Virgin Islands Recovery and Development Agency

Audited Financial Statements

For the Year Ended December 31, 2019

BDO

Virgin Islands Recovery and Development Agency

Audited Financial Statements

For the Year Ended December 31, 2019

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

For the Year Ended December 31, 2019
Table of Contents

Tel: (284) 494 3783
Fax: (284) 494 2220
www.bdo.vg

PO Box 34
Sea Meadow House
Tobacco Wharf
Road Town
Tortola VG1110
British Virgin Islands

Independent Auditor's Report

Virgin Islands Recovery and Development Agency
Tortola, British Virgin Islands

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Virgin Islands Recovery and Development Agency (the "Agency"), which comprise of the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 Agency in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the Board determines 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 Board is responsible for assessing the Agency'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 Board either intends to liquidate the Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency's financial reporting process.

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 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.

BDO Limited

Tortola, British Virgin Islands
July 30, 2020

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Statement of Financial Position
As at December 31, 2019
(Expressed in United States Dollars)

	Notes	2019 $	2018 $
ASSETS			
Non-current assets			
Property and equipment, net	4	788,104	86,149
Total non-current assets		788,104	86,149
Current assets			
Other receivable	9	-	467,474
Prepayments and deposits		135,456	-
Fixed deposit	6	10,040	-
Cash and cash equivalents	5	2,622,220	1,767,069
Total current assets		2,767,716	2,234,543
TOTAL ASSETS		3,555,820	2,320,692
LIABILITIES			
Non-current liabilities			
Lease financing	9	294,618	374,319
Lease liability	9	75,069	-
Total non-current liabilities		369,687	374,319
Current liabilities			
Trade and other payables	7	326,783	100,676
Lease financing	9	79,705	75,078
Lease liability	9	162,343	-
Total current liabilities		568,831	175,754
TOTAL LIABILITIES		938,518	550,073
Reserve			
Unrestricted	8	1,069,960	750,083
Restricted	8	1,547,342	1,020,536
TOTAL RESERVES		2,617,302	1,770,619
TOTAL LIABILITIES AND RESERVES		3,555,820	2,320,692

Approved on Behalf of the Board

______________________ Chairman

July 23, 2020 ______________________ Date

The accompanying notes form an integral part of these financial statements

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Statement of Comprehensive Income
For the Year Ended December 31, 2019
(Expressed in United States Dollars)

	Notes	2019 $	2018 $
UNRESTRICTED RESERVES			
Revenues			
UK Government Operations Funding	8	2,549,308	1,070,359
BVI Government Operations Funding	8	1,502,179	385,704
Interest income	5	5,045	1,015
TOTAL REVENUES		4,056,532	1,457,078
Expenses			
Staff costs	10	2,881,008	445,995
Administrative expenses	11	564,454	246,253
Depreciation and lease amortisation	4	258,619	7,825
Finance costs	9	32,574	6,922
TOTAL EXPENSES		3,736,655	706,995
SURPLUS FROM UNRESTRICTED RESERVES		319,877	750,083
RESTRICTED RESERVES			
Revenues			
BVI Government Programme Funding	8	5,149,783	500,000
UK Government Programme Funding	8	226,694	1,194,735
Donor Funding	8	4,260	83,970
Interest income	5	4,109	-
TOTAL REVENUES		5,384,846	1,778,705
Expenses			
Programme expenses	8, 12	4,858,040	758,169
TOTAL EXPENSES		4,858,040	758,169
SURPLUS FROM RESTRICTED RESERVES		526,806	1,020,536
TOTAL COMPREHENSIVE INCOME		846,683	1,770,619

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Statement of Changes in Reserves
For the Year Ended December 31, 2019
(Expressed in United States Dollars)

2019:	Opening balance $	Surplus for the period $	Closing balance $
Unrestricted reserves			
UK Government operations funding reserve	550,644	201,276	751,920
BVI Government operations funding reserve	199,439	118,601	318,040
Total	750,083	319,877	1,069,960
Restricted reserves			
BVI Government programme funding reserve	340,476	500,515	840,991
UK Government programme funding reserve	680,060	22,031	702,091
Donor funding reserve	-	4,260	4,260
Total	1,020,536	526,806	1,547,342
	1,770,619	846,683	2,617,302

2018:	Opening balance $	Surplus for the period $	Closing balance $
Unrestricted reserves			
UK Government operations funding reserve	-	550,644	550,644
BVI Government operations funding reserve	-	199,439	199,439
Total	-	750,083	750,083
Restricted reserves			
BVI Government programme funding reserve	-	340,476	340,476
UK Government programme funding reserve	-	680,060	680,060
Total	-	1,020,536	1,020,536
	-	1,770,619	1,770,619

The accompanying notes form an integral part of these financial statements

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Statement of Cash Flows
For the Year Ended December 31, 2019
(Expressed in United States Dollars)

