



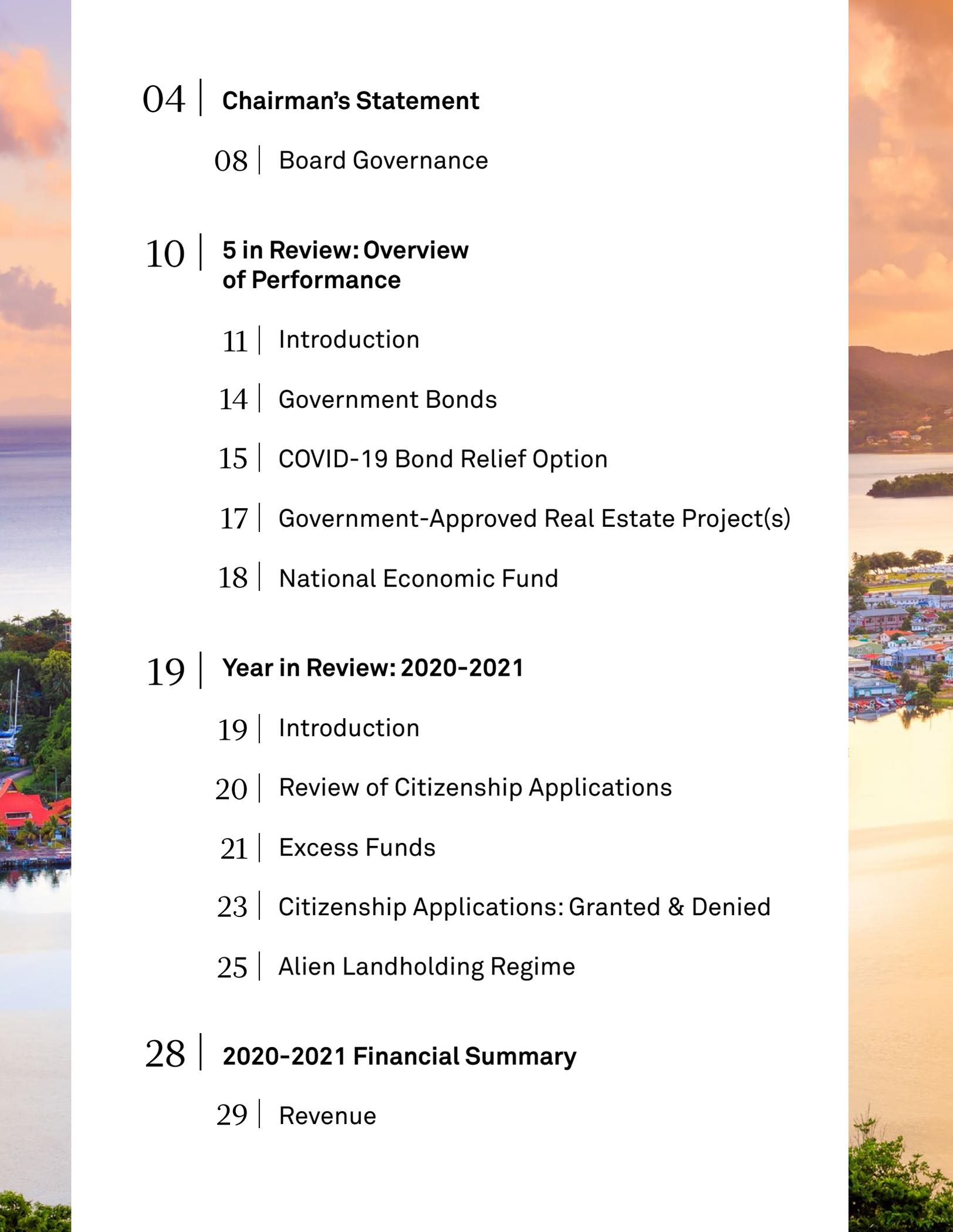
CITIZENSHIP BY INVESTMENT
SAINT LUCIA

CIP CELEBRATING

YEARS

2021 ANNUAL REPORT

SPECIAL **EDITION**



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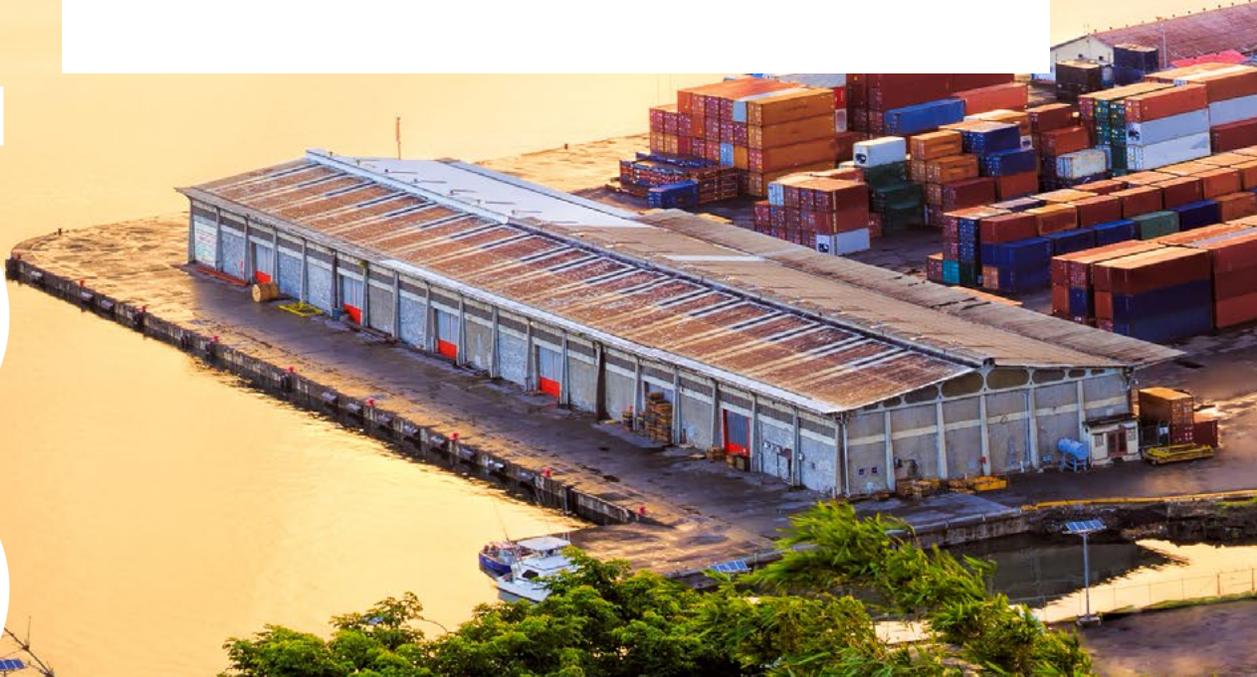
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Chairman's Statement

The fiscal year ended March 31, 2021, has come to an end and what a year it has been – one we will not soon forget. COVID-19 has dominated our lives and impacted us in many ways. Our thoughts and prayers go out to all of those who have lost



loved ones and been affected negatively by poor health, (physical and/or mental) or have been hurt financially by the instability brought on by this pandemic. It has also been a time to reflect and to plan, which has led to positive outcomes in some cases, as we have seen with the results of our Citizenship by Investment Programme (“the Programme”) here in Saint Lucia. We have seen the significant development in non-traditional markets, in particular North America. The value of our Caribbean lifestyle, and in particular, the many positive attributes that we often take for granted in our beautiful island Saint Lucia, have come to the fore. Simply put, the value of access and our citizenship has increased significantly on a global basis. The value and benefits of Saint Lucian citizenship, have increased beyond just the travel benefits associated with our passport. This has been demonstrated in the success we have had as a Programme this year.

