

Financial Statements Year Ending 31st December 2020

MINUTES OF THE ANNUAL GENERAL MEETING (AGM)

of the

BELIZE CHAMBER OF COMMERCE & INDUSTRY (BCCI)

August 30th, 2020

at the Best Western Belize Biltmore Plaza

1.0 Call to Order

The meeting was chaired by Councilor, Ms. Katherine Meighan, and commenced at 6:00 p.m. with the singing of the national anthem by Ms. Danielle Reneau which was followed with a virtual prayer by Reverend Ilona Smiling.

2.0 Welcome

Mr. Arturo "Tux" Vasquez – Past President gave the welcome address.

3.0 Presentation by Nominees

The nine nominees each gave a short two-minute presentation about themselves and why they should be voted in as Councilors. The voting was done online and started at 1:00 p.m. and closed at 7:15 p.m.

4.0 Video Presentation

A video presentation was shown to members on the Year in Review – 2019.

5.0 Introduction of Guest Speaker

The Guest Speaker Hon. Mia Amor Mottley Q.C. MP Prime Minister of Barbados was introduced by the Mistress of Ceremonies, Ms. Katherine Meighan.

6.0 Presentation by Guest Speaker

Hon. Mia Mottley did a pre-recorded speech on the topic "The Barbados Revitalization: Keeping a Business Approach to the Barbados Recovery. This was shared with members on the big screen. (For a copy of this speech please click HERE.)

7.0 Opening of Business Session

The business session was opened by the CEO – Mrs. Kim Aikman.

8.0 Review and Confirmation of Minutes

Mrs. Kim Aikman reviewed the minutes of the 2019 AGM. The minutes were confirmed upon a motion by Mrs. Joanna Usher and seconded by Mrs. Jaimala Vasquez.

9.0 Resolution to Re-appoint Auditors for 2020/2021

A resolution was passed to reappoint BDO BELIZE LLP as the BCCI's auditors for the fiscal year 2020/2021. The motion was adopted by Mrs. Dionne Miranda and seconded by Mrs. Claudette El Ters.

10.0 President's Report

"With protocol duly established and in the interest of time I will proceed with my participation.

Our meeting tonight is not only a special event, but it is also a moment of time laden with historic significance. I am sure you all may be wondering the reason for this historic significance, but we will get to that very soon!!!

Every two years we come together, as mandated by our constitution, to select by secret ballot members to our Executive Council. This is the time when we return to you to report and give an account of all we have done on your behalf; and naturally of course, to also refresh our mandate. This in itself makes our meeting tonight a very special one. However, this 2020 AGM is extra special, because tonight marks the beginning of our Centennial year and this adds to the preeminence of our meeting tonight.

Our Chamber came to life in 1920, the same year that the League of Nations held its first general assembly meeting in Geneva. For our media members, 1920 was also the year the mass media was born when the first commercially licensed radio station began broadcasting live results of the presidential election.

As an organization, we find ourselves in the wake of recent events destined to reshape the landscape and history of our nation. Technology and the media have made us effective witnesses of the events, the developments, the revelations, the admissions and the schemes that leave many of us, with more questions than answers. In the midst of these transformational events, we will select a new President and a new Executive Council to lead us into our Centennial year, and this, ladies and gentlemen, provides the historical significance of our meeting tonight.

Our general membership can be assured that we find ourselves stronger than ever, in our commitment to advocate for and champion the business interest of the private sector, with the strength, the determination, the vision, and character of 100 years of experience, zeal,

and drive. This is what we do via our Triple C philosophy – to Connect, to Capacitate, and to Champion.

As I look back over the past 12 months to summarize the key activities and achievements, I do so with an immense measure of gratitude for your support, and the steadfast commitment of our Executive Council, our CEO, and our Secretariat. To these teams, and team of teams I say a special thank you! I say thanks not only on my own behalf, but also on behalf of our general membership.

The achievements and milestones that we highlight are not only an enduring testament to the vision, character, and talent of this team of teams, but also evidence of the generosity of the member organizations that have allowed us time and resources to champion the interest of the private sector. It is impossible to repay such kindness.

From its initial announcement in March 2018 to its coming into law in January 2020, your Chamber has supported Government's eco-friendly policy aimed at phasing out single-use plastics. We believe that our development must not come at the sacrifice of our environment nor at the expense of our natural heritage. Through consultations with the Department of the Environment, we kept our members informed regarding the general rationale, objective and direction of the Phasing-Out of Single-Use Plastics, and about green alternatives. We also had consultations with our member in this industry Tu'Kan Manufacturing to provide them with recommendations to be able to sustain this change.

There is also the Front of Packaging Label (FOPL) Regional Standards that the Caribbean Regional Organization for Standards & Quality (CROSQ) is currently working to bring into regional effect. These standards provide for mandatory warning labels for food products that summarize their nutritional facts for easy understanding. This would apply to all manufacturers, importers, distributors and other entities engaged in the production and or trade of pre-packaged food within any CARICOM Member State. The business concern is not only the incremental cost of the labels themselves, but also the potential reformulation or repackaging of packaged food products.