	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in reserves	846,683	1,770,619
Adjustments to reconcile to cash from operations before working capital changes:		
Depreciation	258,619	7,825
Finance costs	32,574	6,922
Operating surplus from operations before working capital changes:	1,137,876	1,785,366
Increase in prepayments and other assets	(135,456)	-
Increase in fixed deposit	(10,040)	-
Increase in trade and other payables	226,107	100,676
Net cash flows from operating activities	1,218,487	1,886,042
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchase of property and equipment	(168,291)	(93,974)
Net cash flows used in investing activities	(168,291)	(93,974)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Principal paid on lease liabilities	(87,397)	(18,077)
Principal paid on lease financing	(75,074)	-
Interest paid	(32,574)	(6,922)
Net cash flows used in financing activities	(195,045)	(24,999)
NET INCREASE IN CASH AND CASH EQUIVALENTS	855,151	1,767,069
CASH AND CASH EQUIVALENTS		
At beginning of year	1,767,069	-
At end of year	2,622,220	1,767,069

<u>Non-cash operating and investing activities:</u>

The fit out of the office space was completed in June 2019 and the Agency classified the balance of $467,474 included in other receivables in the prior period to leasehold improvements within property and equipment in the current period (refer to Note 4) in accordance with IAS 16.

1 Organisation and objectives

The Virgin Islands Recovery and Development Agency (the "Agency") was established under the Virgin Islands Recovery and Development Act, 2018 (the “Act”) which was gazetted on April 16, 2018.

The British Virgin Islands (“BVI”) was significantly impacted by substantial flooding caused by a tropical wave in August 2017 and Hurricanes Irma and Maria during September 2017. These disasters caused widespread damage to infrastructure, social services and telecommunications throughout the BVI. In response to these disasters, the House of Assembly approved the Recovery to Development Plan (the “Plan”) on October 23, 2018. The Plan sets out the Government of the Virgin Islands (the “Government”) plans to help the BVI recover from the disasters with a view to returning the BVI to a state of normalcy in the short term and to a more sustainable and resilient state in the long term.

The Agency was established with a five year mandate to serve as an independent arms-length body to ensure that the Plan is implemented in a timely and efficient manner and without undue interference or influence. The Act established the Agency as a body corporate whose functions include:

- Ensuring the timely and proper implementation and execution of the Plan;
- Administering the procurement of services and goods required to implement projects under the Plan and ensuring that projects under the plan are executed in manner that provides the greatest benefit relative to the cost;
- Managing the tendering process including evaluating bids and making recommendations;
- Providing policy advice, research, analysis and technical assistance to the Ministries of Government;
- Collaborating with Ministries and other implementation agencies;
- Preparing business cases for recovery, reconstruction and development projects; and
- Building capacity in skill sets required to execute the Plan by assisting Virgin Islanders to take advantage of business and employment opportunities arising out of implementation of the Plan.

The Agency commenced operations on August 1, 2018. Accordingly, the comparative financial statements relate to the period from August 1, 2018 to December 31, 2018.

Virgin Islands Recovery Trust

To assist with the implementation of the Plan, the Virgin Islands Recovery Trust (the “Trust”) was established on November 30, 2018 through an Instrument of Trust entered into by the Government acting as the settlor (the “Settlor”) and ATU General Trust (BVI) Limited acting as the trustee (the “Trustee”). In accordance with the Act, the Trust was established for the purpose of receiving all contributions for the recovery and development efforts pursuant to the Plan and the Trust shall principally fund projects and programmes under the Plan.

The Agency shall only be able to access the property of the Trust required for the implementation of the Plan and access to the property of the Trust by the Agency must be done through non-binding recommendations to the Trustee in relation to the manner in which the Trust’s property is applied.

2 Significant Accounting Policies

(a) Presentation of financial statements

(i) International Financial Reporting Standards

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The principal accounting policies adopted in preparation of the Agency’s financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

(ii) Accounting convention

The financial statements are prepared under the historical cost convention, except for the revaluation of certain financial instruments which are recognised at fair value.

2 Significant Accounting Policies (Continued)

(a) Presentation of financial statements (Continued)

(iii) Presentation and functional currency

The financial statements are presented in United States Dollars ("$"), which is the Agency's functional and presentation currency.

(iv) Significant accounting estimates and judgement

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. Management is also required to exercise its judgement in the process of applying the Agency's accounting policies. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are disclosed in Note 3.

(b) IFRS compliance and adoption

(i) Standards, amendments and interpretations to existing standards effective and relevant to the Agency

The Agency applied IFRS 16 Leases for the first time. The nature and effects of the changes as a result of adoption of this new accounting standard are described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the financial statements of the Agency. The Agency has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

- IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases- Incentives and SIC- 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standards set out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17.

The Agency adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (January 1, 2019), without restatement of comparative figures. The Agency elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Agency applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

(a) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application and;

(b) Apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

2 Significant Accounting Policies (Continued)

(b) IFRS compliance and adoption (Continued)

(i) Standards, amendments and interpretations to existing standards effective and relevant to the Agency (Continued)

As a lessee, the Agency previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Agency recognises right-of-use assets and lease liabilities for most leases. However, the Agency has elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets) and as such right-of-use assets and lease liabilities are not recognised in these instances.

