

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

For the Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Virgin Islands Recovery and Development Agency
Building 13, Tortola Pier Park
Wickham's Cay I
Tortola VG1110
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:

- the statement of financial position as at December 31, 2024;
- the statement of comprehensive income,
- the statement of changes in reserves, and
- the statement of cash flows for the year then ended; and

- the notes to the financial statements, including material accounting policy information.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and Interpretations (collectively "IFRS Accounting Standards").

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting 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.

In preparing the financial statements, management 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 management 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 (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Limited

Tortola, British Virgin Islands
August 15, 2025

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

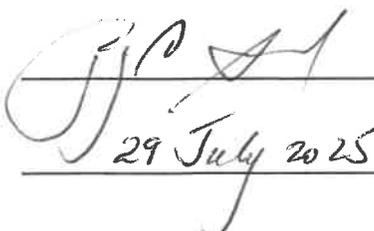
Statement of Financial Position

As at December 31, 2024

(Expressed in United States Dollars)

	Notes	2024 \$	2023 \$
ASSETS			
Non-current assets			
Property and equipment, net	4	188,195	96,415
Right-of-use assets	9	149,389	-
Total non-current assets		337,584	96,415
Current assets			
Prepayments, deposits and other receivables		174,129	130,000
Fixed deposit	6	10,120	10,065
Cash and cash equivalents	5	1,665,859	1,442,190
Total current assets		1,850,108	1,582,255
TOTAL ASSETS		2,187,692	1,678,670
LIABILITIES			
Non-current liabilities			
Lease liability	9	79,775	-
Total non-current liabilities		79,775	-
Current liabilities			
Trade and other payables	7	649,437	324,561
Lease liability	9	74,582	-
Total current liabilities		724,019	324,561
TOTAL LIABILITIES		803,794	324,561
Reserves			
Unrestricted		246,053	362,595
Restricted		1,137,845	991,514
TOTAL RESERVES		1,383,898	1,354,109
TOTAL LIABILITIES AND RESERVES		2,187,692	1,678,670

Approved on Behalf of the Board


 _____ Chairman
 29 July 2025 _____ 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, 2024
(Expressed in United States Dollars)

	Notes	2024 \$	2023 \$
UNRESTRICTED RESERVES			
Revenues			
BVI Government Operations Funding	8	1,990,000	1,990,000
Interest income	8	1,026	910
TOTAL REVENUES		1,991,026	1,990,910
Expenses			
Staff costs	10	667,163	403,414
Administrative expenses	11	1,316,404	1,625,152
Depreciation and lease amortisation	4,9	124,001	32,741
TOTAL EXPENSES		2,107,568	2,061,307
DEFICIT FROM UNRESTRICTED RESERVES		(116,542)	(70,397)
RESTRICTED RESERVES			
Revenues			
BVI Government Programme Funding	8	2,024,762	7,890,499
CDB Programme Funding	8	2,617,371	2,107,209
Donation/Grants Funding	8	74,850	169,900
Interest and other income	8	1,755	2,375
TOTAL REVENUES		4,718,738	10,169,983
Expenses			
Programme expenses	12	2,187,200	7,009,406
CDB Programme expenses	13	2,385,207	2,003,513
Donor expenses	8	-	169,900
TOTAL EXPENSES		4,572,407	9,182,819
SURPLUS FROM RESTRICTED RESERVES		146,331	987,164
TOTAL COMPREHENSIVE INCOME		29,789	916,767

The accompanying notes form an integral part of these financial statements

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Statement of Changes in Reserves For the Year Ended December 31, 2024 (Expressed in United States Dollars)

2024:	Opening balance \$	Surplus (Deficit) for the year \$	Closing balance \$
Unrestricted reserves			
UK Government operations funding reserve	384,337	-	384,337
BVI Government operations funding reserve	(21,742)	(116,542)	(138,284)
Total	362,595	(116,542)	246,053
Restricted reserves			
BVI Government Programme funding reserve	128,450	-	128,450
UK Government Programme funding reserve	206,358	(358,690)	(152,332)
CDB Programme funding reserve	433,546	430,171	863,717
Donor funding reserve	223,160	74,850	298,010
Total	991,514	146,331	1,137,845
	1,354,109	29,789	1,383,898