We provided private-sector feedback to CROSQ. While in full support of providing consumers nutritional information, our feedback highlights the incremental cost to business, which will translate into higher prices for consumers. The Chambers of Commerce in the Caribbean have also made similar representation to CROSQ and work is still ongoing at the local and regional level.

Our next item is in relation to the Motor Vehicles and Road Traffic (Amendment) Regulations, 2019. This Statutory Instrument allowing only one "direct in transit" class of International Bus Service Provider to enter Belize per day had the potential to exclude Belize from a well-developed Guatemala-Belize-Mexico tourist route. To avert potential industrial action by the Belize Bus Association, we immediately appointed an in-house Committee headed by our VP for Services, Ms. Marissa Longsworth, along with other members of the EC, our CEO – Mrs. Kim Aikman and our Chief Policy Analyst – Mr. Dyon Elliott. This team's charge was to meet with representatives from the Belize Bus Association, Belize Hotel Association, and the Ministry of Tourism in a concerted effort to find an acceptable solution.

The result of this and several other follow-up meetings was a revised Statutory Instrument that satisfied stakeholders' interests, and that continues to benefit our tourism industry. We maintain however, that the Comprehensive National Transportation Master Plan, extensively reviewed and approved by all stakeholders, provides a suitable framework to address all the fundamental concerns in a strategic and sustainable manner.

A very important achievement this year was the success we had in refinancing our bank loan with far more favorable terms and conditions. Last year we reported on the loss of the tenancy agreement and the resulting strain on our financials and cash flow. This refinancing arrangement is of great help to the improvement of our financial position. Four years ago, the Executive Council had written to the Board of Trustees requesting approval to advertise for sale, the BCCI's property on Regent Street. The Trustees granted approval for all three plots to be sold as one unit and for no less than the appraised value previously received. Whilst there have been very few interests in purchasing the entire property as one unit, or even at the appraised value, we nonetheless continue to work with our realtor to sell, which will further improve the Chamber's financial position.

Leading up to the national referendum of May 8, 2019, and as part of the education process thereof, we held a business mixer on February 19, 2019 discussing the "Belize - Guatemala Dispute" with Guest Speaker Ambassador Alexis Rosado. There were 51 persons in attendance who participated in an entrance and exit poll. The result showed that the "unsure" votes reduced significantly to a "yes" vote after the presentation by Ambassador Rosado.

The San Pedro and Punta Gorda Chapters hosted similar mixers on March 8, 2019 and March 14, 2019, respectively.

I am happy to say that the BCCI teamed up with the Belize Network of NGOs to support the Referendum as 'referendum monitors'. We provided financial and in-kind support, while the BNN provided the on the ground human resources. Together we had consultations with other observers from CARICOM and the Commonwealth mainly on the education process, the integrity of voters' list and other issues surrounding the referendum.

In May 2019, the BCCI participated in the third National TVET Conference. For those who may be wondering, TVET stands for 'Technical and Vocational Education and Training'. The theme of the conference was "Improving TVET: creating higher standards through quality and innovation for improved productivity, employment and sustainability". Several board members of the BCCI participated: EC member Andree King gave remarks at the conference; Past President Kay Menzies was a panelist on the topic: "Effective leadership and management for improved quality standards and productivity", and your President Nikita Usher presented on "TVET and industry engagement from a private sector perspective". We share the view that TVET is an important cornerstone in the development of any nation, as it enhances the potential of our workforce and uplifts their lives and that of their families.

This past year we have continued to advocate for more urgent and decisive actions to formalize and implement the UNCAC legislative framework. Along with other Civil Society Organizations, we believe that we should be further ahead on the road to implementation than where we are today. We verbally and through correspondence engaged the Prime Minister requesting his intervention to re-energize the UNCAC implementation process and help drive it into high forward gear.

We do not expect that the UNCAC legal framework will eliminate corruption, but we believe that it certainly provides for clear recourse against those who use their positions of public trust for their own enrichment or that of their families and friends. We participated in the Anti-Corruption Training that the UN Office on Drugs and Crime and the Attorney General Ministry provided in July 2019. The training focused on "Advocacy for Civil Society Organizations on Anti-corruption". Great training! However, we need more implementation urgency of the UNCAC legislative framework. The litany of corruption related events is further proof of this.

An important discussion for the business community and for Labor is that of the Occupational Safety and Health Bill, more commonly referred to as the OSH Bill. This is of keen interest to the BCCI as the official Employers representative, and the NTUCB which is the umbrella organization representing the unions of workers in Belize. While the specific interest for each stakeholder is unique, both organizations understand the

value of having effective and efficient OSH legislation in place. At a joint meeting between BCCI and NTUCB, both teams agreed for each organization to nominate representatives to a small joint team to review the OSH Bill and bring it to a final Bill format, supported by the general membership of both entities. Work is ongoing on this comprehensive review of the bill by the joint team.

I now turn to something very dear to us – the BCCI Manifesto. I must admit that the term 'manifesto' is generally and popularly associated with political parties. We are not a political party, nor pretend to be one, nor are we aligned with any political party. Our agenda is strictly a business agenda aimed at the sustainable growth, development, and strengthening of the private sector. We worked on our Business Manifesto 2020/21 under the banner of "Improving the Entrepreneurship Ecosystem". The Executive Council reviewed and accepted the final draft, which we are to present and share with all stakeholders, including the leadership of all political parties. I repeat... we are not a political party... nor play politics!