IFRS 16 changes how the Agency accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet. The adoption of IFRS 16 did not have a significant impact on the Agency on the transition date of January 1, 2019, as the Agency's lease arrangements were either for low value assets or month to month for office space. However, the Agency moved into new office space during the year ended December 31, 2019 and as such applied the new requirements of IFRS 16 from the commencement of the new lease. Refer to Note 9.

(ii) Standards, amendments and interpretations to existing standards in issue but not yet effective and relevant to the Agency

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2019 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Agency.

- IFRS 3 Business Combinations (Amendment - Definition of Material)
- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Material)
- IFRS 17 Insurance Contracts
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- Amendments to References to Conceptual Framework in IFRS Standards

(c) Financial Instrument

A financial instrument that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Agency's business model for managing them. The Agency initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the profit and loss ("FVTPL"), transaction costs.

2 Significant Accounting Policies (Continued)

(c) Financial Instrument (Continued)

(i) Financial assets (Continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income ('FVOCI"), it needs to give rise to cash flows that are "solely payments of principal and interest" ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Agency's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date i.e., the date that the Agency commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at FVOCI with recycling of cumulative gains and losses
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost

The category is the most relevant to the Agency. The Agency measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Agency's financial assets at amortised cost include cash and cash and cash equivalents and fixed deposit. Cash and cash equivalents consist of cash and deposits held at call with banks.

At the reporting the date, the Agency does not have any financial assets classified as financial assets at fair value through profit or loss or through OCI.

(ii) Derecognition of financial assets

Financial assets are derecognised and removed from the statement of financial position when the rights to cash flows from financial assets expire, or the financial assets have been transferred and the Agency has transferred substantially all the risks and rewards of ownership of the financial assets. Any interests created or retained on the transferred financial assets are recognised separately as assets or liabilities.

On derecognition of financial assets, the difference between carrying amounts and the total of considerations received and cumulative gains or losses that had been recognised in other comprehensive income are recognised in profit or loss.

2 Significant Accounting Policies (Continued)

(c) Financial Instrument (Continued)

(ii) Derecognition of financial assets (Continued)

When the Agency retains substantially all of the risks and rewards of ownership for transferred financial assets, the financial assets continue to be recognised and the consideration received is recognised as a financial liability.

When financial assets are transferred and the Agency neither transfers nor retains substantially all of the risks and rewards of ownership of the financial assets, nor transferred control of the assets, the financial assets continue to be recognised to the extent of the continuing involvement in the financial assets.

When continuing involvement takes the form of guaranteeing the transferred assets, the continued involvement is measured at the lower of the carrying amount of the financial assets and the maximum amount of consideration received that the Agency could be required to repay.

(iii) Impairment of financial assets

For trade receivables, the Agency applies a simplified approach in calculating expected credit losses ("ECLs"). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Agency has established a provision matrix that is based on its historical credit loss experience.

(iv) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Agency's financial liabilities include trade and other payables, borrowings and lease liabilities.

Subsequent measurement

The Agency’s financial liabilities are measured at amortised cost using the effective interest rate method.

(v) Derecognition of financial liabilities

Financial liabilities are derecognised and removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expires. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid, is recognised in profit or loss.

Where financial liabilities are replaced with the same lender or the terms are substantially modified, the original financial liabilities are derecognised and new financial liabilities have been recorded.

(vi) Offsetting financial instruments

Financial assets and financial liabilities are off-set and the net amount presented in the statement of financial position when, and only when, the Agency has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2 Significant Accounting Policies (Continued)

(d) Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment. Depreciation is calculated on the straight-line method to write off the cost of each asset over their estimated useful life as follows:

Leasehold improvements	50% per year
Motor vehicles	30% per year
Computer and accessories	25% - 50% per year
Furniture and fixtures	25% per year

At the end of each reporting period, the Agency is required to assess whether there is any indication that an asset may be impaired. If there is an indication that an asset may be impaired, then the asset's recoverable amount must be calculated. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain and losses on disposals are determined by comparing the proceeds with the carrying amounts of the assets and are recorded in the statement of comprehensive income.

(e) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

For these leases, the Agency recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

IFRS 16 was adopted 1 January 2019 without restatement of comparative figures. The following policies apply subsequent to the date of initial application, 1 January 2019.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Agency's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

The lease liability is presented as a separate line in the statement of financial position.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Agency if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Agency is contractually required to dismantle, remove or restore the leased asset.

2 Significant Accounting Policies (Continued)

(e) Leases (Continued)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term as follows:

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2(d).

The right-of-use assets are included within property and equipment in note 4.

When the Agency revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

The Agency did not make any such adjustments during the periods presented.

When the Agency renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

The Agency did not make any such renegotiations during the periods presented.