2023:	Opening balance \$	Surplus (Deficit) for the year \$	Closing balance \$
Unrestricted reserves			
UK Government operations funding reserve	384,337	-	384,337
BVI Government operations funding reserve	48,655	(70,397)	(21,742)
Total	432,992	(70,397)	362,595
Restricted reserves			
BVI Government Programme funding reserve	(585,118)	713,568	128,450
UK Government Programme funding reserve	206,358	-	206,358
CDB Programme funding reserve	329,850	103,696	433,546
Donor funding reserve	53,260	169,900	223,160
Total	4,350	987,164	991,514
	437,342	916,767	1,354,109

Deficit:

The current year and prior year deficits are a result of the allocation of non-cash expenses such as depreciation and the impact of the accrual basis of accounting.

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Statement of Cash Flows

For the Year Ended December 31, 2024

(Expressed in United States Dollars)

	2024	2023
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) increase in reserves	29,789	916,767
Adjustments to reconcile to cash from operations before working capital changes:		
Interest expense	12,532	-
Amortisation on right-of-use asset	74,695	-
Depreciation	49,306	32,741
Operating surplus from operations before working capital changes:	133,276	949,508
(Increase) in prepayments, deposits and other receivables	(44,130)	(1,451)
(Increase) in fixed deposit	(55)	-
Increase/(Decrease) in trade and other payables	324,876	(218,185)
Net cash flows from operating activities	447,014	729,872
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchase of property and equipment	(141,086)	(25,529)
Net cash flows used in investing activities	(141,086)	(25,529)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Principal paid on lease liabilities	(82,258)	-
Net cash flows used in financing activities	(82,258)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	223,670	704,343
CASH AND CASH EQUIVALENTS		
At beginning of year	1,442,190	737,847
At end of year	1,665,859	1,442,190

The accompanying notes form an integral part of these financial statements

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements For the Year Ended December 31, 2024 (Expressed in United States Dollars)

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.

During 2020 the House of Assembly approved a revised Recovery to Development Plan (the "RDP") which reduced the scope and scale of the Agency's activities.

The Agency was established with a five-year mandate and shall be dissolved at the end of five years unless otherwise determined by the Cabinet, with the approval of the House of Assembly. On October 5th 2022, the Cabinet made a decision based on a request from the Board of the Recovery and Development Agency (RDA) to extend the lifespan of the Agency to December 31, 2026.

As part of the Government of the Virgin Islands' long-term commitment to sustainable development, disaster resilience, and infrastructural growth the Virgin Islands Recovery and Development Agency (RDA) will transition to a permanent body, to be called the Virgin Islands Development Agency (VIDA).

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 a 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.

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.

On November 30, 2018, the Government of the Virgin Islands contributed \$9,995,000 via a deed of contribution to the Trust towards the charitable purposes of the Trust, which are to fund the objects and purpose of the Agency. At December 31, 2024 \$2,495,002 (2023: \$1,510,027) was held in the form of cash in a non-interest-bearing account at a third-party financial institution. Additionally, an amount of \$77,069 (2023: \$92,672) is held on demand and \$2,290,590 (2023: \$2,342,945) is held on time deposit, bearing interest of 2.50% (2023: 3.50%) at another third-party institution. These assets do not represent assets of the Agency as explained in Note 1. During the year ended December 31, 2024, amounts of \$ 5,519,734 (2023: \$6,714,058) were received directly in the Trust. Access to property by the Agency is in accordance with the requirements as detailed in Note 1.