One of the fundamental components of our business manifesto focuses on the issue of taxation in all its shapes and forms. In the past year, members of the Executive Council, the CEO and Chief Policy Analyst met with a visiting team from the IMF to discuss tax policy matters, including the on-the-ground impact of Belize's International Tax Regime. Of keen interest was the impact certain tax regimes such as the International Business Companies Act, the recent amendments to the Income and Business Tax Act, and the change to the Designated Processing Areas (DPA) Act, had on foreign investment.

Although we are making progress, we are a long way from having a tax regime designed for socio-economic growth and development and devised to encourage investment and entrepreneurship. While we continue to call for better tax administration services, we are also mindful that we also need timely, fair and objective tax audits, collections and refunds... Yes, REFUNDS!

If you have logged into our website, you would have noticed in the menu options one called Policy Tracker. The development of this Policy Tracker was possible by way of funds from an OAS grant. It enables the public to access Bills and Statutory Instruments published in the Gazette and gives a brief synopsis on how these Bills and SI's affect them. It also offers a subscription feature linked to PolicyTracker.bz. Persons subscribed to this website receive updates in the specific areas of interest, given that the subscription page allows subscribers to select the category of content they would like to receive. This is one more way your Chamber continue to improve its services to you and the business community.

Mindful of our commitment to external trade, and recognizing its value to our economy, the BCCI responded to a call from the Directorate General of Foreign Trade to assist by inviting our members to a consultation meeting on a Partial Scope Agreement for trade between Belize and Taiwan. It was groundbreaking with one session held in Belize City on September 25, 2019 and the other in the City of Belmopan on September 26, 2019. We are happy to be part of these initiatives that promise to open the Taiwanese market to 'made in Belize' products. BCCI had a representative on the Belize negotiating team with Taiwan.

Finally, among the notable activities of the past year, is our continued push for the establishment of a viable stock exchange / stock market in Belize. We participated in the fact-finding mission of the Jamaica Stock Exchange. This meeting gave local stakeholders the opportunity to appreciate the framework needed to establish a successful Stock Exchange in Belize. After a two-hour discussion, the group—which included representatives from IFSC, CBB, BCCI, Heritage Bank, Scotiabank, and the National Bank – agreed on two priorities. The first priority is to pursue a joint venture with JSE that establishes a type of Belize-centric JSE-subsidiary; and secondly, to request technical assistance to help us "leapfrog" the traditional and lengthy steps that would normally precede the development of a stock market.

If you visit our website, under the Policy Tracker option, you will find a comprehensive report "A Blueprint for Capital Market Development in Belize", published in November 2019. Additionally, keeping on the theme of finance, while it is not yet something we can share publicly, I can tell you that the Central Bank of Belize has produced a draft of the Capital Market Bill as well as one for Credit Reporting Systems. These two pieces of legislation, although in their draft form, brings us several steps closer to addressing that access to finance constraint that we have discussed so many times over the years.

I must emphasize, as well, that one of the greatest contributions of the BCCI EC is representation in various standing boards and committees. The BCCI has representation in over 50 such boards and committees, as well as representation in ad hoc meetings and negotiations. Through these representations, we maintain and promote the interest of the private sector grounded on transparency, accountability, and good governance.

The BCCI continued with the weekly Business Perspective (BP) Show to inform and educate our members and the public on matters of concerns to Business. We continue to receive great reviews and feedback. Thanks for your support.

We cannot forget the different Expos that we have had over the past twelve months: the Made in Belize Expo held in May 2019 at the National Agriculture Show Grounds; the

Belize Market Place Expo in September 2019, and others. The feedback and support have been enormously encouraging.

These are the highlights of the past twelve months. We are an open organization fully committed to the principles we preach – transparency and accountability. We welcome your input and constructive comments on how we can serve you better. Our vice presidents have opened communication channels with you to address sector specific issues and concerns. We thank you for your continuing support.

At this time, I also wish to remember along with these achievements the hard work, the kind words, the laughs, the discussions, the excitement, and the moments of joy that we the EC, Ex-Officio, CEO and the Secretariat have enjoyed. It is certainly a great gift and a wonderful experience that we will always remember and treasure.

Chamber members, thanks for having us onboard, and for allowing us the opportunity to look after your interest. Your confidence and trust in us is reassuring, and we unwaveringly commit to continue serving you with dignity and respect. As my term as your President ends tonight, I leave more optimistic than when I started, because I know that our hard work has not just helped a few companies, it has inspired so many more businesses and SMEs, as the records show that our membership has grown by nineteen percent (19%) since my taking office in 2016. I am eternally grateful to have served you and it does not stop here, as I will serve in the capacity of Immediate Past President. In parting, I do have one final request, that you remain steadfastly supportive of our new President and our new Executive Council.

Ladies and Gentlemen let us make our centennial year 2020-2021 a memorable and impressive one, a fitting start for the next 100 years.

God Bless us all, and God Bless Belize..."

11.0 Presentation of Cayo Chapter

Ms. Debra Adamson was presented with the sign for the Cayo Chapter by the President – Mr. Nikita Usher.

