264,182
(Decrease) increase in restricted net assets	(243,433)	423,383
Depreciation on unrestricted assets	88,921	95,974
Depreciation on restricted assets	7,938	13,531
Impairment loss recognized on trade receivables	20,241	406
Inventory write-offs	15,710	-
Net currency gain	9,750	-
Cash from operations before working capital changes	114,844	797,476
Increase in trade and other receivables	(34,205)	(57,782)
Decrease (increase) in prepayments	23,375	(11,582)
Decrease (increase) in inventories	649	(1,369)
Increase in trade and other payables	238,640	123,246
Net cash generated by operating activities	343,303	849,989
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of unrestricted assets	(467,537)	(246,600)
Purchase of restricted assets	-	(3,372)
Net cash used in investing activities	(467,537)	(249,972)
NET(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(124,234)	600,017
CASH AND CASH EQUIVALENTS		
At beginning of year	853,080	253,063
Cash and cash equivalents at the end of the year	\$ 728,846	\$ 853,080
Cash and cash equivalents consist of the following:		
Cash at bank	229,973	310,850
Cash at bank - restricted	498,873	542,230
	\$ 728,846	\$ 853,080

The accompanying notes on pages 7 to 17 form an integral part of these financial statements

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

Notes to the Financial Statements For The Year Ended December 31, 2014 *Expressed in United States Dollars*

1. Entity information

British Virgin Islands National Parks Trust (the "Trust") is a body established in the British Virgin Islands ("BVI") under the National Parks Ordinance, 1961 on July 31, 1961 and is wholly owned by the Government of the British Virgin Islands (the "Government"). The principal activity of the Trust is to preserve the natural beauty, aspect, architectural features, historic buildings and the settings of the same, and plant life of the parks, and to encourage and control the provisions of facilities for persons visiting the parks.

2. Significant Accounting Policies

2.1 Basis for preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), which comprise standards issued or adopted by the International Accounting Standards Board and interpretations issued by its Standing Interpretations Committee. They have been prepared under the historical costs convention and are expressed in United States ("US") dollars.

2.2 Standards, amendments and interpretations to existing standards effective and relevant to the Trust

- **Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities.** These amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of setoff" and "simultaneous realisation and settlement". The amendments require retrospective application.

The application of the above mentioned amendments had no significant effect on the current period or any prior period. None of the other new standards, interpretations and amendments effective for the first time from January 1, 2014, have had a material effect on the financial statements.

2.3 Standards, amendments and interpretations to existing standards in issue but not yet effective and relevant to the Trust

The following new standards, interpretations and amendments, which have not been applied in these financial statements will or may have an effect of the Authority's future financial statements:

- **IFRS 9, Financial Instruments (as revised in 2014).** In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The new standard introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment methodology and general hedge accounting. IFRS 9 introduces a logical approach for classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss - in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.
- **IFRS 15, Revenue from Contracts with Customers.** IFRS 15 specifies how and when an entity will recognise revenue as well as requiring such entities to provide users of financial statements with informative and relevant disclosures. The standard provides a single principles based five-step model to be applied to all contracts with customers. Its core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 supersedes the following revenue Standards and Interpretations upon its effective date (effective for annual periods beginning on or after January 1, 2017):

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

Notes to the Financial Statements For The Year Ended December 31, 2014 Expressed in United States Dollars

2. Significant Accounting Policies (Continued)

2.3 Standards, amendments and interpretations to existing standards in issue but not yet effective and relevant to the Trust (continued)

- **Improvements to IFRSs.** These improvements contain numerous amendments to IFRS, which are considered non urgent but necessary. The improvements result in accounting changes for presentation, recognition or measurement purposes; or they are terminology or editorial changes only (mostly effective for annual periods beginning on or after July 1, 2014). These improvements include:
- **IAS 24 Related Party Disclosures.** The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.
- **IFRS 13 Fair Value Measurement.** The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

None of the other new standards, interpretations and amendments, which are effective for periods beginning after January 1, 2014 and which have not been adopted early, are expected to have a material effect on the Company's future financial statements.