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements
For the Year Ended December 31, 2024
(Expressed in United States Dollars)

1 Organisation and objectives (Continued)

	2024	2023
	\$	\$
Government of the Virgin Islands	5,449,734	6,586,044
Donors	70,000	128,014
	5,519,734	6,714,058

The Maples Group donated \$70,000 in its continued support of the redevelopment of the Eslyn Henley Richiez Learning Centre to assist with the outfitting of the therapy and sensory rooms in the school, which provides empowering education for the special needs children of the BVI.

2 Summary of Material Accounting Policies

(a) Basis of presentation

(i) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and Interpretations (collectively "IFRS Accounting Standards"). 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.

(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 Accounting Standards 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. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are disclosed in Note 3.

(b) IFRS Accounting Standards adoption

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

The Agency applied for the first time certain standard and amendment, which are effective for annual periods beginning on or after January 1, 2024. The Agency has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- **Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1). The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants The amendments clarify the following:**

1. An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
2. If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
3. The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements
For the Year Ended December 31, 2024
(Expressed in United States Dollars)

2 Summary of Material Accounting Policies (Continued)

(b) IFRS Accounting Standards adoption (Continued)

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

4. In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument. This amendment has no impact to the financial statements of the Fund.

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after January 1, 2024. These amendments had no material impact during the year.

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

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Agency has decided not to adopt early.

The following amendment is effective for the period beginning January 1, 2025:

- **Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates).**

The following amendment is effective for the period beginning January 1, 2026:

- **Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7).**

The following amendments are effective for the period beginning January 1, 2027:

- **IFRS 18 Presentation and Disclosure in Financial Statements; and**
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures.**

The Agency is currently assessing the effect of these new accounting standards and amendments.

(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.

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.

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements
For the Year Ended December 31, 2024
(Expressed in United States Dollars)

2 Material Accounting Policies (Continued)

(c) Financial Instrument (Continued)

(i) Financial assets (Continued)

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 FVTPL

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 equivalents and fixed deposit. Cash and cash equivalents consist of cash and deposits held at call with banks.

At the reporting date, the Agency does not have any financial assets classified as financial assets at FVTPL or FVOCI.

(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.

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 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.

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements
For the Year Ended December 31, 2024
(Expressed in United States Dollars)

2 Material Accounting Policies (Continued)

(c) Financial Instrument (Continued)

(iii) Impairment of 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.

For trade receivables, the Agency applies a simplified approach in calculating expected credit losses ("ECLs"). Therefore, the Agency 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 FVTPL, 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.

Subsequent measurement

The Agency's financial liabilities are measured at amortised cost using the EIR 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.

(d) Property and equipment

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

Leasehold improvements	33.3% per year
Motor vehicles	30% per year
Computer and accessories	25% - 50% per year
Furniture and fixtures	25% per year

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements
For the Year Ended December 31, 2024
(Expressed in United States Dollars)

2 Material Accounting Policies (Continued)

(d) Property and Equipment (Continued)

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.

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 reasonably 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.

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.

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements
For the Year Ended December 31, 2024
(Expressed in United States Dollars)

2 Material Accounting Policies (Continued)

(e) Leases (Continued)

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.

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.

(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:

- BVI Government Funding
- UK Government Funding
- Donor Funding
- Interest income

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 is 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 FVTPL 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 license 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) Expense

All expenses are recognised in the statement of comprehensive income on the accrual basis.

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements
For the Year Ended December 31, 2024
(Expressed in United States Dollars)

2 Material Accounting Policies (Continued)

(i) Related Party transactions

A related party transaction is a transfer of resources, services or obligations between the Agency and a related party, regardless of whether a price is charged. Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions.

3 Critical accounting estimates and judgements

In the application of the Agency's accounting policies, 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.

(a) Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimates, that 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 to assess whether the entity is a going concern. The Agency was established with a five-year mandate and shall be dissolved at the end of five years unless otherwise determined by the Cabinet, with the approval of the House of Assembly. On October 5th 2022, the Cabinet made a decision based on a request from the Board of the Recovery and Development Agency (RDA) to extend the lifespan of the Agency to December 31, 2026.

