

**Toledo Institute for Development and  
Environment**

**Financial statements  
31 December 2021**

**TOLEDO INSTITUTE FOR DEVELOPMENT AND ENVIRONMENT**

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**CONSOLIDATED FINANCIAL STATEMENTS  
31 DECEMBER 2021**

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## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF DIRECTORS OF TOLEDO INSTITUTE FOR DEVELOPMENT AND ENVIRONMENT

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#### Report on the Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Toledo Institute for Development and Environment, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of activities and changes in net assets, the consolidated statement of cash flows and the consolidated statement of expenses by functional area for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Toledo Institute for Development and Environment and its subsidiary as of 31 December 2021 and of its consolidated statement of activities and changes in net assets, cash flows and statement of expenses by functional area for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

#### 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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belize, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **INDEPENDENT AUDITOR'S REPORT (continued)**

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities 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 consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Accountants &  
business advisers

## INDEPENDENT AUDITOR'S REPORT (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

*PKF Belize*


**PKF Belize**  
**Chartered Accountants**  
**Belize City**  
**11 July 2022**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2021**

<b>Assets</b>	Notes	2021	2020 Restated	1 January 2020 Restated
<b>Non-current assets</b>				
Property and equipment	4	4,425,059	4,367,274	4,275,203
Investment in land	5	143,867	143,867	143,867
Investment, Endowment Funds	6	2,363,449	2,358,909	2,469,374
		<u>6,932,375</u>	<u>6,870,050</u>	<u>6,888,444</u>
<b>Current assets</b>				
Cash on hand and at bank		1,485,071	1,461,045	1,036,516
Accounts receivable and prepayments	7	216,035	157,139	93,240
		<u>1,701,106</u>	<u>1,618,184</u>	<u>1,129,756</u>
<b>Total assets</b>		<b>BZ\$ 8,633,481</b>	8,488,234	8,018,200
		=====	=====	=====
<b>Liabilities and net assets</b>				
<b>Current liabilities</b>				
Accounts payable and accruals	8	119,598	108,333	176,358
Deferred support	9	1,402,066	1,190,904	715,430
		<u>1,521,664</u>	<u>1,299,237</u>	<u>891,788</u>
<b>Non-current liability</b>				
Gratuity payable	10	14,999	17,713	13,729
Severance pay provision	11	108,166	124,460	111,897
Total liabilities		<u>1,644,829</u>	<u>1,441,410</u>	<u>1,017,414</u>
<b>Net assets</b>				
Unrestricted		2,734,978	3,389,942	3,802,212
Temporarily restricted		4,253,674	3,656,882	3,198,574
Total net assets		<u>6,988,652</u>	<u>7,046,824</u>	<u>7,000,786</u>
<b>Total liabilities and net assets</b>		<b>BZ\$ 8,633,481</b>	8,488,234	8,018,200
		=====	=====	=====

Approved on behalf of the Board of Directors:

 Director

 Director

Independent auditor's report pages 1 to 3

The notes on pages 8 to 18 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED 31 DECEMBER 2021**

	Notes	2021			2020
		Unrestricted	Temporarily Restricted	Total	Total
<b>Public Support</b>					Restated
Contributions and grants:					
BIOPAMA	12.1	-	156,512	156,512	33,641
Environmental Defense Fund	12.15	-	892	892	-
DNS/GOB	12.2	-	124,957	124,957	53,808
European Union	12.3	-	192	192	708,375
Gulf and Caribbean Fisheries Institute Inc.	12.14	-	15,395	15,395	-
GEF Small Grants Programme	12.16	-	47,765	47,765	-
MARFund (Belize Marine Fund)	12.4a	-	6,889	6,889	13,647
MARFund Small Grants Program	12.4b	-	36,955	36,955	29,789
MARFund - FFEM (Marfish)	12.4c	-	54,364	54,364	26,232
MARFund- Summit	12.4d	-	8,084	8,084	3,812
Massachusetts Audubon Society	12.5	-	83,007	83,007	75,343
OCEANS 5 and Summit	12.17	-	87,909	87,909	-
Overbrook Foundation	12.6	-	118,818	118,818	50,805
Protected Areas Conservation Trust (PACT)	12.7	-	682,440	682,440	412,414
Seacology capital grant, amortization	12.8	-	1,063	1,063	1,085
The Summit Foundation	12.9	-	177,712	177,712	205,490
The New England Bio labs	12.10	-	492	492	734
UNICEF	12.11	-	60,375	60,375	5,059
World Environment Center	12.12	-	-	-	20,457
World Wildlife Fund	12.13	-	643	643	13,141
Grants		-	1,664,464	1,664,464	1,653,832
<b>Revenues</b>					
Interest income	13	-	39,085	39,085	36,441
Other revenue		65,212	-	65,212	220,525
TIDE Tours		35,421	-	35,421	116,352
<b>Public support and revenues</b>		<b>100,633</b>	<b>1,703,549</b>	<b>1,804,182</b>	<b>2,027,150</b>
Program expenses by protected areas:					
DNS/Tide Private Lands		-	111,348	111,348	112,127
Payne Creek National Park		296,833	-	296,833	216,481
Port of Honduras Marine Reserve		-	871,940	871,940	995,888
TIDE Sustainability Initiative		25,432	-	25,432	84,681
		322,265	983,288	1,305,553	1,409,177
General and administrative		517,593	-	517,593	452,368
TIDE Tours expenses		39,208	-	39,208	119,567
<b>Total expenses</b>		<b>879,066</b>	<b>983,288</b>	<b>1,862,354</b>	<b>1,981,112</b>
<b>Change in net assets for the year</b>		<b>(778,433)</b>	<b>720,261</b>	<b>(58,172)</b>	<b>46,038</b>
Net assets, beginning of year		3,389,942	3,656,882	7,046,824	7,000,786
Change in net assets for the year		(778,433)	720,261	(58,172)	46,038
Transfer from temporarily restricted funds	14	123,469	(123,469)	-	-
<b>Net assets, end of year</b>		<b>BZ\$ 2,734,978</b>	<b>4,253,674</b>	<b>6,988,652</b>	<b>7,046,824</b>