Nature of leasing activities (in the capacity as lessee)

The Agency leases office space in the BVI. The periodic rent is fixed over the lease term.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Agency has used this practical expedient. For a contract that contain a lease component and one or more additional lease or non-lease components, the Agency allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(f) Revenue recognition

Revenue Streams, Performance Obligations and Revenue Recognition Policies

The Agency generates revenue from grants and contributions. Revenue streams from these include the following:

2 Significant Accounting Policies (Continued)

(f) Revenue recognition (Continued)

Revenue Streams, Performance Obligations and Revenue Recognition Policies (Continued)

- BVI Government Funding
- UK Government Funding
- Donor Funding

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Funding and donations are recognised upon receipt of the transaction by the Agency.

Interest income and expenses are recognised on an accrual basis.

The Agency records investment transactions based on settlement date. Realised gain or loss on financial assets and financial liabilities at fair value through profit or loss is determined on the average cost basis.

(g) Taxation

In accordance with Section 28 of the Act, the Agency is exempt from the payment of all taxes, levies and licence fees on its income and operations and from the payment of all taxes, duties and rates on its property and documents. Taxes payable by the Agency pertain to payroll taxes. Certain investment income may be subject to withholding taxes at its source from the country of origin.

(h) Foreign currency

Transactions in foreign currency are initially translated into the functional currency at the exchange rates prevailing at the transaction date. At the statement of financial position date, financial assets and monetary liabilities expressed in foreign currencies are translated at the closing foreign currency rate. Foreign exchange gains and losses arising from the settlement of such transactions and from the translation of year-end exchange rates of financial assets and monetary liabilities expressed in foreign currencies are recognised in the statement of comprehensive income in the period in which they arise.

Foreign exchange gains or losses arising from translation of financial assets and financial liabilities at FVTPL or loss are recognised in the statement of comprehensive income within "Net realised gains (losses) on financial assets and financial liabilities at FVTPL.

Foreign exchange gains or losses relating to cash and cash equivalents are recognised in the statement of comprehensive income within "Net foreign currency gains (losses)".

3 Critical accounting estimates and judgements

In the application of the Agency's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(Expressed in United States Dollars)

3 Critical accounting estimates and judgements (Continued)

(a) Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimates, that the management has made in the process of applying the Agency's accounting policies and that have the most significant effect on the amounts recognised in the statement of financial position.

(i) Going concern

A key assumption in the preparation of financial statements is that the entity will continue as a going concern. The going concern assumption assumes that the Agency will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations. A significant amount of judgement has been required is assessing whether the entity is a going concern.

(b) Key sources of estimate uncertainty

The following are the key assumptions concerning the future, and other key sources of estimate uncertainty at the end of the reporting period, that may have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Fair value measurement of financial instruments

For financial instruments not traded in active markets, fair values are determined using valuation techniques such as the discounted cash flow model that rely on assumptions that are based on observable active markets or rates. Certain assumptions take into consideration liquidity risk, credit risk and volatility.

4 Property and equipment, net

The movements on the carrying amounts of the Agency's property and equipment are as follows:

December 31, 2019	Motor vehicles $	Computer and Accessories $	Furniture, Fixtures and Office Equipment $	Leasehold Improvements $	Right of use Assets $	Total $
Cost						
Balance at December 31, 2018	49,990	43,984	-	-	-	93,974
Additions	29,995	30,165	108,131	-	324,809	493,100
Transfer from other receivable	-	-	-	467,474	-	467,474
Balance at December 31, 2019	79,985	74,149	108,131	467,474	324,809	1,054,548
Accumulated depreciation						
Balance at December 31, 2018	4,299	3,526	-	-	-	7,825
Depreciation and amortisation	19,090	22,223	19,235	116,869	81,202	258,619
Balance at December 31, 2019	23,389	25,749	19,235	116,869	81,202	266,444
Carrying amount						
Balance at December 31, 2019	56,596	48,400	88,896	350,605	243,607	788,104

(Expressed in United States Dollars)

4 Property and equipment, net (Continued)

December 31, 2018	Motor vehicles $	Computer and Accessories $	Furniture, Fixtures and Office Equipment $	Leasehold Improvements $	Right of use Assets $	Total $
Cost						
Additions	49,990	43,984	-	-	-	93,974
Balance at December 31, 2018	49,990	43,984	-	-	-	93,974
Accumulated depreciation						
Depreciation and amortisation	4,299	3,526	-	-	-	7,825
Balance at December 31, 2018	4,299	3,526	-	-	-	7,825
Carrying amount						
Balance at December 31, 2018	45,691	40,458	-	-	-	86,149

5 Cash and cash equivalents

	2019 $	2018 $
Restricted cash	1,749,926	1,020,536
Unrestricted cash	872,170	746,383
Cash on hand	124	150
Total cash and cash equivalents	2,622,220	1,767,069

Unrestricted cash represents amounts held for the purpose regarding the Agency's operations.

Restricted cash represents amounts held for specific projects. These amounts are not allowed to be used for any other purpose other than what it has been allocated.

As at December 31, 2019 cash balances bear interest at a rate of 0.25% (2018: 0.25%). During the year ended December 31, 2019 the Agency earned interest income of $9,114 (2018: $1,015) on cash and cash equivalents.