2.4 Property, plant and equipment

Property, plant and equipment except heritage properties are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is carried at cost less any accumulated impairment in value. The Trust does not include in its assets, the value of any of its heritage properties, which upon receipt are intended to be retained by the Trust.

The initial cost of the property, plant and equipment consists of the purchase price, including import duties, taxes and any directly attributable cost to bring the assets to the working condition and location of the intended use. Repairs and maintenance costs are charged to income in the period in which costs are incurred.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of fixed assets beyond its originally assessed standard of performance, the expenditures are capitalised as additional cost of property, plant and equipment.

Depreciation is computed using the straight-line method over the estimated useful lives of the property, plant and equipment. The rates of depreciation in use are based on the following estimated useful lives:

Building	4-10 %
Marine Equipment	20 %
Motor vehicles	20 %
Computer equipment	40 %
Office equipment	15 %
Garden equipment	20 %
Capital infrastructure	10 %

When an asset is sold or disposed of, or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal or reflected in profit or loss.

As asset's carrying amount is written down immediately to its recoverable amount of the asset's carrying amount is greater than its estimated recoverable amount.

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

Notes to the Financial Statements For The Year Ended December 31, 2014 *Expressed in United States Dollars*

2. Significant Accounting Policies (Continued)

2.5 Inventory

Inventories are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on a first-in-first-out basis. Net realisable value presents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.6 Financial assets

The Trust classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

(i) *Loans and receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence that the Trust will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

The Trust's loans and receivables comprise prepayments, trade and other receivables and cash and cash equivalents.

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

Trade receivable - receivables are stated at cost less impairment losses. A provision for impairment of accounts receivable is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the accounts receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the accounts receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income in the operating expenses. When a receivable is uncollectible, it is written off against the allowance account for accounts receivable. Subsequent recoveries of amounts previously written off are credited against operating expenses in the statement of comprehensive income.

2.7 Financial liabilities

The Trust classifies its financial liabilities into other financial liabilities.

Other financial liabilities include:

Trade and other payables - trade and other payables are stated at their cost. No interest is charged on accounts payable from the date of the invoice.

2.8 Revenue and recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised on income based on the provision of services, corresponding principally to costs and expenses incurred in the maintenance and operations of the Trust.

Interest income is recognised as it accrues.

Expenses are recorded on the accrual basis as they are incurred.

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

Notes to the Financial Statements For The Year Ended December 31, 2014 *Expressed in United States Dollars*

2. Significant Accounting Policies (Continued)

2.9 Government grants

Government grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or the purpose of giving immediate financial support to the Trust with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.10 Donated material and services

All receipts of donations are recognised as income under the specific funds for which they are donated. No amounts have been reflected in these statements for donated services. Several volunteer groups and individuals have made substantial contributions of both time and resources to assist in the development of the Trust's properties and its activities.

2.11 Taxation

Under current legislation in the British Virgin Islands, there is no income, estate, corporate, capital gain or other taxes payable by the Company. Accordingly, no provision has been made.

2.12 Use of estimates

The preparation of these financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2.13 Foreign currency transaction

Transactions in foreign currencies are converted at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the foreign currency exchange rate ruling at the balance sheet date. Foreign currency exchange differences arising on conversion or translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies which are stated at historical cost are translated at the foreign currency exchange rate ruling at the date of the transaction, or if impaired, at the date of the impairment recognition. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into U.S dollars at the foreign currency exchange rates ruling at the dates that the values were determined.

2.14 Related parties

The Trust's transactions and outstanding balances with related parties are disclosed. Parties are considered related if one party has control, joint control, and significant influence over the other party in making financial and operating decisions.

2.15 Retirement benefit costs

Payments to defined contribution retirement benefits plans are recognised as an expense when employees have rendered service entitling them to the contributions.