The strategic initiatives we put in place at the end of last year have paid off as well. Repositioning our Programme to make it open, transparent, accessible to all and to reward success, has been instrumental in attracting new relationships and new markets. We have continued to innovate and to adapt to the market and these initiatives have continued to move us up steadily in the global ranking of Citizenship by Investment Programmes. Indeed, recent polls have suggested the Saint Lucia Programme was one of the top Programmes globally, if not the top, having risen significantly, relative to our competitors. The successful roll-out of the COVID-19 bond qualifying investment, which was part of our product diversification strategy, has been an attractive offering to the market and been a valuable tool in ensuring that, as an island, we have continued to meet all our debt obligations and to be able to continue financing our recurrent expenditure, at a time when our tourism revenues have seen significant negative impact. We have expanded the qualifying criteria for dependents,



and the ability to add new dependents, for example, with no time limit to add newborn children or a spouse. We have lowered the investment amount to US \$500 to add a newborn. These responses to the market and the timeliness with which we were able to bring them into effect have served us well. We will seek to maintain this level of dynamism and responsiveness, while at the same time ensuring the Programme remains highly respected and well-regarded by our international stakeholders, as indeed it is.

We have made strategic investments in marketing, as we seek to support the efforts of our vast networks of marketing agents, promoters and authorized agents. We have rebranded and invested in a world-class and industry-leading website. These investments have bore fruit and will continue to do so, as we have seen new relationships grow, new markets flourish, and even old relationships rekindled. We are committed to continued investment in our marketing initiatives. Despite the significant increase in our numbers and the growing momentum, and despite the difficulties brought on by COVID-19, working from home and Board meetings held remotely, we have continued to ensure that our operations have run smoothly and efficiently. Here again, the Saint Lucia Programme, has demonstrated leadership. At 66 days, average processing time (56 in the prior year), we have consistently been ahead of the 90-day target outlined in our legislation. We recognize the importance of continuing to work hard to innovate, to ensure we can provide a timely service to our future citizens. All of this while ensuring our commitment to high standards has not waived.

In keeping with the aim of professionally

and efficiently facilitating persons coming to invest in Saint Lucia, the Alien Landholdings (Licensing) Act No.1 of 2020 and the Alien Landholding (Licensing) Regulations, No. 70 of 2020 came into effect in March and May of 2020, respectively. The CIP Unit now has the mandate to issue Alien Landholding Licenses for foreign persons acquiring real estate in Saint Lucia. We have already delivered significant improvements in processing times. We have also engaged with the CIP industry to continue enhancing the legislation and streamlining the processes and have, ready for consideration, further important recommendations to improve the legislative and regulatory framework. Future initiatives will include looking at residency legislation and the implementation of Head Office legislation, as a distinct legal framework. All of these with the aim of encouraging and facilitating the efficient investment into Saint Lucia, by individuals.

Our commitment to doing it right, and to maintaining our core principles of integrity, efficiency and transparency have been at the center of what we do and how we do it. We are very proud of the continued, close, working relationship we have with our law enforcement and intelligence partners; they remain a key stakeholder to us. They in turn, continue to recognize the great work we have been doing and the high standards we maintain. This is perhaps best demonstrated by Saint Lucia being removed from the 2020 Country Report on Human Rights Practices published by the U.S. State Department, and in particular, with Saint Lucia being removed from the section of the report that deals with “Corruption and Lack of Transparency in Government,” as it relates to CIP Programmes in the

Caribbean. We believe this highlights the global recognition of the fact that our Programme is being well run.