The notes on pages 8 to 18 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER 2021**

	Notes	2021	2020
<b><i>Cash flows from operating activities -</i></b>			
Change in net assets		(58,172)	46,038
Adjustments for non-cash items:			
Depreciation	4	146,066	141,472
Loss (Gain) on disposal of property and equipment		110	(2,270)
Gratuity provision	10	23	4,968
Severance pay provision	11	8,949	17,509
		<u>96,976</u>	<u>207,717</u>
(Increase) in accounts receivable and prepayments		(58,896)	(63,899)
Decrease (Increase) in accounts payable and accruals		11,265	(68,025)
Increase in deferred support		211,162	475,474
		<u>260,507</u>	<u>551,267</u>
Cash flows from operations		(2,737)	(984)
Gratuity paid		(25,243)	(4,946)
Severance paid			
Cash provided by operating activities		<u>232,527</u>	<u>545,337</u>
<b><i>Cash flows from investing activities -</i></b>			
Purchases of property and equipment	4	(203,961)	(244,572)
Investment in endowment funds		(4,540)	110,465
Proceed from sale of assets		-	13,299
Cash used in investing activities		<u>(208,501)</u>	<u>(120,808)</u>
<b>Increase in cash and cash equivalents</b>		<b>24,026</b>	<b>424,529</b>
Cash and cash equivalents, beginning of the year		1,461,045	1,036,516
<b>Cash and cash equivalents, end of year</b>		<b>BZ\$ 1,485,071</b>	<b>1,461,045</b>
		=====	=====
<b>Represented by</b>			
Cash on hand and at bank		<b>BZ\$ 1,485,071</b>	<b>1,461,045</b>
		=====	=====

*The notes on pages 8 to 18 form an integral part of these financial statements.*



**CONSOLIDATED STATEMENT OF EXPENSES BY FUNCTIONAL AREA**  
**YEAR ENDED 31 DECEMBER 2021**

	2021						2020	
	PROGRAM SERVICES BY PROTECTED AREAS				SUPPORT SERVICES	TIDE TOURS	Total	Total
	DNS/Private Lands	TIDE Sustainability Initiative	Payne Creek National Park	Port of Honduras Marine Reserve	General and Administration	Expenses		
Administration	203	945	1,872	7,956	10,157	578	21,711	35,557
Accommodation	-	-	-	-	-	(2,501)	(2,501)	8,377
Accounting and auditing	-	-	3,125	22,023	25,839	-	50,987	43,999
Business Tax	-	-	-	-	-	1,394	1,394	4,837
Community Development	-	419	20,763	44,934	69	-	66,185	48,261
Depreciation	-	-	-	-	145,493	572	146,065	141,472
Disaster Preparedness	-	-	-	-	-	-	-	4,524
Equipment repairs and maintenance	11,913	3,731	19,861	98,806	35,793	10,775	180,879	98,561
Food and Beverage	-	-	-	-	-	872	872	5,461
Insurance	1,077	1,893	2,608	10,993	6,338	-	22,909	19,256
Loss (Gain) on disposal of property and equipment	-	-	-	-	110	-	110	(2,270)
Gratuity	-	-	-	-	1,604	-	1,604	4,967
Marketing	-	-	-	-	-	-	-	2,873
Professional Services	-	-	-	66,537	11,300	5,400	83,237	110,557
Public awareness and environmental education	-	6,435	4,459	71,097	704	-	82,695	56,921
Research and monitoring	-	-	6,363	97,275	1,200	-	104,838	56,750
Reserves and parks Improvement	114	-	26,639	1,947	-	-	28,700	15,777
Salaries and benefits	57,642	6,619	137,738	269,206	205,899	1,454	678,558	715,596
Severance	-	-	-	-	8,948	-	8,948	17,509
Social Security	2,875	455	6,925	13,621	8,181	86	32,143	30,976
Sub-grants	-	-	-	48,770	-	-	48,770	300,264
Supplies	5,989	96	4,221	22,636	22,104	480	55,526	62,205
Surveillance patrol and enforcement	30,090	-	42,374	63,249	2,582	-	138,295	99,107
Tours	-	-	-	-	-	17,676	17,676	13,331
Training and networking	952	4,178	18,845	22,511	7,961	-	54,447	45,565
Travel	257	370	438	1,849	3,508	1,848	8,270	11,814
Utilities	236	291	602	8,530	19,803	574	30,036	28,865
<b>BZ\$</b>	<b>111,348</b>	<b>25,432</b>	<b>296,833</b>	<b>871,940</b>	<b>517,593</b>	<b>39,208</b>	<b>1,862,354</b>	<b>1,981,112</b>