12.0 Presentation and Adoption of the 2019 Financial Statements

The Treasurer – Mr. Giacomo Sanchez presented the financials. A motion was made to adopt the Financials by Mr. Meliton Auil Jr. and seconded by Ms. Virginia Echols.

13.0 Presentation of Awards & Gifts

The President presented the Secretariat's Award to Mr. Giacomo Sanchez. Awards were also given to members who have been with the Chamber over 50 years. A gift was presented to the President - Mr. Nikita Usher by the CEO, to the members of the EC by the President and lastly a gift was presented to Mrs. Kim Aikman - CEO from the Secretariat.

14.0 Presentation of New Board

A new Executive Council was elected. They are as follows:

President - Marissa Longsworth

Past President - Nikita Usher
V.P. Commerce - Marcello Blake
V.P. Industry - Allen Reimer
V.P. Services - Katherine Meig

V.P. Services - Katherine Meighan
Secretary - Ashanti Martin
Treasurer - Giacomo Sanchez
Councillor - William Usher
Councillor - William A. Neal
Councillor - Raymond Barkman
Councillor - Jody Williams

Councillor - Carlo Habet

15.0 New President's Address

"Good evening Chamber members, dignitaries including the Ombudsman and the Ambassador of Panama to Belize, special guests, EC members (outgoing and incoming), Secretariat staff, ladies and gentlemen.

It goes without saying that accepting and carrying out this role will require spiritual fortitude and an innate belief in ones call to greater service; therefore, my first offering of gratitude is to God for, through this appointment, clearly laying out new duties for me to fulfil.

I offer a special greeting to my family here and everywhere sharing this special day with me. My mother and grandmother will be watching from Jamaica; I pay tribute to them as strong, independent and pioneering female leaders in their own fields... and luckily for me as the 'apple', I did not fall far from the tree. It has been the best training and tutelage over my 31 years (so far), because it has been grounded in love and sincere good intentions for my future. My brother Brad, who is watching from Toronto, Canada, has been a constant source of support when I need to reason through personal and professional issues. Here as my family support this evening are my father, Gary Longsworth, my aunt Rhonda Lecky and my uncles Carlson Gough and Paul Lecky. They are each accomplished professionals

who have immense experience in Belize and elsewhere, and they continue to guide me with steadfast reassurance and presence that only family can provide.

There are others, not related to me by blood, but who are true contributors to some part of my life thus far. Thank you for being a part of the village that continues to raise this (once) child through my various stages of life.

The fact is not lost on me, and I actually find it most important to highlight, that the Belize Chamber of Commerce and Industry ('the BCCI') is celebrating its 100th anniversary this year. Little would the founders in 1920, and the successive executive members over that hundred-year history, have known that they would, in spirit, become a part of the village that will take me through my next two-year term, inspired by the calculated and well-engineered moves that have built the solid structures and foundations for more. Little would they have known, also, that at the point in which I am to guide this BCCI in this new century, our members, Belize and the world overall would be trying to find stability in the quicksand of what has been termed a 'once in a century' pandemic.

What is significant is the fact that the Chamber was born in the year of the last 'once in a century' pandemic of epic proportions, the Spanish Flu. Since then, this long-lasting, effective, and respected movement of businesspeople has been a reliable resource for the entire private and public sectors during important occurrences in history including Belize's independence, the destruction caused by natural disasters like hurricanes, the rollercoasters of national political movements and their impacts on doing business, as well as countless other challenges. What I am trying to say is... we were BUILT FOR THIS. Though the exact circumstances are different, the crisis-ready abilities are on repeat: rescue, recovery, relief... re-evaluate, innovate, create. We are juggling the necessary patience required for precaution, but anxious to change and adapt.

The BCCI, like any other entity, will have to re-evaluate its own capacity and align ourselves to serve the immediate needs of our members, which have inevitably shifted due to the extreme challenges at this time. Then, we will innovate, and we will create new programmes, modified services, riding on a renewed vision of Belizean business for the next hundred years, at least. Belize is in the midst of this crisis, and the crisis is testing our 'rescue, recovery, and relief' abilities, both from a public health and fiscal standpoint. We continue to stand firmly in the belief that an environment in which it is easy to do business is one that allows for us to actively partake and partner in the rescue, recovery and relief of the country in any situation. We continue to express grave concern about, and will intensify our efforts to battle, serious obstacles including crime, corruption, inefficiency in public sector, overly complex and burdensome taxation.

And our interventions are only impactful with the feedback and collective direction of our members, which remains the most important element of this resilience. Not only in times of crisis, but at all times, the data collection process is of inexplicable importance and influence to the Executive Council. Our purpose is to amplify the voices of our members on issues that affect businesses, entire sectors and industries. The word 'entire' there means that we are placing importance on hearing from as many members as we can. We

will consistently seek ways to engage with you, our members, through platforms which are confidential, efficient and reliable. It is my hope that we can strengthen the research and analysis capabilities of the BCCI, hopefully through university partnerships, with a goal to issue detailed research publications that spur widespread public discussion around unbiased and data-driven conclusions.