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

Notes to the Financial Statements
For The Year Ended December 31, 2014
Expressed in United States Dollars

3. Property, plant and equipment

	Unrestricted							Restricted	Total
	Buildings	Marine Equipment	Motor Vehicles	Computer Equipment	Office Equipment	Garden Equipment	Assets Under Construction	Capital Infrastructure	
At Cost/valuation									
January 1, 2014	9,362	613,439	98,412	216,585	149,996	157,759	113,495	489,354	1,848,402
Additions	-	39,261	-	26,025	6,571	17,980	377,700	-	467,537
December 31, 2014	9,362	652,700	98,412	242,610	156,567	175,739	491,195	489,354	2,315,939
Accumulated Depreciation									
January 1, 2014	9,362	460,139	98,411	206,755	112,831	135,500	-	464,375	1,487,373
Charge for year	-	53,832	1	11,938	14,363	8,787	-	7,938	96,859
December 31, 2014	9,362	513,971	98,412	218,693	127,194	144,287	-	472,313	1,584,232
Net Book Value									
December 31, 2014	\$ -	\$ 138,729	\$ -	\$ 23,917	\$ 29,373	\$ 31,452	\$ 491,195	\$ 17,041	\$ 731,707

Assets under construction comprise construction costs relating to the Design Development and Construction Documents/Project plans for Eco-tourism facilities (buildings) located at The Copper Mine, Sage Mountain, The Baths and Aneгада. The assets under construction are to be completed by the end of 2016 and come into service the same date.

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

Notes to the Financial Statements
For The Year Ended December 31, 2014
Expressed in United States Dollars

3. Property, plant and equipment (Continued)

	Unrestricted							Restricted	Total
	Buildings	Marine Equipment	Motor Vehicles	Computer Equipment	Office Equipment	Garden Equipment	Construction	Assets Under Construction	Capital Infrastructure
At Cost/valuation									
January 1, 2013	9,362	505,077	98,412	212,566	144,509	144,004	-	-	485,982
Additions	-	108,362	-	4,019	5,487	13,755	113,495	113,495	3,372
<u>December 31, 2013</u>	<u>9,362</u>	<u>613,439</u>	<u>98,412</u>	<u>216,585</u>	<u>149,996</u>	<u>157,759</u>	<u>113,495</u>	<u>113,495</u>	<u>489,354</u>
Accumulated Depreciation									
January 1, 2013	9,362	412,072	98,411	189,057	98,256	119,866	-	-	450,844
Charge for year	-	48,067	-	17,698	14,575	15,634	-	-	13,531
<u>December 31, 2013</u>	<u>9,362</u>	<u>460,139</u>	<u>98,411</u>	<u>206,755</u>	<u>112,831</u>	<u>135,500</u>	<u>-</u>	<u>-</u>	<u>464,375</u>
Net Book Value									
<u>December 31, 2013</u>	<u>\$ -</u>	<u>\$ 153,300</u>	<u>\$ 1</u>	<u>\$ 9,830</u>	<u>\$ 37,165</u>	<u>\$ 22,259</u>	<u>\$ 113,495</u>	<u>\$ -</u>	<u>\$ 24,979</u>
									<u>\$ 361,029</u>

Capital infrastructure represents the provision of amenities at the Baths, Virgin Gorda, reconstruction of the Old Coppermine in Virgin Gorda, and creation of an Iguana Facility in Anegada. These projects were carried out using funds restricted for each individual purpose.

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

Notes to the Financial Statements
For The Year Ended December 31, 2014
Expressed in United States Dollars

4. Inventory

	2014	2013
Goods for sale	5,795	22,154
	\$ 5,795	\$ 22,154

As at December 31, 2014, the Trust write-off inventory amounting to \$15,710 (2013: \$Nil).

5. Trade and other receivables

5.1 Trade and other receivables are as follows:

	2014	2013
Trade receivables	142,247	108,042
Allowance for doubtful debts	(29,320)	(9,079)
	\$ 112,927	\$ 98,963

5.2 Allowance for Doubtful debts

Movement on the Trust's provision for impairment of accounts receivable are as follows:

	2014	2013
Balance at the beginning of the year	9,079	9,079
Movement for the year	20,241	-
Balance at the end of the year	\$ 29,320	\$ 9,079

6. Cash and Cash equivalents

As at December 31, 2014, the Trust has a bank account under the name "The Friends of the National Parks Trust ("FBVI")", which amounts to \$10,605 (2013: \$32,829). FBVI is a U.S. non-profit organisation which falls under the category of 501(c) (3). The purpose of this account is to grant a tax deduction to American citizens who donate to the trust through the FBVI. The Trust has legal rights on this account since the organisation is not a separate entity of the Trust.