The notes on pages 8 to 18 form an integral part of these financial statements.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2021**

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**1. GENERAL INFORMATION**

Toledo Institute for Development and Environment (TIDE) is a non-profit organization limited by guarantee and incorporated in Belize. The address of its registered office is 1 Mile San Antonio Rd., Punta Gorda Town, Belize C.A. TIDE is registered as a non-governmental organization (NGO) under the Non-Governmental Organizations Act, Chapter 315 of the Laws of Belize. TIDE wholly owns a subsidiary, TIDE Tours, a Company limited by guarantee and not having a share capital, which is a licensed tour operator that provides community-based tourism experiences.

TIDE and its wholly owned subsidiary together are referred to as (the Group).

TIDE's mission is to foster community participation in resource management and sustainable use of ecosystems within the Maya Mountain Marine Corridor of Southern Belize. Recognising the interdependent nature of this landscape and its people, TIDE works with stakeholders to implement holistic landscape-level strategies to preserve the natural processes and habitats that sustain biodiversity and people. TIDE manages three protected areas: Port Honduras Marine Reserve, Payne's Creek National Park and TIDE Private Protected Lands.

TIDE is funded by various international conservation groups and international foundations, by private contributions and by its own revenue-generating activities.

These group consolidated financial statements were authorized for issue by the Board of Directors on 11 July 2022.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all of the years presented, unless otherwise stated.

**2.1 Basis of preparing the financial statements**

The consolidated financial statements of Toledo Institute for Development and Environment have been prepared in accordance with 'International Financial Reporting Standard for Small and Medium-sized Entities' (IFRS for SMEs). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the TIDE's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in Note 3.

**2.2 Consolidation****Subsidiaries**

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding of more than half of the voting rights. Subsidiaries, except for those subsidiaries that have been acquired and are held with the intention of selling or disposing of within one year from the acquisition date, are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of acquisition, plus costs directly attributable to the business combination. Any adjustments to the cost of the combination that is contingent on future events, is included in the cost of the combination if the adjustment is probable and can be measured reliably. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Intangible assets are not recognised if their fair value cannot be measured reliably without undue cost or effort at the acquisition date; contingent liabilities are not recognised if their fair value cannot be measured reliably. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between TIDE and its subsidiary, which are related parties, are eliminated in full. Intra-group losses are also eliminated but might indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of the subsidiary are consistent with the policies adopted by TIDE.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.3 Foreign currency translation**

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Belize dollars which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Activities.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Activities 'Other income'. All other foreign exchange gains and losses are presented in the Statement of Activities within expenses.

**2.4 Reporting currency**

These financial statements are prepared in the currency of Belize. The official exchange rate of the Belize dollar is fixed at BZ\$2 to US\$1.

**2.5 Cash and cash equivalents**

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

**2.6 Accounts receivables**

Accounts receivables are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

**2.7 Property and equipment**

Property and equipment are carried at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of furniture and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of activities during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the reducing balance method, at the following rates:

Buildings	2%
Motor vehicles	25%
Boat	20%
Outboard motor	33%
Equipment	20%
Computer	33%
Furniture and equipment	10%

When property and equipment are disposed of by sale or scrapping, the cost and related accumulated depreciation are removed from the financial statements and any resulting gain or loss, determined by comparing the proceeds with the carrying amount, are recognised within general administrative expenses.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
31 DECEMBER 2021****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Impairment of non-financial assets**

Assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**2.9 Investment in land**

Investment in land is recorded at cost less impairment.

**2.10 Accounts payable**

Accounts payable are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**2.11 Employee benefit obligations**

Termination benefit - severance

The Group recognises termination benefits in accordance with the Labour Act (the Act), Chapter 297 of the Substantive Laws of Belize and the Group's policy.

The Act was revised in April 2011 to require that employees who have been employed for (a) five to ten years be paid severance pay of one week's pay for each year of service if retiring on or after 60 years of age or on medical grounds or if terminated for other than good and sufficient cause and (b) employees, with more than ten years of service, be paid severance pay of two weeks' pay for each year of service. The revision also provided for employees whose ten years of service included years of service prior to the commencement of the revision be paid a week's salary for each year served prior to the commencement of the revision and two weeks' salary for each year served after the commencement of the revision. The revision was effective as of 31 December 2011.