With better data and more information, all businesses (members or not) will be able to plan better, predict better and experience steady growth as a result. With all the bountiful resources that this country is blessed with, including naturally creative and good-natured people, not only can we provide for ourselves in many ways but also for others beyond our shores. Businesses invest to harness those resources and add 'Brand Belize' value so that we can proudly display them to the world. With the right recipe of courageous businesses and facilitative public policies, the outcome will not just be impressive... it will not just be satisfactory. It will be UNBELIZEABLY GREAT.

I look forward to working with all towards these goals."

16.0 Thank You

The official thank you and invitation to the Social was given by Mr. Marcello Blake – V.P. Commerce.

Approved by:

Mrs. Askanti Arthurs-Martin - Secretary

Prepared by:

Ms. Ruth Gillett - Senior Administrator

BELIZE CHAMBER OF COMMERCE & INDUSTRY Financial Statements

Year ended 31 December 2020



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Independent auditor's report to the members of Belize Chamber of Commerce & Industry

Opinion

We have audited the accompanying financial statements of Belize Chamber of Commerce & Industry (Chamber) which comprise of the statement of net assets as at 31 December 2020 and the statement of activities, statement of cash flows and statement of expenses by functional area for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Belize Chamber of Commerce & Industry as of 31 December 2020, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards for Small and Medium size 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 Chamber 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 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 audit opinion.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 17 which states that the spread of COVID-19 has impacted many local and international economies and disrupted businesses for an indefinite period. Measures taken to counteract the pandemic have resulted in an economic slowdown worldwide. The extent of the impact of the COVID-19 pandemic on the operating and financial position of Belize Chamber of Commerce & Industry will depend on certain developments, including the duration and spread of the pandemic and the impact on its members and its operations, all of which are uncertain and cannot be predicted at this point.

Responsibility of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs, 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 Chamber 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 Chamber or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we:

- (i) exercise professional judgement and maintain professional skepticism throughout the audit.
- (ii) 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.
- (iii) 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 entity's internal control.
- (iv) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (v) 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 entity's ability to continue as a going concern. If we should conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- (vi) 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.
- (vii) obtain sufficient audit evidence regarding the financial information of the Chamber to express an opinion on the financial statements. We remain solely responsible for our audit opinion.

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

BDO Belize LLP

04 March 2021

Statement of net assets

At 31 December (In Belize Dollars)

ASSETS	Note	2020	2019
Current assets			
Cash and cash equivalents		790,452	352,895
Endowment Fund account	4	100,000	100,000
Trade and other receivables	6	714,911	673,342
Prepayments		34,207	37,017
	•	1,639,570	1,163,254
Non-current assets) -		
Property and equipment	7	2,510,553	2,585,555
39	-	2,510,553	2,585,555
No.	-		
Total assets		4,150,123	3,748,809
LIABILITIES AND NET ASSETS			
Current liabilities			
Bank overdraft	8		185,012
Trade and other payables	9	1,270,180	747,014
Borrowings	10	65,871	63,454
Borrowings	-	1,336,051	995,480
Non-current liabilities	-	1,330,031	993,400
Borrowings	10	568,760	597,680
Severance provision	11	83,460	77,322
or and provision		652,220	675,002
Total liabilities	-	1,988,271	1,670,482
Total Habitieles	-	1,700,271	1,070,402
Net assets			
Unrestricted funds		2,061,852	1,978,327
Endowment reserve fund, restricted	12	100,000	100,000
Total net assets		2,161,852	2,078,327
Total liabilities and net assets		4,150,123	3,748,809
i otal liabilities alla liet assets	-	7,130,123	3,740,009

Approved on behalf of the Executive Council:

Jurun

President

Treasurer

Statement of activities

For the year ended 31 December (In Belize Dollars)

Summarta & management	Note	Western Union	General office	2020 Total unrestricted	2019 Total unrestricted
Supports & revenue					
Support Membership dues		-	164,575	164,575	183,050
Revenues BCCI's share of Western Union					
transfer charges		1,161,039	-	1,161,039	932,551
Collection fees		-	18,607	18,607	25,057
Gain on disposal		-	-	-	200
Interest income		-	527	527	523
Rental income Net contributions from EXPO		-	9,431	9,431	44,509
and other services		_	38,290	38,290	147,977
Sundry income		110	23,470	23,580	29,293
Total supports and revenue	_	1,161,149	254,900	1,416,049	1,363,160
		3,131,31	,	.,,	.,,
Expenses		(25.4.405)	(05.4.400)	(4 200 202)	(4.00(5.47)
Administration		(354,405)	(854,488)	(1,208,893)	(1,296,547)
Financial	-		(49,281)	(49,281)	(52,004)
Durainaga tay	42	806,744	(648,869)	157,875	14,609
Business tax	13	(69,662)	(4,688)		(66,903)
Change in unrestricted fund	-	737,082	(653,557)	83,525	(52,294)
Unrestricted fund-1 January 20)20			1,978,327	2,030,621
Unrestricted fund - 31 Decemb	er 2020			2,061,852	1,978,327

Statement of cash flows

For the year ended 31 December (In Belize Dollars)