As part of the Government of the Virgin Islands' long-term commitment to sustainable development, disaster resilience, and infrastructural growth the Virgin Islands Recovery and Development Agency (RDA) will transition to a permanent body, to be called the Virgin Islands Development Agency (VIDA).

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements
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4 Property and equipment, net

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

	Motor vehicles	Computer and Accessories	Furniture, Fixtures and Office Equipment	Leasehold Improvements	Total
December 31, 2024	\$	\$	\$	\$	\$
Cost					
Balance at December 31, 2023	79,985	130,223	116,939	-	327,147
Additions		9,473	11,695	119,918	141,086
Balance at December 31, 2024	79,985	139,696	128,634	119,918	468,233
Accumulated depreciation					
Balance at December 31, 2023	66,749	92,787	71,196		230,732
Charge	4,265	18,038	8,578	18,425	49,306
Balance at December 31, 2024	71,014	110,825	79,774	18,425	280,038
Carrying amount					
Balance at December 31, 2024	8,971	28,871	48,860	101,493	188,195
	Motor vehicles	Computer and Accessories	Furniture, Fixtures and Office Equipment	Leasehold Improvements	Total
December 31, 2023	\$	\$	\$	\$	\$
Cost					
Balance at December 31, 2022	79,985	105,644	115,989	-	301,618
Additions	-	24,579	950	-	25,529
Balance at December 31, 2023	79,985	130,223	116,939	-	327,147
Accumulated depreciation					
Balance at December 31, 2022	58,240	75,223	64,528	-	197,991
Charge	8,509	17,564	6,668	-	32,741
Balance at December 31, 2023	66,749	92,787	71,196	-	230,732
Carrying amount					
Balance at December 31, 2023	13,236	37,436	45,743	-	96,415

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements
For the Year Ended December 31, 2024
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5 Cash and cash equivalents

	2024	2023
	\$	\$
Restricted cash	1,416,352	1,248,365
Unrestricted cash	249,098	193,707
Cash on hand	409	118
Total cash and cash equivalents	1,665,859	1,442,190

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, 2024 non-interest-bearing cash balances were \$958,447 (2023: \$1,442,072).

6 Fixed deposit

As at December 31, 2024, the Agency has a one-year fixed deposit of \$10,120 (2023: \$10,065) placed at a financial institution which earns interest at a rate of 1.3% (2023: 1.3%) per annum. During the year ended December 31, 2024 the Agency earned interest income of \$2,781 (2023: \$3,285) on Fixed Deposits.

7 Trade and other payables

	2024	2023
	\$	\$
Payroll tax liabilities	340,463	28,276
Capital expenses payable	204,870	201,248
Accrued liabilities	94,160	94,500
Operational expenses payable	9,944	537
	649,437	324,561

8 Reserves

The Agency was established by the Act as a statutory corporation and a share capital was not assigned to it. The Agency is funded through Unrestricted and Restricted reserves.

Unrestricted Reserves

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

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements
For the Year Ended December 31, 2024
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8 Reserves (Continued)

Unrestricted Reserves (Continued)

	UK Government	BVI Government	Donors	Total
	\$	\$	\$	\$
2024				
Revenue				
Funding	-	1,990,000	-	1,990,000
Interest income	-	1,026	-	1,026
Total	-	1,991,026	-	1,991,026
Expenses				
Administrative expenses	-	1,316,404	-	1,316,404
Staff Costs	-	667,163	-	667,163
Depreciation and amortisation	-	124,001	-	124,001
Total	-	2,107,568	-	2,107,568
Deficit	-	(116,542)	-	(116,542)