It is the Group's policy for employees who resign after having been employed for three years to ten years, to be paid a gratuity of one week's pay for each year of service.

**2.12 Provisions**

Provisions for restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**2.13 Support and revenue recognition**

Support from contributions, which would include grants, are recognized when received. All support are considered to be available for unrestricted use unless specifically restricted by donors.

Grants which benefit future periods (deferred support) are recognised in the statement of comprehensive income on a systematic basis over the periods in which the Group recognizes the related costs for which the grants are intended to compensate. Grants are not recognised in equity.

A grant receivable as compensation for expenses already incurred is recognised as support when it becomes receivable.

Donated property and equipment are recorded at estimated fair market value and accounted for as support for operations in the year in which received. Donated property and equipment which are depreciable are treated as deferred support and allocated to support over the periods and in the proportions in which depreciation on those assets is charged to operations.

The Group recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the entity's activities. Interest income is recognised using the effective interest method.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2021**


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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.14 In-kind contributions**

No amounts have been reflected in the financial statements for contributed services but the Group acknowledges that it has benefited from contributed services provided by individuals. The specialized skills provided would typically need to be purchased if not provided by donation.

**2.15 Business tax**

The tax expense for the period comprises current tax. The tax charge is calculated on the basis of the tax laws enacted at the statement of financial position date. Management evaluates situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of the amounts expected to be paid to the tax authorities.

Taxes are based on monthly gross revenue receipts earned by TIDE Tours and are payable within the following month.

Complying with deferred taxation accounting pursuant to Section 29 of International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) is not applicable.

**2.16 Expenditure recognition**

Expenditure is recognized when incurred.

**2.17 Comparative information**

Where necessary, comparative amounts have been reclassified to conform with changes in presentation in the current year.

**3. INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS**

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including future expectations.

Key sources of estimation uncertainty:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year would be the estimated useful lives of property and equipment.

**4. PROPERTY AND EQUIPMENT**

	Land and buildings	Boat and equipment	Other equipment	Motor vehicles	Furniture and Fixtures	Total
<b>Cost</b>						
At 1 January 2021	4,025,893	761,721	512,569	481,374	61,772	5,843,329
Additions	77,186	69,020	55,728	-	2,027	203,961
Disposals	-	(20,035)	-	-	-	(20,035)
<b>At 31 December 2021</b>	<b>4,103,079</b>	<b>810,706</b>	<b>568,297</b>	<b>481,374</b>	<b>63,799</b>	<b>6,027,255</b>
<b>Accumulated depreciation</b>						
At 1 January 2021	170,431	557,843	380,086	324,169	43,526	1,476,055
Additions	16,607	48,493	39,637	39,301	2,028	146,066
Disposals	-	(19,925)	-	-	-	(19,925)
<b>At 31 December 2021</b>	<b>187,038</b>	<b>586,411</b>	<b>419,723</b>	<b>363,470</b>	<b>45,554</b>	<b>1,602,196</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2021**

**4. PROPERTY AND EQUIPMENT (continued)**

		Land and buildings	Boat and equipment	Other equipment	Motor vehicles	Furniture, fixtures and office equipment	Total
<b>Carrying amount:</b>							
At 1 January 2021	BZ\$	3,855,462	203,878	132,483	157,205	18,246	4,367,274
		=====	=====	=====	=====	=====	=====
<b>At 31 December 2021</b>	<b>BZ\$</b>	<b>3,916,041</b>	<b>224,295</b>	<b>148,574</b>	<b>117,904</b>	<b>18,245</b>	<b>4,425,059</b>
		=====	=====	=====	=====	=====	=====

**5. INVESTMENT IN LAND**

			2021	2020
1,110 acres of Rio Grande land annex jointly owned with Leanne and Craig Knox et al	BZ\$		143,867	143,867
			=====	=====

**6. INVESTMENT, ENDOWMENT FUNDS**

Bank term deposits with original maturities exceeding three months	BZ\$		2,363,449	2,358,909
			=====	=====

**7. ACCOUNTS RECEIVABLE AND PREPAYMENTS**

Accounts receivable			184,634	97,747
Prepayments			14,296	15,097
Interest receivable			17,105	44,295
	BZ\$		216,035	157,139
			=====	=====

**8. ACCOUNTS PAYABLE AND ACCRUALS**

Accounts payable			113,465	102,775
Sundry payables and accruals			6,133	5,558
	BZ\$		119,598	108,333
			=====	=====

**9. DEFERRED SUPPORT**

Balance brought forward			1,190,904	751,074
Less: transfers to support			(1,671,020)	(637,007)
Additions			1,882,182	1,076,837
Balance carried forward	BZ\$		1,402,066	1,190,904
			=====	=====

The following organizations have provided support which will benefit future periods:

BIOPAMA			38,148	54,728
Chemeketa- Reef to Ridge programme			8,656	8,656
DNS/GOB			23,865	31,797
MARFund - Marfish			14,682	69,046
MARFund (Belize Marine Fund)			50,108	47,997
MARFund Small Grants Program			9,104	35,283
MARFund- Summit			9,162	17,247
Massachusetts Audubon Society			127,832	80,840

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2021**

	2021	2020
<b>9. DEFERRED SUPPORT (continued)</b>		
New England Bio Labs Foundation, unamortized portion	999	1,490
Overbrook Foundation	131,762	110,580
PACT (Port Honduras Marine Reserve and Payne's Creek National Park)	450,582	455,842
PACT (Emergency funds to replace stolen boat and engine from TIDE's private protected lands)	6,008	8,967
Seacology capital grant, unamortized portion	52,012	53,075
The Summit Foundation	286,688	214,399
Global Environmental Facility's Small Grants Programme	42,235	-
Environmental Defense Fund	14,108	-
Drake University	134,042	-
European Union	766	957
World Wildlife Fund for Nature	1,307	-
	<b>BZ\$ 1,402,066</b>	<b>1,190,904</b>
	=====	=====

In July 2020, the GETCH Foundation and PACT project was closed as incomplete and arrangements were made to reimburse all unspent funds to PACT.

**10. GRATUITY PAYABLE**

Balance brought forward	17,713	13,729
Addition	23	4,968
Pay-outs	(2,737)	(984)
Balance carried forward	<b>BZ\$ 14,999</b>	<b>17,713</b>
	=====	=====

**11. SEVERANCE PAY PROVISION**

Employee benefits obligation:		
Balance brought forward	124,460	111,897
Addition	8,949	17,509
Pay-outs	(25,243)	(4,946)
Balance carried forward	<b>BZ\$ 108,166</b>	<b>124,460</b>
	=====	=====

**12. CONTRIBUTIONS AND GRANTS**

**12.1 BIOPAMA- IUCN (International Union for the Conservation of Nature and Natural Resources)**

TIDE entered into an agreement with IUCN, where IUCN through the BIOPAMA project agrees to provide funding in an amount not exceeding EUR 400,000 (BZ\$904,214) for project entitled 'To improve the Knowledge, Monitoring and Protection of Mesoamerican Reef's Fish, Spawning Aggregations and Replenishment Zones'. The life of the grant is from 1 July 2020 until 30 June 2023.

Funding of BZ\$88,369 was received in 2020. Funding of BZ\$110,057 was received in 2021.

**12.2 Tropical forest conservation agreement (DNS)**

In September 2001, TIDE signed into a "Tropical Forest Conservation Agreement" (FCA) with the Government of Belize (GOB), The Nature Conservancy (TNC), Programme for Belize (Pfb), Belize Audubon Society (BAS) and Protected Areas Conservation Trust (PACT). Under a Debt for Nature Swap (DNS) agreement between the Government of the United States of America (USA) and GOB, the USA agreed to cancel certain debts owed by the GOB to the USA in exchange for a commitment by GOB to fund forest conservation activities in Belize. The monies that were to be used for the debt payments were restructured under the FCA to be used to (i) provide funds for TIDE, Pfb, BAS and PACT Foundation to carry out forest conservation activities and (ii) to accumulate funds that can be used to conserve, maintain and restore the protected reserve lands in perpetuity by the establishment of endowment funds.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2021**

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**12. CONTRIBUTIONS AND GRANTS (continued)****12.2 Tropical forest conservation agreement (DNS) (continued)**

Activities that are allowed for funding under the agreement include the establishment, restoration and protection of protected areas and reserves; developing and implementing scientifically sound land and ecosystems management practices; training programs that increase the technical, scientific and managerial capacities of the organizations; restoration, protection or sustainable use of diverse animal and plant species and research on medicinal uses of tropical plant life to treat human related illnesses.

The agreement provides that GOB make scheduled payments to TIDE beginning in 2002 and ending in 2027. In accordance with the agreement, a portion of the funds is designated "endowment funds" and a portion is designated "land management funds".

As of 31 December 2021, the total funds received under the agreement amounted to BZ\$5,876,638. Of this amount, BZ\$1,833,684 has been placed in the endowment fund account as required by the agreement.

Endowment Fund:

The agreement provides that there shall be no disbursements or transfers from the Endowment Fund accounts during the "build-up period", that is, from 2001 until 31 March 2011. It also stipulates that after the "build-up period", disbursements from the Endowment Fund accounts shall not, in the aggregate, exceed more than five percent of the total amount held on deposit in the Endowment Fund account on the last day of the previous fiscal year or as the parties shall otherwise agree in writing. It provides, furthermore, that a maximum of fifteen percent of the five percent is allowed to be spent on overhead expenses.

The endowment fund account started with an initial allocation of BZ\$28,568 received for the fiscal year 2001/2002. Similar amounts were received in the years 2002/2003 and 2003/2004. Subsequently, the annual endowment allocation was increased to BZ\$134,084 in accordance with the scheduled payments.