Cash flows from operating activities	Note	2020	2019
Cash flows from operating activities Change in unrestricted funds Adjustments for:		83,525	(52,294)
-Depreciation	7	80,252	99,523
-Bad debts	6	3,433	4,976
-(Gain) on disposal of property and equipment		-	(200)
-Tax expense		74,350	66,903
-Interest income		(527)	(523)
-Interest expense		49,281	52,004
-Severance pay provision	11 _	6,138	(9,552)
		296,452	160,837
Change in working capital:	,	(45,000)	2 42 00 4
-trade and other receivables	6	(45,002)	343,924
-prepayments	0	2,810	(3,094)
-trade and other payables	9 _	523,166	76,856
Cash generated from operations		777,426	578,523
Tax paid Interest income received		(74,350) 527	(66,903) 523
Interest paid		(49,281)	(52,004)
Net cash provided by operating activities	_	654,322	460,139
Net easil provided by operating activities	_	054,522	100,137
Cash flows from investing activities			
Purchase of property and equipment	7	(5,250)	(31,414)
Proceeds from disposal of property and equipment		-	200
Net cash (used in) investing activities	-	(5,250)	(31,214)
, ,	-		, , ,
Cash flows from financing activities			
Repayment of borrowings	10	(26,503)	(58,883)
Net cash (used in) financing activities		(26,503)	(58,883)
Net increase in cash and cash equivalents		622,569	370,042
Cash and cash equivalents at beginning of the year	_	167,883	(202,159)
Cash and cash equivalents at end of the year	_	790,452	167,883
Represented by:			
Cash and bank		790,452	352,895
Bank overdraft		-	(185,012)
	-	790,452	167,883
	_	240	

Statement of expenses by functional area

For the year ended 31 December (In Belize Dollars)

	Note	Western	General	2020 Total	2019 Total
		Union	office	expenses	expenses
ADMINISTRATION				10.75	
Advertising and promotion		111,444	11,793	123,237	118,580
Annual general meeting expenses		-	19,210	19,210	10,697
Audit		-	18,000	18,000	18,000
Bad debt provision		-	3,433	3,433	2,239
Bad debt write-off		=		-	2,737
Bank charges		35,138	2,227	37,365	37,252
Depreciation		-	80,252	80,252	99,522
Donations and subscriptions		-	4,192	4,192	6,019
Electricity and water		13,455	18,667	32,122	32,711
GST input tax disallowed		-	1,735	1,735	1,657
IDB Project-climate change		-	4,639	4,639	7,300
Income tax & interest		-	-	-	1,744
Insurance		10,385	41,371	51,756	49,936
Members and board meetings			19,922	19,922	50,920
Miscellaneous expenses		2,056	3,266	5,322	6,095
Motor vehicle expenses		-	23,484	23,484	26,389
Office cleaning			14,163	14,163	12,712
Office expenses	041.3	90	2,861	2,951	5,168
Personnel costs	14	100,059	442,750	542,809	564,936
Professional fees		-	1,180	1,180	5,000
Property taxes		=	9,116	9,116	8,935
Rent		-	7,200	7,200	7,200
Repairs and maintenance		40	62,102	62,142	58,986
Security		22,880	30,090	52,970	52,448
Stationery, postage and office supplies		23,851	16,554	40,405	43,867
Telephone		34,942	15,939	50,881	57,905
Training		- /-	2.42	107	540
Travel, local and international		65	342	407	7,052
		354,405	854,488	1,208,893	1,296,547

Notes to the financial statements (In Belize Dollars)

1. General Information

The Belize Chamber of Commerce and Industry (Chamber) is a private sector initiative whose objective is to promote free enterprise development across all sectors of the Belizean economy including commerce, industry, manufacturing, agri-business, the professions and trades.

The Chamber is a private, non-profit, non-partisan, membership organization established by statute - the Belize Chamber of Commerce and Industry Act (the Act), Chapter 308 of the Laws of Belize, Revised Edition 2000. This Act repealed and replaced the Chamber of Commerce Act of 1923. The office of the Chamber is located at #4792 Coney Drive, Belize City, Belize.

The Chamber and Western Union (WU) established domestic and international money transfer services for Belize under a joint agreement in 1993, whereby the Chamber and WU share transfer charges levied on money transfers. This activity continues to be the main source of revenue for the Chamber.

These financial statements were authorized by the Executive Council for issue on 15 April 2021.

2. Summary of Significant Accounting Policies

Basis of preparation

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

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 Chamber'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.

The financial statements have been prepared on the going concern basis which assumes that the Chamber will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continuing support received from the members of the Chamber, its Western Union partner and its bankers.

Foreign currency translation

Functional and presentation currency

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

Notes to the financial statements (In Belize Dollars)

2. Summary of Significant Accounting Policies (continued)

Foreign currency translation (continued)

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 recognized in the Statement of Activities. The official exchange rate for the Belize dollar is fixed at BZ\$2 to US\$1.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Activities within "Loss on Exchange". All other foreign exchange gains and losses are presented in the Statement of Activities within the particular support, revenue or operating expense.

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 and a bank overdraft which is presented in the statement of net assets within current liabilities.