	UK Government	BVI Government	Donors	Total
	\$	\$	\$	\$
2023				
Revenue				
Funding	-	1,990,000	-	1,990,000
Interest income	-	910	-	910
Total	-	1,990,910	-	1,990,910
Expenses				
Administrative expenses	-	1,625,152	-	1,625,152
Staff Costs	-	403,414	-	403,414
Depreciation and amortisation	-	32,741	-	32,741
Total	-	2,061,307	-	2,061,307
Deficit	-	(70,397)	-	(70,397)

Government of the Virgin Islands

During the year ended December 31, 2024, the Government contributed an amount of \$1,990,000 (2023: \$1,990,000) 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 Government of the Virgin Islands 2023 and 2024 Budget Estimates indicated to provide funding of 1,990,000, or 497,500 per quarter to the RDA. 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. In 2022 the Agency transitioned from having both the Foreign, Commonwealth & Development Office (“FCDO”) and MoF being contributors to the MoF being the Sole contributor to the Agency’s Operations.

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements
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8 Reserves (Continued)

Unrestricted Reserves (Continued)

Government of the United Kingdom

The Government of the United Kingdom of Great Britain and Northern Ireland acting through the FCDO entered into a MoU with the Agency during the period ended December 31, 2018. Under the terms of the MoU, the FCDO will make available to the Agency an amount up to £6,850,106. The amount is expected to be allocated across three years and paid annually in tranches.

The funding is subject to revision and is dependent on the fulfilment of the provisions of the MoU, any revisions to the budget, actual expenditure and need and the continuing available resources to the FCDO. The funding amount will be used solely for costs included as part of the budget approved by the FCDO for the delivery of the outputs and outcomes as outlined in the MoU.

The initial objective of funding for the Agency's operational cost was to ensure rapid growth to the required size to deliver the plan for recovery. The RDP, which was appointed to revise the Plan, has reduced the scope and scale of the Agency's deliverables. As such transition to the Government of the Virgin Islands being the sole contributor to the Agency's operational cost was accelerated

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 exceeding US \$20,000 received for the recovery and development efforts pursuant to the Plan has to be deposited with the Trust, from which the Agency must access the funding for the implementation of the Plan.

	UK Government \$	BVI Government \$	CDB \$	Donation/ Grants \$	Total \$
2024					
Revenue					
Funding	-	2,024,762	2,617,371	74,850	4,716,983
Interest income and other income	-	1,755	-	-	1,755
Total	-	2,026,517	2,617,371	74,850	4,718,738
Expenses					
Programme expenses	-	2,187,200	2,385,207	-	4,572,407
Total	-	2,187,200	2,385,207	-	4,572,407
(Deficit)/Surplus	-	(160,683)	232,164	74,850	146,331

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements
For the Year Ended December 31, 2024
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8 Reserves (Continued)

Restricted Reserves (Continued)

	UK Government \$	BVI Government \$	CDB \$	Donors \$	Total \$
2023					
Revenue					
Funding	-	7,890,499	2,107,209	169,900	10,167,608
Interest income and other income	-	2,375	-	-	2,375
Total	-	7,892,874	2,107,209	169,900	10,169,983
Expenses					
Programme expenses	-	7,009,406	2,003,513	169,900	9,182,819
Total	-	7,009,406	2,003,513	169,900	9,182,819
Surplus	-	883,468	103,696	-	987,164

Government of the Virgin Islands

Under the MoU with the Government of the Virgin Islands, the Agency will provide the MoF with a rolling 5- year capital budget (Implementation Schedule) 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. On an annual basis the Agency has provided an updated Implementation Schedule. The Implementation Schedule has not been approved by the Government. In the absence of an approved Implementation Schedule the Agency has funded approved RDP projects with Government of the VI funds (as well as other funding sources) as follows: Caribbean Development Bank ("CDB") funding (based on the CDB Loan Variation to the Agreement that lays out the role of the Agency for CDB funded projects) and funds from the \$10M of Government of VI funds deposited with the Trust (30 November 2018) based on the Deed of Contribution.