7. Capital Grant

Objectives

As at December 7, 2010, The Trust entered into a grant contract "External Actions of the European Community "the overall objective which fulfils international agreements and supports sustainable development in a number of British Overseas Territories including the BVI". The Territorial Authorising officer is the Turks and Caicos Islands (the "Contracting Authority").

Actions and expected results of support

The action to be implemented is entitled "Management of Protected Areas to Support Sustainable Economies" the duration of which is expected to be implemented over twenty-five (25) months.

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

Notes to the Financial Statements For The Year Ended December 31, 2014 Expressed in United States Dollars

7. Capital Grant (Continued)

Actions and expected results of support (continued)

The results expected at the end of the project implementation period are as follows:

- Improved eco-tourism facilities
- Improved environmental awareness among citizenry
- Improved conservation measures
- Implementation of documented Environmental Management Plans
- Improved institutional capacity

Sub-Contractor

The Trust entered into a contract dated July 15, 2014 with Tarris Hill Associates Limited to construct the eco-tourism facilities.

Funding

The total cost of the Action is estimated at €909,200.00. The Contracting Authority undertakes to finance a maximum of €560,000.00, equivalent to 61.6% of the estimated total eligible cost specified with the Trust financing the remainder.

General Conditions

The Trust must provide the Contracting Authority with all required information on the implementation of the Action. To that end, the Trust must draw up interim and final reports. These reports shall consist of a narrative section and a financial section. They shall cover the Action as a whole, regardless of which part is financed by the Contracting Authority. Each report must provide a full account of all aspects of the Action's implementation for the period covered.

If the Trust fails to supply the Contracting Authority with a final report by the final report deadline and fails to furnish an acceptable and sufficient written explanation of the reasons why it is unable to comply with this obligation, the Contracting Authority may terminate the Contract and recover the amounts already paid and not substantiated.

Expenditure Verification

The Trust provided a final report "Report of an Expenditure Verification of a Grant Contract External Actions of the European Community" dated April 22, 2016 to the Contracting Authority. Based on this report at December 31, 2014, the total amount received by the Trust under the contract was \$660,238 (€543,191). In addition, the total approved expenditure as per the report is \$631,438 (€519,497). The European Commission confirmed that, the Trust has to refund a total amount of \$192,138 to the Contracting Authority.

8. Trade and other payables

	2014	2013
Accounts payable	82,788	27,703
Salaries payable	10,427	42,334
Health insurance payable	133,433	110,109
Other payable	192,138	-
	<u>\$ 418,786</u>	<u>\$ 180,146</u>

The Trust participates in a health insurance coverage as a sub-group under the Government of the British Virgin Islands with BUPA until April 1, 2014. As at December 31, 2014, the Trust had \$133,433 (2013: \$110,109) outstanding and payable to the Government of the BVI.

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

Notes to the Financial Statements For The Year Ended December 31, 2014 Expressed in United States Dollars

9. Pension Fund

The Trust operates a defined contribution retirement benefit plan (the "Plan") for all qualifying employees. The Plan is funded by contributions from the Trust and its employees and it is the policy of the Trust to contribute an equivalent of 5% of the gross salary of each participating employee to the Plan. Employees are required to contribute towards the Plan in the same proportion.

The assets of the Plan are held separately from those of the Trust even though the Trust administers the Plan. As at December 31, 2014, the assets of the Plan amounted to \$521,175 (2013: \$568,613) and are invested in a bank savings account earning an interest of 0.15% per annum.

Included in salaries and emoluments is an amount of \$24,995 (2013: \$24,942), which is the contribution to the Plan. An amount of \$5,022 (2013: \$3,108) was paid on behalf of the Acting Managing Director.