Trade receivables

Trade receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. The Chamber makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Chamber uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Chamber assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Property and equipment

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

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

Notes to the financial statements (In Belize Dollars)

2. Summary of Significant Accounting Policies (continued)

Property and equipment (continued)

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 straight-line method. The estimated useful lives range as follows:

Strata building
Office furniture, fixtures and equipment
Vehicles

50 years 4 and 10 years 5 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within the classification 'Revenues' in the Statement of Activities.

Impairment of non-financial assets other than inventories

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 recognized 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.

Borrowings

Borrowings are recognized initially at the transaction price, that is, the present value of cash payable to the bank. Borrowings are subsequently stated at amortized cost. Interest expense is recognized on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Chamber has an unconditional right to defer settlement of the liability for at least *twelve* months after the reporting date.

Trade payables

Trade payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

Notes to the financial statements (In Belize Dollars)

2. Summary of Significant Accounting Policies (continued)

Employee benefit obligations

Termination benefit - severance

The Chamber recognizes termination benefits in accordance with the Labour Act (the Act), Chapter 297 of the Substantive Laws of Belize.

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 or sufficient cause and (b) employees with more than ten years be paid *severance* pay of one week's pay for each year of service prior to April 30, 2011 and two weeks pay for each year of service thereafter. The revision became effective on May 1, 2011.

Support and revenue recognition

Support and revenues comprise the fair value of the consideration received or receivable from membership dues, grants and *revenues* from income-generating activities in the ordinary course of the Chamber's activities. Revenues are shown net of general sales tax and discounts.

The Chamber recognizes support and *revenues* when the amounts of such support and revenues can be reliably measured; it is probable that future economic benefits will flow to the Chamber; and specific criteria have been met for each of the Chamber's activities, as described in the following page.

Grant support

Grants are recognized when there is reasonable assurance that the Chamber will comply with the conditions attached to the grant and the grant will be received.

Support for future periods is accounted for as deferred income or support.

Membership dues and revenues

Membership dues are recognized as income when received but, dues received in respect of future periods are deferred. All other revenue is recognized when earned.

Interest income

Interest income is recognized using the effective interest method.

Rental income

Rental income under an operating lease is recognized in the statement of activities as income on a straight-line basis over the lease term and is recognized within the classification 'Revenues' in the Statement of Activities.

Notes to the financial statements (In Belize Dollars)

2. Summary of Significant Accounting Policies (continued)

Taxes

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 net assets 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 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 is not applicable.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of activities on a straight-line basis over the period of the lease.

Rental income from lease is recognized in accordance with the accounting policy described in Note 2.

Changes in accounting policies

No changes to the accounting policies were identified and the comparative information has accordingly remained unchanged since the prior reporting period.

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 organization 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 collectability of accounts receivable, particularly from Western Union sub-agents and management's assessment as to the impairment of assets.

Notes to the financial statements (In Belize Dollars)

4. Endowment Fund account

The Endowment Fund account which is a restricted cash balance, is held in a bank savings account. See Note 12 for more detail.

5. Financial risk factors

The Chamber's activities expose it to a variety of risks including credit risk and liquidity risk.

Credit risk

The Chamber has no significant concentrations of credit risk. Sales are made in cash or on credit terms. Credit sales are made to customers with appropriate credit histories.

Liquidity risk

Liquidity risk management involves maintaining significant cash and cash equivalents and having funding available through adequate and committed credit facilities.

6. Trade and other receivables

Western Union and sub-agents 2020 2030 Western Union - shared cost on advertising 645,347 587,31 Others 69,564 89,14 714,911 678,56	26 08 47 81
Others 69,564 89,14	47 81
	81
714 011 479 5	
714,911 070,30	39)
Less: bad debt provision - (5,2	-
714,911 673,3	42
Movement in the bad debt provision:	
2020 20	19
At 1 January 5,239 3,00	00
Additional provision during the year 3,433 2,2	39
Amounts written off during the year (8,672)	-
At 31 December - 5,2	39

Notes to the financial statements (In Belize Dollars)

7. Property and equipment

	Land	Strata land and building	Office furniture, fixtures, and equipment	Motor Vehicles	Total
Cost or valuation At 1 January 2020 Additions Disposals	853,848 - -	2,045,938	503,602 5,250 (1,340)	164,604 - -	3,567,992 5,250 (1,340)
At 31 December 2020	853,848	2,045,938	507,512	164,604	3,571,902
Accumulated depreciation At 1 January 2020 Charge for the year Disposals At 31 December 2020	- - -	(428,916) (40,914) - (469,830)	(410,389) (22,343) 1,340 (431,392)	(143,132) (16,995) - (160,127)	(982,437) (80,252) 1,340 (1,061,349)
Net book values At 31 December 2020	853,848	1,576,108	76,120	4,477	2,510,553
	Land	Strata land and building	Office furniture, fixtures, and equipment	Motor Vehicles	Total
Cost or valuation At 1 January 2019 Additions Disposals At 31 December 2019	853,848 - - 853,848	2,045,938 - - - 2,045,938	474,716 28,886 - 503,602	166,871 2,528 (4,795) 164,604	3,541,373 31,414 (4,795) 3,567,992
Accumulated depreciation At 1 January 2019 Charge for the year Disposals At 31 December 2019	- - -	(387,829) (41,087) - (428,916)	(382,057) (28,332) - (410,389)	(117,823) (30,104) 4,795 (143,132)	(887,709) (99,523) 4,795 (982,437)
Net book values At 31 December 2019	853,848	1,617,022	93,213	21,472	2,585,555

Notes to the financial statements (In Belize Dollars)

8. Bank overdraft

Bank overdraft and other facilities with the Atlantic Bank Limited are secured by a mortgage over the Chamber's strata titles 4792 (H1 and H3), Block 16, Caribbean Shores stamped to secure \$400,000 and mortgage over the Chamber's Regent Street property stamped to secure \$450,000.