6 Fixed deposit

During the year ended December 31, 2019, the Agency placed a one-year fixed deposit which earns interest at a rate of 0.55% per annum.

7 Trade and other payables

	2019 $	2018 $
Operational accounts payable	17,176	12,203
Capital accounts payable	204,235	-
Accrued liabilities	56,908	30,437
Payroll tax liabilities	48,464	58,036
	326,783	100,676

(Expressed in United States Dollars)

8 Reserves

Unrestricted

2019	UK Government $	BVI Government $	Donors $	Total $
Revenue				
Funding	2,549,308	1,502,179	-	4,051,487
Interest Income	3,174	1,871	-	5,045
Total	2,552,482	1,504,050	-	4,056,532
Expenses				
Staff Costs	1,812,810	1,068,198	-	2,881,008
Administrative expenses	355,170	209,284	-	564,454
Depreciation and amortisation	162,730	95,889	-	258,619
Finance costs	20,496	12,078	-	32,574
Total	2,351,206	1,385,449	-	3,736,655
Surplus	201,276	118,601	-	319,877

2018	UK Government $	BVI Government $	Donors $	Total $
Revenue				
Funding	1,070,359	385,704	-	1,456,063
Interest Income	-	1,015	-	1,015
Total	1,070,359	386,719	-	1,457,078
Expenses				
Staff Costs	327,853	118,142	-	445,995
Administrative expenses	186,110	67,065	-	253,175
Depreciation and amortisation	5,752	2,073	-	7,825
Total	519,715	187,280	-	706,995
Surplus	550,644	199,439	-	750,083

Restricted

2019	UK Government $	BVI Government $	Donors $	Total $
Revenue	226,866	5,153,720	4,260	5,384,846
Expenses				
Programme expenses	204,835	4,653,205	-	4,858,040
Total	204,835	4,653,205	-	4,858,040
Surplus	22,031	500,515	4,260	526,806

(Expressed in United States Dollars)

8 Reserves (Continued)

Restricted

2018	UK Government $	BVI Government $	Donors $	Total $
Revenue	1,194,735	500,000	83,970	1,778,705
Expenses				
Programme expenses	514,675	159,524	83,970	758,169
Total	514,675	159,524	83,970	758,169
Surplus	680,060	340,476	-	1,020,536

Unrestricted Reserves

Unrestricted reserves represent the assets acquired and liabilities incurred for the purpose regarding the Agency's operations.

Government of the Virgin Islands

During the year ended December 31, 2019, the Government contributed an amount of $1,502,179 (2018: $385,704) to the Agency to fund operational expenses.

The Agency and the Government of the Virgin Islands through the Ministry of Finance ("MoF") entered into a Memorandum of Understanding ("MoU") dated January 25, 2019 which sets out the Virgin Islands Government funding to be made available for the Plan and how the Agency will be accountable to the Virgin Islands Government in respect of its use of the funding.

The Agency will provide the MoF with a rolling 5- year operational budget and subject to approval by Cabinet and pursuant to section 19 (8) of the Act, the MoF will provide funding as per the approved estimates to the Agency. The annual payments for 2019 and 2020 are expected to be $1,200,000 per year. Where there is an underspend or saving against budgeted operational costs, this saving should be rolled over into the next fiscal year. Funding amounts are subject to revision and dependent on fulfilment of provisions of the MoU, any revisions to budgets, actual expenditure needs and continuing availability of the resources of the Government.

Government of the United Kingdom

The Government of the United Kingdom of Great Britain and Northern Ireland acting through the Foreign and Commonwealth Office ("FCO") entered into a MoU with the Agency during the period ended December 31, 2018. Under the terms of the MoU the FCO will make available to the Agency an amount up to GBP 6,850,106 for technical assistance. The amount is expected to be allocated across three years and paid annually in tranches. The cumulative annual contributions are expected to be as follows:

1 April 2018 – 31 March 2019	GBP 1,410,106
1 April 2019 – 31 March 2020	GBP 2,865,500
1 April 2020 – 31 March 2021	GBP 2,574,500

(Expressed in United States Dollars)

8 Reserves (Continued)

Unrestricted Reserves (Continued)

The funding amount is subject to revision and is dependent on the fulfilment of the provisions of the MoU, any revisions to the budget, actual expenditure, and the continuing available resources to the FCO. During the year ended December 31, 2019 the FCO contributed $2,549,308 (2018: $1,070,359) to the Agency to fund operational expenses.

Restricted Reserves

Restricted reserves represent the assets acquired and liabilities incurred for specific programme funding. Restricted reserves are restricted based on the designation of the assets and liabilities. These reserves are allocated to specific asset accounts including cash and cash equivalents. These reserves are not allowed to be used for any other purpose other than what they have been allocated for. Under the Act, all programme funding received for the recovery and development efforts pursuant to the Plan has to be deposited to the Trust, from which the Agency must access the funding for the implementation of the Plan.