The Endowment Fund had a balance of BZ\$2,363,449 at the end of the 2021 fiscal year (2020 - BZ\$2,358,909).

During the examination by the auditors, the auditors found no disbursements or expenditures of FCA income in violation of the authorized purposes as stipulated in the FCA agreement.

**12.3 European Union**

The European Union, represented by the European Commission (the 'Contracting Authority'), signed a contract with TIDE to award a grant of EUR 1,000,000 (BZ\$2,799,621) to finance the implementation of the project entitled: 'Restoring fisheries in the Mesoamerican Barrier Reef System'. The implementation period of the project started upon the signing of the contract on 22 December 2016. The estimated life of the project is 36 months. The execution period of the contract shall end when the payment of the balance is made by the Contracting Authority and, in any event, at the latest 18 months after the end of the implementation period.

Funds received for the period ended 31 December 2017 were BZ\$731,816, BZ\$547,783 was received in 2019 and BZ\$618,861 was received in 2020. A balance of BZ\$73,477 is yet to be requested for reimbursement from the EU based on the review of the contracting authority.

**12.4 Mesoamerican Reef Fund (MAR Fund)****12.4a MARFund (Belize Marine Fund)**

TIDE was awarded a grant of US\$45,000 (BZ\$90,000) for a project entitled 'Contributing to the Knowledge, Monitoring and Protection of the Mesoamerican Reef's Fish Spawning Aggregations and Replenishment'. Originally the life of the project was 1 December 2019 to 30 November 2020; the Grantor granted a six month no-cost extension. The new period was 1 December 2019 to 31 May 2021.

Funding of BZ\$55,000 was received in 2019, BZ\$26,000 was received during 2020 and BZ\$9,000 in 2021 when the project was completed.

**12.4b MARFund Small Grants Program**

TIDE was awarded a grant of US\$27,853 (BZ\$55,706) for a project entitled 'Towards the Knowledge, Monitoring and Protection of MAR Fish Spawning Aggregations and Replenishment'. Originally the life of the project was 2 March 2020 to 30 February 2021; the Grantor granted a six month no-cost extension. The new period was 2 March 2020 to 31 August 2021.

Funding of BZ\$50,136 was received in 2020 and BZ\$5,570 in 2021 when the project was completed.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2021****12. CONTRIBUTIONS AND GRANTS (continued)****12.4 Mesoamerican Reef Fund (MAR Fund) (continued)****12.4c MARFund - FFEM (Marfish)**

TIDE was awarded a grant of US\$78,725 (BZ\$157,450) for a project entitled 'Knowledge, Monitoring and Protection of the Mesoamerican Reef's Fish Spawning Areas'. Originally the life of the project was two years but a no-cost time extension of one year was granted in order to complete activities that were cancelled due to Covid-19 pandemic. The new period for the project is December 2019 to July 2023.

Funding of BZ\$110,215 was received in 2020. No funding was received in 2021.

**12.4d MARFund - Summit**

TIDE was awarded a grant of US\$10,529 (BZ\$21,058) as emergency funding in response to the COVID-19 pandemic, for the management of Port Honduras Marine Reserve, Paynes Creek National Park and TIDE Private Protected Lands. The grant is to be used through remainder of 2020 to early 2021.

The full amount of the grant was received during 2020. The project was completed during the year.

**12.5 Massachusetts Audubon Society**

Massachusetts Audubon Society granted US\$50,000 (BZ\$100,000) during 2020 and US\$50,000 (BZ\$100,000) during 2021 to support ongoing conservation efforts within the Maya Mountain Marine Corridor with a focus on Payne Creek National Park. The grant was received in full in 2021.

During the year, Massachusetts Audubon Society granted US\$15,000 (BZ\$30,000) for the return the salaries that were cut in 2020 due to the pandemic, scholarships and salary for Tide Tours manager. The grant was received in full in 2021.

**12.6 Overbrook Foundation**

**12.6a** The Overbrook Foundation awarded a grant of US\$70,000 (BZ\$140,000) in support of TIDE for General operating support. The life of the grant is from 1 March 2019 until 28 February 2021.

The funding of BZ\$70,000 was received in 2019 and the remaining balance of BZ\$70,000 was received in 2020.

**12.6b** The Overbrook Foundation awarded a grant of US\$35,000 (BZ\$70,000) in support of TIDE for Management of Port of Honduras Marine Reserve. The life of the grant is from 1 December 2019 until 30 November 2020.

The funding of BZ\$70,000 was received in 2020.

**12.6c** The Overbrook Foundation awarded a grant of US\$35,000 (BZ\$70,000) in support of TIDE for Management of Port of Honduras Marine Reserve. The life of the grant is from 1 December 2020 until 30 November 2021.

The funding of BZ\$70,000 was received in 2021.