9. Trade and other payables

	2020	2019
Trade payables	32,072	24,934
Western Union Settlements for sub-agents	397,474	355,558
Western Union sub-agents' share of transfer charges	91,556	66,623
Stamp duties on money transfers payable	80,623	59,805
Deferred revenue - membership dues	45,875	46,725
IDB fund	1,808	11,248
Gratuity payable	104,000	66,630
Other payables and accruals	516,772	115,491
	1,270,180	747,014
	1,270,160	747,014

10. Borrowings

The Atlantic Bank loan is secured and repayable by way of 108 monthly blended payments to principal and interest of \$9,240.61 (previously \$15,500). The first payment under this new arrangement was on 27 December 2018 at interest rate of 7.5% (previously 8.5%) per annum.

	2020	2019
Atlantic Bank Loan	634,631	661,134
Less: current portion	(65,871)	(63,454)
	568,760	597,680
The loan balance is repayable as follows:		
	2021	65,871
	2022	70,985
	2023	76,496
20	24 and thereafter	421,279
	_	634,631
11. Severance provision		
·	2020	2019
Employee benefit obligation		
At 1 January	77,322	86,874
Increase in provision during the year	6,138	20,739
Transfer to gratuity payable	-,	(30,291)
At 31 December	83,460	77,322

Notes to the financial statements (In Belize Dollars)

12. Endowment reserve fund, restricted

The Government of Belize and the United States of America were parties to a U.S. funded programme designated as the Economic Stabilization Fund (ESF) Local Currency Programme, whereby assistance was provided to the country of Belize. In February 1993, an allocation of BZ\$100,000 of the Private Sector Development Fund was earmarked under the ESF for the Chamber as seed capital for the establishment of an Endowment Fund. In April 1996, an agreement between the Government of Belize and the Chamber was formally executed establishing the Endowment Fund. The purpose of the Endowment Fund is to assist private sector developmental activities.

13. Taxes

On 29 June 1998, the Government of Belize passed the Income Tax (Amendment) Act, (the Act). The Act which became effective 1 July 1998 replaced Corporate Tax with a Business Tax chargeable on gross trading receipts. The amendment made civic organizations such as the Chamber (which were wholly-exempt from taxation under the previous tax regime) chargeable to business tax on membership dues and receipts from revenue-generating activities.

Business tax is levied on the various categories of income at the rates set out from time to time in the Ninth Schedule to the Act.

14. Employees' salaries and benefits

	2020	2019
Wages and salaries	415,135	425,453
Social security costs	18,872	15,448
Severance	6,138	20,739
Gratuity	37,369	36,339
Staff benefits	65,295	66,957
	542,809	564,936

15. Key management compensation

Key management excludes the Executive Council (provides	2020	2019
pro-bono services to the BCCI). Total compensation paid to		
key management for employee services was	93,165	96,000

Notes to the financial statements (In Belize Dollars)

16. Commitments and contingencies

The Belize Chamber of Commerce and Industry signed a Technical Cooperation Agreement with the Inter-American Development Bank in October 2017 for a project entitled, Pre-adapt Belize-Increasing Climate Change. Chamber is to manage project funding in the sum of US \$203,000.00. The Chamber will provide counterpart funding of US \$138,000.00 for this project. The duration is for three years.

On 12 October 2017, Belize Chamber of Commerce was appointed by Inter-American Development Bank (IDB) as Executing Agency for the private sector focused project, *Pro-adapt Belize - Increasing Climate Change Resilience and Related Business Opportunities*. The Chamber received in 2018, 2019 and 2020 funding of \$100,400 (US\$50,200), \$71,400 (US\$35,700) and \$108,952.92 (US\$54,475.96), respectively, for the project. At 31 December 2020, \$1,808 (PY-\$11,248) remained undisbursed and is included in accounts payable in the financial statements. IDB funds disbursed in 2018, 2019 and 2020 have been included in the audit of these financial statements, and a compliance audit as required by IDB will be performed at project conclusion.

The BCCI may be subject to legal proceedings and claims that arise in the ordinary course of business operations. At 31 December 2020, no action has arisen that would have a material effect on the financial position or results of operations of BCCI.

17. Subsequent event

Since March 2020, the spread of COVID-19 has impacted many local and international economies and disrupted businesses for an indefinite period. Measures taken to counteract the pandemic have resulted in an economic slowdown worldwide. The extent of the impact of the COVID-19 pandemic on the operating and financial position of Belize Chamber of Commerce & Industry will depend on certain developments, including the duration and spread of the pandemic and the impact on its members and its operations, all of which are uncertain and cannot be predicted at this point.