<u>Government of the Virgin Islands</u>

Under the MoU with the Government of the Virgin Islands, the Agency will provide the MoF with a rolling 5- year capital budget based on priorities approved by Cabinet. The MoF will provide capital funding to the Agency on a quarterly basis supported by the Agency's reporting commitments.

During the year ended December 31, 2019, the Government contributed an amount of $5,149,783 (2018: $500,000) for programme funding. The funding was received by the Agency from the Trust.

<u>Government of the United Kingdom</u>

Under the MoU with the Government of the United Kingdom will also provide capital projects funding. During the year ended December 31, 2019, the United Kingdom of Great Britain and Northern Ireland acting through the FCO contributed an amount of $226,694 (2018: $1,194,735) to the Agency for programme funding.

<u>Donor funding</u>

Donor funding is funding provided by non-governmental sources in relation to specific capital programmes or projects under the Plan. During the year ended December 31, 2019 amounts of $4,260 (2018: $83,970) were received directly by the Agency from Donors.

9 Lease

<u>Lease liabilities- Office space</u>

In November 2018, the Agency entered into an agreement with the BVI International Arbitration Centre (the "BVIIAC") for the fit out and sub lease of office space for the Agency's occupancy. Under the terms of the agreement, the Agency sub-leases office space from the BVIIAC at an initial rent of $37 per square foot. Lease payments for office space commenced on 12 June 2019 with a lease term of two years.

<u>Right-of-use asset</u>

Refer to Note 4 for the carrying amounts of the right-of-use asset and the movements during the year.

<u>Lease liabilities</u>

Set out below are the carrying amounts of lease liabilities and the movements during the period.

	2019 $	2018 $
Lease liability	237,412	-
Less: current portion of lease	(162,343)	-
Non-current portion of lease	75,069	-

(Expressed in United States Dollars)

9 Lease (Continued)

	2019 $	2018 $
Beginning balance	324,809	-
Interest expense	7,652	-
Less: lease payments	(95,049)	-
Ending balance	237,412	-

The maturity analysis of the lease liabilities is disclosed below.

	2019 $	2018 $
Up to 3 months	39,755	-
Between 3 and 12 months	122,589	-
Between 1 and 2 years	75,068	-
	237,412	-

Lease financing-Leasehold improvements

Under the terms of the lease agreement, the Agency will also pay a total of $550,000 to cover the cost associated with the fit out of the premises in sixty-six (66) monthly instalments of $8,333. Payments commenced on October 1, 2018. In the event that after execution, the sub lease is terminated by any party prior to the payment of the build cost in full, the remaining amount shall become immediately due and payable by the Agency. The liability for fit out costs was initially recognised at an amount of $467,474 which represents the present value of the cumulative fit out payments using an imputed rate of interest of 6%.

At December 31, 2018, the fit out of the office space was incomplete and a corresponding receivable of $467,474 was recognised due from BVIIAC. During the year ended December 31, 2019, the fit out was completed and the receivable was transferred to leasehold improvements.

Set out below are the carrying amounts of borrowings and the movements during the year.

	2019 $	2018 $
Lease financing	374,323	449,397
Less: current portion of lease financing	(79,705)	(75,078)
Non-current portion of lease financing	294,618	374,319

	2019 $	2018 $
Beginning balance	449,397	467,474
Interest	24,922	-
Less: payment of principal during the period	(99,996)	(18,077)
Lease liability	374,323	449,397

(Expressed in United States Dollars)

9 Lease (Continued)

The maturity analysis of the lease liabilities is disclosed below.

	2019	2018
	$	$
Up to 3 months	19,482	18,351
Between 3 and 12 months	60,227	56,728
Between 1 and 2 years	84,626	79,709
Between 2 and 5 years	209,988	269,857
Over 5 years	-	24,752
	374,323	449,397

The following are the amounts recognised in the profit and loss.

	2019	2018
	$	$
Depreciation expenses of right-of-use assets	81,202	-
Interest expenses on lease financing	24,922	-
Interest expenses on lease liabilities	7,652	-
Total amount recognised in profit and loss	113,776	-

The Agency had total cash outflows for leases of $162,471 in 2019 (2018: $18,077). The Agency also had non-cash additions to right-of -use assets and lease liabilities of $324,809 in 2019 (2018: $nil).

10 Staff cost

	2019	2018
	$	$
Salaries, allowances and benefits	2,547,633	364,654
Payroll taxes	156,679	37,806
National health insurance	69,836	12,242
Social security	48,445	7,988
Staff relocation expense	35,000	12,500
Recruitment and training expense	23,415	10,805
	2,881,008	445,995

11 Administrative expenses

	2019	2018
	$	$
Professional fees	269,376	66,857
Office expenses	91,959	27,979
Public relations and communications	64,487	44,197
Board costs	57,037	46,128
Rent expense	47,470	34,131
Travel and accommodation	26,779	25,236
Other	4,310	739
Bank charges	3,036	986
	564,454	246,253

(Expressed in United States Dollars)