10. Personnel Expenses

	2014	2013
Salaries and wages	993,430	949,484
Employer's pension contributions	24,995	24,942
Employer's payroll tax	39,523	34,162
Employer's social security contributions	41,588	35,434
	<u>\$ 1,099,536</u>	<u>\$ 1,044,022</u>

The number of employees at December 31, 2014 was 38 (2013: 36).

11. Financial Risk Management

A financial instrument is any contract that gives rise to a financial asset of one enterprise or a financial liability or equity instrument of another enterprise.

The Trust's activities expose it to a variety of risks: market risk (including foreign currency risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk.

11.1 Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Trust incurs foreign currency risk on transactions that are denominated in currencies other than the United States Dollar (US\$).

As at December 31, 2014, the Trust's principal foreign currency is the Pound Sterling currency (GBP£).

Currency risk exposure exists primarily with respect to Cash and cash equivalents. As at December 31, 2014 and 2013 the vast majority of the financial assets and liabilities designated at fair value through profit or loss are traded in USD. Therefore the Trust is not exposed to significant currency risk.

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Trust's income and operating cash flows are substantially independent of changes in market interest rates since the majority of interest bearing instruments are fixed rate instruments.

At the reporting date, the Trust had no interest bearing assets or liabilities and hence no exposure to cash flow and fair value interest rate risk.

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

Notes to the Financial Statements For The Year Ended December 31, 2014 Expressed in United States Dollars

11. Financial Risk Management (Continued)

11.1 Market risk (continued)

(iii) Cash flow and fair value interest rate risk (continued)

A financial instrument is any contract that gives rise to a financial asset of one enterprise or a financial liability or equity instrument of another enterprise.

The Trust's activities expose it to a variety of risks: market risk (including foreign currency risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk.

11.2 Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. Financial assets, which potentially expose the Trust to credit risk, consist of cash and cash equivalents, accounts receivable, loan receivable and held-to-maturity investments. The extent of the Trust's exposure to credit risk in respect of these financial assets approximate the carrying values as recorded in the Trust's statement of financial position.

To reduce exposure to credit risk, the Trust regularly reviews the credit performance of its customers. The Trust invests available cash with various local banks, and is exposed to credit-related losses in the event of non-performance by these counterparties to financial instruments but, given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

(i) Credit quality of financial assets

The following table summarises the credit quality of the Trust's financial assets as of December 31, 2014:

	Neither past due but not impaired					Total
	High Grade	Standard Grade	Substandard Grade	Past due but not impaired	Past due and impaired	
Cash and cash equivalents	131,849	596,997	-	-	-	728,846
Accounts receivable	-	-	45,010	67,917	29,320	142,247
Total	\$ 131,849	\$ 596,997	\$ 45,010	\$ 67,917	\$ 29,320	\$ 871,093

The following table summarises the credit quality of the Trust's financial assets as of December 31, 2013:

	Neither past due but not impaired					Total
	High Grade	Standard Grade	Substandard Grade	Past due but not impaired	Past due and impaired	
Cash and cash equivalents	52,419	800,661	-	-	-	853,080
Accounts receivable	-	-	26,899	74,135	7,008	108,042
Total	\$ 52,419	\$ 800,661	\$ 26,899	\$ 74,135	\$ 7,008	\$ 961,122

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

Notes to the Financial Statements For The Year Ended December 31, 2014 Expressed in United States Dollars

11. Financial Risk Management (Continued)

11.2 Credit risk (continued)

(ii) Aging summary of accounts receivable

The following table summarises the aging of the Trust's accounts receivable at December 31:

	2014	2013
Less than 30 days	45,010	26,899
Between 31 and 60 days	704	776
Between 61 and 90 days	-	1,149
Over 90 days	96,533	79,218
Total	\$ 142,247	\$ 108,042

Of the balance over 90 days of \$96,533 (2013: \$79,218), \$29,320 (2013: \$9,079) is considered impaired and was fully provided for. This relates to the portion of the accounts receivable which the Trust is uncertain it will recover.