**12.6d** The Overbrook Foundation awarded a grant of US\$35,000 (BZ\$70,000) in 2021 for general support to continue TIDE's Conservation and sustainable development work. The life of the grant is from 1 March 2021 until 28 February 2023.

The funding of BZ\$70,000 was received in 2021.

**12.7 Protected Areas Conservation Trust (PACT)**

**12.7a** TIDE entered into an agreement with PACT, where the Trust agrees to provide funding in the amount of BZ\$353,600 for the project entitled 'Marine Conservation in Southern Belize- Port of Honduras Marine Reserve' within a two-year period starting July 2019. The objective of the project is to expand and establish climate adaptation measures and maintain ecosystems services and environmental value of four marine protected areas in Southern Belize.

Funds amounting to BZ\$319,500 were received during 2019. In July 2020, through no fault of TIDE, PACT requested that project be closed and arrangements were made to reimburse all unspent funds to PACT.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2021**

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**12. CONTRIBUTIONS AND GRANTS (continued)**

**12.7b** TIDE entered into a partnership agreement with PACT, where the PACT agrees to provide funding in the amount of BZ\$1,752,000 for the program entitled 'Maintaining the effective and sustainable management of the resources within Port Honduras Marine Reserve (PHMR) and Payne's Creek National Park' (PCNP) over a three-year period. The objective of the program is to contribute towards improved protection, biodiversity conservation and increased investments for the benefit of the National Protected Areas System (NPAS) priority ecosystems and their buffering communities.

Funds amounting to BZ\$235,750 were received during 2019, funds amounting to BZ\$799,279 were received in 2020 and BZ\$674,221 were received in 2021.

In 2021, PACT agreed for the use of BZ\$27,960 of the BZ\$34,751 contingency funds for 'Emergency repairs and maintenance to PCNP and PHMR ranger station facilities'.

PACT also approved in July of 2021 a request by TIDE for a reprogramming several line items within the financial report totalling BZ\$107,302.28 from year 2 to year 3 to ensure that the program meets its intended results.

**12.7c** In 2019, PACT awarded a capital grant of BZ\$20,000 to replace stolen boat and engine from TIDE's Private Protected Lands. This grant is being recognized in the statement of activities over the useful life of the asset.

**12.8 Seacology**

Seacology awarded a capital grant of US\$30,000 (BZ\$60,000), via Philanthropic Ventures Foundation, for the expansion of housing for paying volunteers.

**12.9 The Summit Foundation**

**12.9a** The Summit Foundation granted US\$124,000 (BZ\$248,000) for general support of effective management of the Port Honduras Marine Reserve. The grant period is from July 1, 2019 to October 31, 2020. The funding was received in full during 2019.

**12.9b** In August 2020, The Summit Foundation approved a general operating support grant of US\$125,000 (BZ\$250,000) to TIDE. The grant period is from 1 August 2020 to 31 July 2021. The funding was received in full during 2020. An extension of the grant period to January 31 2022 was agreed to by both parties in November 2021.

**12.9c** In October 2021, The Summit Foundation approved a general operating support grant of US\$125,000 (BZ\$250,000) to TIDE. The grant period is from 1 October 2021 to 30 September 2022. The funding was received in full during 2021.

**12.10 The New England Bio Labs Foundation**

In 2019, TIDE received a capital grant (BZ\$3,320) for two laptops from the New England Bio labs Foundation. This grant is being recognized in the statement of activities over the useful life of the assets.

**12.11 UNICEF**

TIDE entered into a partnership agreement with UNICEF, where UNICEF agreed to provide funding in an amount not exceeding BZ\$80,000 for the project entitled 'Implement community-based programmes focused on empowerment, protection and prevention of family violence'. The grant period is from July 2020 to June 2021.

Funding of BZ\$5,059 was received in 2020 and BZ\$58,612 in 2021.

**12.12 World Environmental Center**

The World Environmental Center granted US\$43,000 (BZ\$86,000) in 2018 for project entitled "Follow-up investment for four inclusive and sustainable, community-based, natural resource businesses around the Maya Mountain and Columbia River Forest Reserves, Toledo, Belize". The estimate life of the grant was from 1 October 2018 to December 31, 2019.

Funds amounting to BZ\$71,959 was received during 2019. The remaining balance of BZ\$14,041 was received in 2020.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2021**

**12. CONTRIBUTIONS AND GRANTS (continued)**

**12.13 World Wildlife Fund (WWF)**

TIDE entered into an agreement with WWF, where WWF agreed to provide funding in an amount not exceeding US\$6,571 (BZ\$13,142) for project entitled 'Collecting and Compiling Data for the Resilience Analysis of Belize's Marine Protected Areas System to Climate Change using Socio-economic and Biophysical datasets. The estimated life of the grant was 7 July 2020 to 14 September 2020.

The full amount of the grant was received during 2020.

**12.14 Gulf and Caribbean Fisheries Institute, Inc.**

The Gulf and Caribbean Fisheries Institute, Inc, granted US\$10,931 (BZ\$21,862) with respect to improving Fisheries Resilience in Port Honduras Marine Reserve, Belize through Coral Disease Monitoring and Response. The estimated life of the grant is July 2021 to July 2022.