12 Programme expenses

	2019 $	2018 $
Virgin Gorda Police Barracks	727,866	159,178
Jost Van Dyke Police Barracks	732,752	346
Alexander Ogilvie Shirley Grounds	630,528	23,518
Temporary school units	602,669	-
Virgin Gorda Sports Complex	448,514	-
Anegada Sea Markers	359,703	-
Temporary Housing	298,715	-
Virgin Gorda Baths	199,361	-
Repair homes	152,851	-
Marine Survey	145,218	-
BFJS Internal Walls	134,299	-
Dismantling incinerator	89,396	-
Debris Clearance	75,107	575,127
West End Ferry Terminal	58,557	-
Removal of derelict boats	41,962	-
Elmore Stoutt High School demolition	38,569	-
VHF network design and build	28,161	-
Virgin Gorda Administration Building	24,265	-
Central Administration Complex	18,023	-
Government Building	10,000	-
East End Station and Marine Base	8,914	-
Other	8,112	-
Bregado Flax Educational Centre	7,393	-
Incinerator scrubber	6,992	-
Road Town Police Station	5,684	-
External clearance/temporary office space	2,458	-
New Incinerator	983	-
Cane Garden Bay Dinghy Dock	767	-
Debris site fence repairs and signage	221	-
	4,858,040	758,169

Virgin Gorda Police Barracks

The purpose of this project is to return the Virgin Gorda Police Barracks of the Royal Virgin Islands Police Force to a fully functional state. An objective of the project is for the police to be able to sleep personnel on Virgin Gorda to ensure a shift system can be effectively managed and enable the pre-disposition of resources key to disaster preparedness ahead of the upcoming hurricane season.

During the year ended December 31, 2019, the Agency incurred costs of $727,866 (2018: $159,178) in relation to the project. The project was substantially complete at the end of the year.

Jost Van Dyke Administration Building

The purpose of this project is to re-establish a working space for the district officer to coordinate public service delivery on the island as well as space for police, customs and immigration to be fully functional. This will re-establish border control at the main jetty and a police base, including a cell. During the year ended December 31, 2019, the Agency incurred costs of $732,752 (2018: $346) in relation to the project. The project was substantially complete at the end of the year.

12 Programme expenses (Continued)

Alexander Ogilvie Shirley Grounds

The Alexander Ogilvie Shirley athletics grounds was designated a priority project which involves renovating the grounds to meet international accreditation standards as a Level 2 ground which would facilitate the housing of national and international events. The project involves preparation of the grounds prior to the installation of the new track, repairs to make the perimeter secure thereby increasing income generation, installation of bathroom facilities and lights and repairs to the spectator stand and clubhouse pavilion. During the year ended December 31, 2019, the Agency incurred costs of $630,528 (2018: $23,518) in relation to the project.

Temporary school units

Most of the primary, secondary and further education buildings and facilities in the Virgin Islands were significantly damaged in the 2017 disasters. This resulted in children and youth having to resort to shift systems for sharing facilities and learning in inferior and tented classrooms, with limited recreational facilities. The purpose of this project is to provide immediate improvements to the condition of classrooms and facilities to improve conditions of learning, whilst efforts continue to rebuild the permanent network of school buildings.

During the year ended December 31, 2019, the Agency incurred costs of $602,669 (2018: $nil) in relation to the project. The estimated committed costs to complete the project are $31,392.

Virgin Gorda Sports Complex

The purpose of this project is to re-establish recreational facilities for children and youth and improve education through sport. During the year ended December 31, 2019, the Agency incurred costs of $448,514 (2018: $nil) in relation to the project. The estimated committed costs to complete the project are $256,532.

Anegada Sea Markers

The purpose of this project is to restore the port facilities in Anegada and improve safety and access for tourists and facilitate the importation of goods. During the year ended December 31, 2019, the Agency incurred costs of $359,703 (2018: $nil) in relation to the project.

Temporary housing

The temporary housing project involves building temporary homes for four of the most vulnerable households and installation of utilities. During the year ended December 31, 2019, the Agency incurred costs of $298,715 (2018: $nil) in relation to the project. The estimated committed costs to complete the project are $125,445.

Virgin Gorda Baths

The Baths at Virgin Gorda, an important tourist destination suffered damage to ticket booth, toilets and bar shaded area. The project works include beach and rest stop shades, new decks, pump and electrical installation. During the period year ended December 31, 2019, the Agency incurred costs of $199,361 (2018: $nil) in relation to the project.

Repair to damaged homes

As a result of the significant damage to the housing stock by the hurricanes this project was implemented to assist with the rebuilding of houses for vulnerable families. During the year ended December 31, 2019, the Agency incurred costs of $152,851 (2018: $nil) in relation to the project.

Marine Survey

The purpose of this project is to facilitate the establishment of an Exclusive Economic Zone and further the development of the Blue Economy. During the year ended December 31, 2019, the Agency incurred costs of $145,218 (2018: $nil) in relation to the project.