(iii) Credit ratings for cash and cash equivalents

The following table summarises the credit rating of the Trust's cash and cash equivalents and held-to-maturity investments, which have an investment grade as rated by a well-known rating agency. For unrated assets a rating is assigned using an approach that is consistent with rating agencies. Portfolio by rating category as at December 31 follows:

Ratings	Sources	2014	2013
Aa3	Moody's Investors Service	131,849	52,419
B1	Moody's Investors Service	10,605	-
B2	Moody's Investors Service	-	32,829
Ba1	Moody's Investors Service	585,746	-
Ba3	Moody's Investors Service	-	767,090
Not rated	Not Applicable	646	742
Total		\$ 728,846	\$ 853,080

11.3 Liquidity risk

Liquidity risk also referred to as funding risk, is the risk that the Trust will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities.

At reporting date, the Trust's financial liabilities of \$418,786 (2013: \$180,146) are due within one year and are equal to their carrying balances as the impact of discounting is not significant. These are adequately covered by the financial assets. Thus, at December 31, 2014, the Trust has no significant exposure to liquidity risk.

11.4 Fair value

The fair value of cash and cash equivalents, accounts receivable, payables and accrued liabilities are not materially different from their carrying amounts due to the relatively short periods to maturity of these financial instruments.

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

**Notes to the Financial Statements
For The Year Ended December 31, 2014
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12. Supplementary Statement of Restricted Activities and Net Assets

	The Bath Project	Iguana Project	Coppermine Project	Furniture	Darwin Initiative	OTEP	Sage Mountain	EU Grants Project	EU Grants Project (Refundable)	Total
At Cost/valuation										
January 1, 2014	258,732	29,199	84,156	50,000	9,312	56,589	1,366	660,240	-	1,149,594
Revenue										
Grants	-	-	-	-	-	-	-	-	(192,138)	(192,138)
Total Revenues	258,732	29,199	84,156	50,000	9,312	56,589	1,366	660,240	(192,138)	957,456
Expenses										
Balance at January 1, 2014	243,625	25,790	77,712	50,000	9,312	56,571	1,365	118,010	-	582,385
Depreciation charge for year	2,743	872	4,304	-	-	18	1	-	-	7,938
Grant expenses	-	-	-	-	-	-	-	43,357	-	43,357
Total Expenditure	246,368	26,662	82,016	50,000	9,312	56,589	1,366	161,367	-	633,680
Net Book Value										
December 31, 2014	\$ 12,364	\$ 2,537	\$ 2,140	\$ -	\$ -	\$ -	\$ -	\$ 498,873	\$ (192,138)	\$ 323,776

BRITISH VIRGIN ISLANDS NATIONAL PARKS TRUST

Notes to the Financial Statements
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12. Supplementary Statement of Restricted Activities and Net Assets (Continued)

	The Bath Project	Iguana Project	Coppermine Project	Furniture	Darwin Initiative	OTEP	Sage Mountain	EU Grants Project	Total
At Cost/valuation									
January 1, 2013	258,732	29,199	84,156	50,000	9,312	56,589	1,366	223,326	712,680
Revenue									
Grants	-	-	-	-	-	-	-	436,914	436,914
Total Revenues	258,732	29,199	84,156	50,000	9,312	56,589	1,366	660,240	1,149,594
Expenses									
Balance at January 1, 2013	241,069	24,917	73,407	49,998	9,312	50,912	1,229	-	450,844
Depreciation charge for year	2,556	873	4,305	2	-	5,659	136	-	13,531
Grant expenses	-	-	-	-	-	-	-	118,010	118,010
Total Expenditure	243,625	25,790	77,712	50,000	9,312	56,571	1,365	118,010	582,385
Net Book Value									
December 31, 2013	\$ 15,107	\$ 3,409	\$ 6,444	\$ -	\$ -	\$ 18	\$ 1	\$ 542,230	\$ 567,209

13. Comparative Figures

Certain comparative figures in the financial statements have been reclassified to conform with the current year's presentation.