During the year ended December 31, 2024, the Government contributed an amount of \$2,024,762 (2023: \$7,890,499) for programme funding. The funding was received by the Agency from the Trust for capital projects.

Government of the United Kingdom

During the years ended December 31, 2024 and 2023, the Government of the Virgin Islands was the sole contributor and the Government of the United Kingdom of Great Britain and Northern Ireland acting through the FCDO contributed \$Nil to the Agency to fund operational expenses. The FCDO has ceased contributing funding to the Agency. As at December 31, 2024, the FCDO contributed a cumulative amount of \$5,141,442 (2023: \$5,141,442) to the Agency.

Government of the Virgin Islands CDB, RRL Loan Funded

Several projects that are part of the CDB Programme were funded by the Rehabilitation and Reconstruction Loan ("RRL"). Loan funding was made available to the Government of the Virgin Islands for the implementation of the RRL. During the year ended December 31, 2024, an amount of \$2,617,371 (2023: \$2,107,209) was contributed to the Agency. The funding was received by the Agency from the Trust.

Donor funding

Donor funding is funding in the form of donations or grants in relation to specific capital programmes or projects under the Plan. During the year ended December 31, 2024, \$74,850 (2023: \$169,900) were donated to the Agency. Included in the donor funding for the year 2024 is a grant of \$ 65,251 from Darwin Plus, UK Government grant scheme, to do a feasibility study for the JVD Pond Restoration of which \$33,046 was receivable at year end. Also included within donation is an amount of \$9,600 (2023: \$5,000) which relates to donor funding provided by a Board Director toward the Agency's Education Project.

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements For the Year Ended December 31, 2024 (Expressed in United States Dollars)

9 Lease

In February 2022, the Agency entered into an agreement with Tortola Pier Park Limited (“TPPL”) for lease of office space. The lease was accounted for as a short-term lease in the prior year and expired on June 30, 2023. The Agency continued to rent the office space monthly from July 1, 2023 to December 31, 2023. On January 19, 2024 the Agency entered into a new agreement with TPPL for a period of 3 years commencing January 1, 2024. Under the terms of the agreement, the Agency sub-leases office space from TPPL at an annual rental and service charge amount of \$82,259.

(a) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets and the movements during the period.

	2024	2023
	\$	\$
Beginning balance	224,084	-
Amortisation	74,695	-
Ending Balance	149,389	-

(b) Lease liabilities

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

	2024	2023
	\$	\$
Lease liability	154,357	-
Less: current portion of lease liability	(74,582)	-
Non-current portion of lease liability	79,775	-

	2024	2023
	\$	\$
Beginning balance	224,084	-
Interest expense	12,532	-
Less: lease payments	(82,259)	-
Ending balance	154,357	-

The maturity analysis of the undiscounted lease liabilities is disclosed below:

	2024	2023
	\$	\$
Up to 3 months	20,565	-
3 and 12 months	61,694	-
Between 1 and 2 years	82,259	-
Total	164,518	-

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

	2024	2023
	\$	\$
Amortisation of right of use assets	(74,695)	-
Interest expense	(12,532)	-
Short-term lease payments	-	(70,335)
Total amount recognised in profit or loss	(87,227)	(70,335)

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements
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10 Staff costs

	2024	2023
	\$	\$
Salaries, allowance, and benefits	567,534	355,928
Secondee pension payments	37,087	-
Payroll taxes	25,091	18,176
National health insurance	19,244	12,723
Social security	15,677	13,406
Recruitment and training	2,530	3,180
	667,163	403,414

11 Administrative expenses

	2024	2023
	\$	\$
Project and programme management	898,815	1,175,528
Office expenses	142,496	147,059
Professional services	105,056	106,290
Board costs	67,475	66,389
Insurance	32,132	12,396
Capacity building	32,043	25,415
Lease Interest	12,532	-
Public relations and communications	12,344	6,753
Other	2,931	3,057
Bank charges	5,345	8,632
Travel and accommodation	5,235	3,298
Rent expense (Note 9)	-	70,335
	1,316,404	1,625,152

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements For the Year Ended December 31, 2024 (Expressed in United States Dollars)

12 Programme expenses (Continued)

Joint Marine Shore Base

The Repair of the Marine Shore Base aims at returning the facilities to a functional condition following significant damage from 2017's storms. This project involves several activities including installation of fencing and gates, boat rack, and repairs to the main building and dock facilities. These repairs will support a joint Customs and Marine Police security capability.