12 Project expenses (Continued)

Debris Clearance

After the devastating hurricane season in 2017, there remained a large amount of debris in the Virgin Islands. Much of the debris were in high risk areas having the potential to cause further damage and present risk to life in the event of another hurricane. The Agency developed a project to support the Department of Waste Management of the BVI Government to collect the debris. The project comprised a series of work packages that moved a significant portion of the debris on the islands to a single location therefore reducing the risk to both life and critical infrastructure.

During the year ended December 31, 2019, the Agency incurred costs of $75,107 (2018: $575,127) in relation to the project.

13 Financial risk management

Financial risk factors

The Agency’s activities expose it to a variety of financial risks; market risk (foreign exchange risk, interest rate risk), credit risk and liquidity risk. The Agency’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Agency’s financial performance.

Risk management is carried out by management under policies approved by the Board. The management identifies, evaluates and hedges financial risks in close co–operation with the Board. The Board provides guidance for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Financial assets of the Agency include cash and cash equivalents. Financial liabilities include trade and other payables, borrowings and lease liabilities.

(a) Market risk

Market risk arises from the Agency's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (foreign currency risk) or other market factors (other price 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. In the normal course of business, the Agency may enter into transactions denominated in foreign currencies. As a result, the Agency is subject to transaction and translation exposure from fluctuations in foreign exchange rates.

(ii) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will cause fluctuations to the fair values and cash flows of the Agency's financial instrument holdings. Floating rate instruments expose the Agency to cash flow interest rate risk whereas fixed rate instruments expose the Agency to fair value interest rate risk.

(iii) Cash flow interest rate risk

The Agency’s exposure to the risk of changes in market interest rates relates primarily to the Agency’s cash and cash equivalents. As at December 31, 2019 approximately 74% (2018: 76%) of the Agency's assets were held in bank accounts, with floating interest rates.

With all other variables held constant, given a 25 basis point increase in the market interest rate, the Agency’s surplus would increase by $6,555 (2018: $4,417). A decrease of 25 basis points in the market interest rate, with all other variables held constant, would decrease the Agency’s surplus by an equal amount.

(Expressed in United States Dollars)

13 Financial risk management (Continued)

(b) Credit risk

Credit risk arises from fixed deposits, cash and cash equivalents and other receivable.

The Agency’s cash and cash equivalents and fixed deposits are held by financial institutions with the following rating per Moody's Investors Services:

	2019 $	2018 $
Ba2	2,632,136	1,766,919
Unrated	124	150
	2,632,260	1,767,069

(c) Liquidity risk

Liquidity risk is the risk that the Agency may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Agency is exposed to liquidity risk from its financial liabilities which include trade and other payables, borrowings and lease liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents to meet its current operating and programme requirements. The Agency is not exposed to significant liquidity risk within this period as it maintains sufficient cash and cash equivalents to meet its current and foreseeable future obligations. The Agency's ability to meet its obligations is dependent on funding provided by the UK Government, BVI Government and Donors.

The table below shows the Agency's aging of its contractual repayment period to its creditors as of December 31, 2019:

December 31, 2019	On demand $	Within one year $	Total $
Trade and other payables	-	326,783	326,783
	-	326,783	326,783

December 31, 2018	On demand $	Within one year $	Total $
Trade and other payables	-	100,676	100,676
	-	100,676	100,676

14 Property held by Trust

On November 30, 2018, the Government of the Virgin Islands contributed $9,995,000 via a deed of contribution to the Trust towards charitable purpose of the Trust, which are to fund the objects and purpose of the Plan. At December 31, 2019 $290,939 (2018: $9,528,642) was held in the form of cash in a non-interest bearing account at a third-party financial institution. Additionally, an amount of $4,500,000 (2018: $nil) is held on demand at a third-party financial institution and earns interest of 1.65% per annum. These assets do not represent assets of the Agency as explained in Note 1.

15 Commitments

As explained in note 12, the Agency enters into various contracts for the execution of projects under the Plan. At December 31, 2019 the Agency had commitments of $988,934 (2018: $1,351,201) relating to the completion of various projects under the Plan.

As explained in note 9, the Agency entered into an agreement for the cost associated with the fit out of office space that the Agency is desirous of leasing.

The Agency entered into various professional service contracts for auditing, payroll and website development and maintenance services. As at December 31, 2019, total commitments under these contracts amounted $196,782 (2018: $274,640).

16 Subsequent events

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a “pandemic”. First identified in late 2019 and known now as COVID-19, the outbreak has impacted thousands of individuals worldwide. In response, many countries have implemented measures to combat the outbreak which have impacted global business operations. As of the date of issuance of the financial statements, the Agency’s operations have not been significantly impacted, however, the Agency continues to monitor the situation. No impairments were recorded as of the balance sheet date as no triggering events or changes in circumstances had occurred as of yearend; however, due to significant uncertainty surrounding the situation, management's judgement regarding this could change in the future. In addition, while the Agency’s results of operations, cash flows and financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.

17 Comparative figures

Certain comparative figures in the financial statements and note disclosures have be reclassified to conform with the current year’s presentation.