Funds amounting to BZ\$10,931 were received in 2021

**12.15 Environmental Defense Fund, Incorporated**

The Environment Defence Fund, Incorporated, granted US\$7,500 (BZ\$15,000) to share resources from the Small-Scale Fisheries Resource and Collaboration Hub ("SSF Hub"), participate in the SSF Hub's community forum, and provide feedback to SSF Hub partners on improvements. The estimated life of the grant was 15 September 2021 to 1 March 2022.

The full amount of the grant was received during 2021.

**12.16 The GEF Small Grants Programme**

The GEF Small Grants Programme, granted US\$100,000 (BZ\$200,000) for building capacities in forest fire management among Indigenous Peoples and local communities in Belize. The estimated life of the grant is 11 January 2021 to 30 June 2022 .

Funds amounting to BZ\$90,000 were received in 2021

**12.17 Ocean 5 and Summit**

This Grant Agreement was signed between TIDE and MAR Fund as counterpart to the MAR Fish Project. The budget of US\$78,409 is being funded as follows: Summit Foundation (US\$23,409) and Oceans 5 (US\$55,000)

Total funding amounting to US\$31,364 (BZ62,728) was received during in 2021.

		2021	2020
<b>13. INTEREST INCOME</b>			
Interest income on term deposits	BZ\$	39,085	36,441
		=====	=====
<b>14. TRANSFER FROM TEMPORARILY RESTRICTED FUNDS</b>			
Budgeted allocation from DNS temporarily restricted funds to be utilised for the period October 2020 to September 2021 (October 2019 to September 2020).	BZ\$	123,469	123,950
		=====	=====

**15. TAXATION**

The provisions of the Income and Business Tax Act provides for the exemption of receipts of any ecclesiastical, charitable or educational institution of a public character from business tax in so far as such receipts are not derived from a trade or business carried on by the institution.

Tour revenue is chargeable at a rate of 6% and other revenues generated by TIDE Tours are chargeable at a rate of 1.75%.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2021**

**16. CONTINGENT LIABILITY**

During 2019, the Group, received notices of assessment totalling BZ\$123,000 in taxes, penalties and interest for the years 2015 to 2017 in relation to TIDE Tours revenues. The Group has disputed the assessments on the grounds that they are unreasonable, excessive and illegal and sought clarity on the basis of the imposition of taxes on a registered NGO. In March 2019, the Group lodged an appeal for hearing, consideration and decision. The appeal is still ongoing and the outcome of the appeal is uncertain since the Group has not received a response to the appeal lodged.

**17. RESTATEMENT**

During the year, the Group discovered that grants received towards purchase of depreciable property and equipment had been recognized as grant income.

The errors have been corrected by restating each of the affected financial statement line items for the prior periods as follows:

	31 December 2020	Increase (Decrease)	31 December 2020 (restated)	31 December 2019	Increase (Decrease)	1 January 2020
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>						
<b>Current liabilities</b>						
Deferred support	992,000	198,904	1,190,904	715,430	35,644	751,074
<b>Total current liabilities</b>	<b>1,100,333</b>	<b>198,904</b>	<b>1,299,237</b>	<b>856,144</b>	<b>35,644</b>	<b>891,788</b>
<b>Net assets</b>						
Temporarily restricted	3,855,786	(198,904)	3,656,882	3,234,218	(35,644)	3,198,574
<b>Total net assets</b>	<b>7,245,728</b>	<b>(198,904)</b>	<b>7,046,824</b>	<b>7,036,430</b>	<b>(35,644)</b>	<b>7,000,786</b>

**CONSOLIDATED STATEMENT OF ACTIVITIES  
AND CHANGES IN NET ASSETS**

**Public Support**

Total Grants	1,817,092	(163,260)	1,653,832
<b>Total in net assets for the year</b>	<b>209,298</b>	<b>(163,260)</b>	<b>46,038</b>

**18. COVID-19**

A coronavirus (Covid-19) outbreak was first documented in Wuhan, Hubei Province, China in December 2019. Coronaviruses are a large family of zoonotic viruses that cause illness ranging from the common cold to severe respiratory diseases. On 11 March 2020 the WHO declared the novel coronavirus outbreak to be a pandemic. On 23 March 2020, Belize declared its first confirmed case of Covid-19 in Belize. Due to Covid-19, the Government of Belize declared a State of Emergency for the Country of Belize effective midnight 1 April 2020.

The global economic impact has been significant. The Group has no intention to liquidate or cease operations; it expects to continue to generate sufficient revenues to be able to continue to operate for the foreseeable future. The pandemic has impacted the Company's 2020 and 2021 financial results. The Board of Directors took strategic precautionary measures to cut salaries and reduce the level of staff. Salaries were normalized once operations improved.

The income through its subsidiary, TIDE Tours, was significantly impacted by Covid-19 in 2021.