In January 2024, construction work on the Joint Marine Shore Base continued. Specifically, installation of doors, windows, handrails, and wall tiles was completed; the boat rack platform, car park and road to boat ramp have also been completed. Also in January, a stakeholder onsite meeting was held to update stakeholders on project progress. This project was substantially completed within the first quarter of 2024.

During the year ended December 31, 2024, the Agency incurred costs of \$770,725 (2023: \$1,744,305) in relation to the project.

JVD Primary School, a Multi-Purpose Educational Facility

The purpose of this project is to construct the New Jost Van Dyke Multi-Purpose Educational Facility.

In January 2024, an official handover ceremony was held for the Jost Van Dyke Primary School, a Multipurpose Educational Facility. The project achieved substantial completion in December 2023, which facilitated the opening of school in early January 2024. In April 2024, playground equipment for the facility was received and installed. In December 2024, efforts continued to ensure completion of minor outstanding issues towards full closure of this project.

During the year ended December 31, 2024, the Agency incurred costs of \$758,258 (2023: \$3,138,100) in relation to this project.

Trellis Bay Welcome Centre

The Trellis Bay Rest Stop aims to improve the experience of visitors and residents alike and result in a better traveling experience for all who use the facilities. In 2017, a shed that provided shade at the Trellis Bay dock, for ferry and marine passengers, including guests desirous of sailing to island resorts and Virgin Gorda, was destroyed by hurricanes. Unfortunately, the shed was not replaced, and the said categories of persons mentioned have had to sit under the existing trees and on dilapidated chairs. Trellis Bay is also a focal point for tourists arriving and leaving by air, as part of their journey to and from resorts on the sister islands and their island-hopping experience.

The Trellis Bay Welcome Centre achieved practical completion on November 13, 2024. Seating and landscaping options are currently being explored to positively enhance user comfort and environmental impact.

During the year ended December 31, 2024, the Agency incurred costs of \$290,411 (2023: \$nil) in relation to this project.

Redevelopment of Elmore Stoutt High School

The Redevelopment of the Elmore Stoutt High School (ESHS) project is a major project with several phases aimed at rehabilitating the entire ESHS campus, which is by far the largest public secondary school in the Territory. Following passage of 2017's storms, High School staff, teachers and students were displaced to the Clarence Thomas Building, where the Senior High School remained until January 2023.

On 3 January 2023, a grand opening ceremony was held on the ESHS campus for the four newly constructed buildings on the campus including two classroom blocks, a technical block, and an administration building. The opening of these buildings has enabled all ESHS students to be back on the main campus, resuming full-day schooling. This project's completion marks the culmination of the largest project undertaken by the RDA. The draft closeout report is in the process of being prepared.

During the year ended December 31, 2024, the Agency incurred costs of \$210,633 (2023: \$1,986,291) in relation to the project. The amount incurred in 2024 relates to purchase, installation and delivery of equipment.

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements For the Year Ended December 31, 2024 (Expressed in United States Dollars)

12 Programme expenses (Continued)

Hall of Justice

This project aims to provide adequate facilities for the justice sector including required courtrooms and offices, as well as a law library.

In December 2024, the design consultant continued working on requested changes to design and updating cost estimates in line with revisions. The deadline for completion of this action, originally slated for December 31, 2024 was completed in January 2025. Request for Proposals (RFP) to shortlist potential contractors is anticipated, pending conclusion of design reviews.

During the year ended December 31, 2024, the Agency incurred costs of \$111,200 (2023: \$nil) in relation to the project.

National Cultural Centre

The National Cultural Center, Archives, Library & Museum remained on-hold in December 2024. This project is on-hold pending further direction by the client Ministries. The geotechnical survey for the Heritage Village project was completed in May 2024. This process entailed evaluation of geological and geotechnical data on the project site, assessment of the suitability of the site for the proposed construction project, as well as identification of potential geotechnical hazards or challenges that may affect the project.

During the year ended December 31, 2024, the Agency incurred costs of \$83,000 (2023: \$nil) in relation to the project.

13 CDB Programme expenses

	2024	2023
	\$	\$
Eslyn Henley Richiez Learning Centre	1,737,929	1,144,083
Consultancy	325,243	309,986
West End Ferry Terminal	321,701	292,618
Roads, Slopes and Coastal Defences	-	256,431
Other	334	395
	2,385,207	2,003,513

Eslyn Henley Richiez Learning Centre

In December 2024, construction works continued for the Eslyn Henley Richiez Learning Centre. Procurement of long lead items also continued, including specialty equipment and the steel frame building structure. The latter was shipped on 8th December 2024. Development and review of a procurement tracker was also conducted. This aims at ensuring compliance with the updated project schedule for accountability purposes. The tracker is updated at least once monthly. Continuous stakeholder engagement through bi-weekly project updates and site visits continued in August 2024 with key stakeholders of the project. This project is scheduled to be completed in June 2025.

During the year ended December 31, 2024, the Agency incurred costs of \$1,737,929 (2023: \$1,144,083) in relation to the project.

West End Ferry Terminal

In December 2024, the procurement process for the West End Ferry Terminal continued with contract clarifications requested and responded to by the consultant and the RDA. Bidders also continued work on submissions for the West End Ferry Terminal Project. The deadline for bid submissions was extended to 17th January 2025. CDB provided the 'No Objection' for the West End Ferry Terminal in July 2024, following which the tender package was issued to prequalified contractors. The full tender package includes the temporary facility, as agreed with the Ports Authority and the Ministry of Communications and Works.

During the year ended December 31, 2024, the Agency incurred costs of \$321,701 (2023: \$292,618) in relation to the project.

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements
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14 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. 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 and fixed deposits. Financial liabilities include trade and other payables.

(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, 2024 approximately 43% (2023: 68%) 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 \$4,543 (2023: \$3,956). 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.

(b) Credit risk

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

The Agency's cash and cash equivalents and fixed deposits are held by financial institutions with the following rating per Standard & Poor's ratings:

	2024	2023
	\$	\$
A+	958,447	463,241
BB+	717,123	988,896
Unrated	409	118
	1,675,979	1,452,255

VIRGIN ISLANDS RECOVERY AND DEVELOPMENT AGENCY

Notes to the Financial Statements
For the Year Ended December 31, 2024
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14 Financial risk management (Continued)

(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.

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 Government of the VI, UK Government, and Donors.

The table below shows the Agency's aging of its contractual repayment period to its creditors as of December 31, 2024:

	On demand	Within one year	Total
December 31, 2024	\$	\$	\$
Trade and other payables	-	649,437	649,437
	-	649,437	649,437

	On demand	Within one year	Total
December 31, 2023	\$	\$	\$
Trade and other payables	-	324,561	324,561
	-	324,561	324,561

15 Commitments

As explained in note 12, the Agency enters into various contracts for the execution of projects under the RDP. At December 31, 2024 the Agency had commitments of \$2,738,718 (2023: \$6,560,198) relating to the completion of various projects under the RDP. The Agency entered into various professional service contracts for auditing, payroll and website development and maintenance services. As at December 31, 2024, total commitments under these contracts amounted \$35,000 (2023: \$313,388).

16 Subsequent events

Management evaluated all activity of the Agency from January 1, 2025 through the issuance date of the financial statements and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the related notes to the financial statements.