We have remained resolute in ensuring strong governance, accountability, transparency and a focus on very high levels of compliance and due diligence, and in that regard, continue to demonstrate leadership within our region. From a governance perspective, the Board of the Unit remained active and engaged and continues to play a critical role in the strategy of the Unit and the decision-making process for the grant of citizenship. The Board met a total of 24 times during the year and all Directors had an attendance record of 88% or higher. I would like to thank the Directors for their time and commitment to the Programme and the resulting success. We have continued to invest in our own development as a Board with 4 of the 5 members of the Board attending comprehensive directorship training during the year.

To the CEO, management and staff of the Unit, and on behalf of the Board, I would like to thank them for all the hard work and effort that went into making this another successful year for CIP Saint Lucia, despite all the challenges we have faced.

On behalf of the Board and the team at CIP Saint Lucia, we would like to thank the Honourable Allen Chastanet, the Minister to whom responsibility for Citizenship by Investment has been assigned, for his steadfast support of CIP Saint Lucia and leading in the provision of policy direction. We would also like to thank the Cabinet of Ministers and the Attorney General and his office for the support given in working through the legislative changes during

the year.

Finally, we welcome the 568 new citizens (188 in 2019/2020) that chose to invest in Saint Lucia and invite them to come and explore the opportunities that exist for further integration and investment in our beautiful Helen of the West. It is through their confidence in our country, that this Programme has been able to contribute XCD\$38,459,539 (prior year XCD\$28,107,819) in funding to the National Economic Fund, under the Donation option and has generated XCD\$17,863,089 (prior year XCD\$0) in bond financing for the Government. The Programme to date, has now contributed XCD\$187,568,616 (prior year XCD\$131,245,988) since its inception. The momentum built in 2020-2021 has continued into 2021-2022 and leveraging on the positive changes that have been highlighted above, we look forward to making an even more significant contribution in the year ahead. Rest assured, the CIP Saint Lucia Programme will continue to lead with the highest standards and ethics expected of us.

Ryan Devaux
Chairman
Citizenship by Investment Board

Board Governance

Twenty-four (24) Board meetings were held for the year which amounted to one hundred & eleven (111) hours and forty (40) minutes.

100%

Lucius Lake

Ryan Devaux

Beryl George

88%

Esther Greene-Ernest

Brender Portland-Reynolds



attendance





Overview Of Performance “5 *In Review*”

Nestor Alfred
CEO, CIP Saint Lucia





Introduction

The Citizenship by Investment Programme (“CIP”) celebrated its 5th year running, in December 2020 and as a Unit, we feel extremely proud of being given the opportunity to participate in the administration of this Programme, and to contribute in a meaningful way towards the economic development of this island. Unfortunately, the celebratory mood was dampened by COVID-19 as the established protocols and restrictions made it challenging to commemorate the milestone.

Our place within the investment migration sector has been well cemented over the past 5 years. Our focus on the conduct of rigorous due diligence and creating a level of transparency within the Programme, has not gone unnoticed with references by many publications on the subject matter. One of the notable comments came from the Country Report on Human Rights Practices, published by the U.S. State Department, where St. Lucia’s Citizenship by Investment Programme was one of two (2) islands not identified with corruption and lack of transparency.

Although the CIP Unit (“the Unit”) has achieved many successes, some of the milestones that we would highlight are as follows:

•
|



- **E-Payment Platform:** Launched the first, and currently only e-payment platform amongst the region CIPs. This provided yet another payment option to our many applicants.
- **Integrated Online Application Portal:** Having a fully integrated online application processing platform, which allowed the staff of the Unit to work remotely, proved to be a useful asset to the Unit at the height of the COVID-19 pandemic.
- **Enhanced Brand and Website:** The launch of the Unit's enhanced brand and website. Our new brand-identity is designed to demonstrate our commitment to good governance.
- **Banking Relationship:** Securing a relationship with a second Bank to

undertake CIP business. This was a major achievement given that none of the region CIPs were able to achieve such. It was also worth noting that this was being achieved at a time where banks were dealing with all the de-risking issues. This was a clear statement of the transparency, good governance and our commitment to undertaking rigorous due diligence of every applicant.

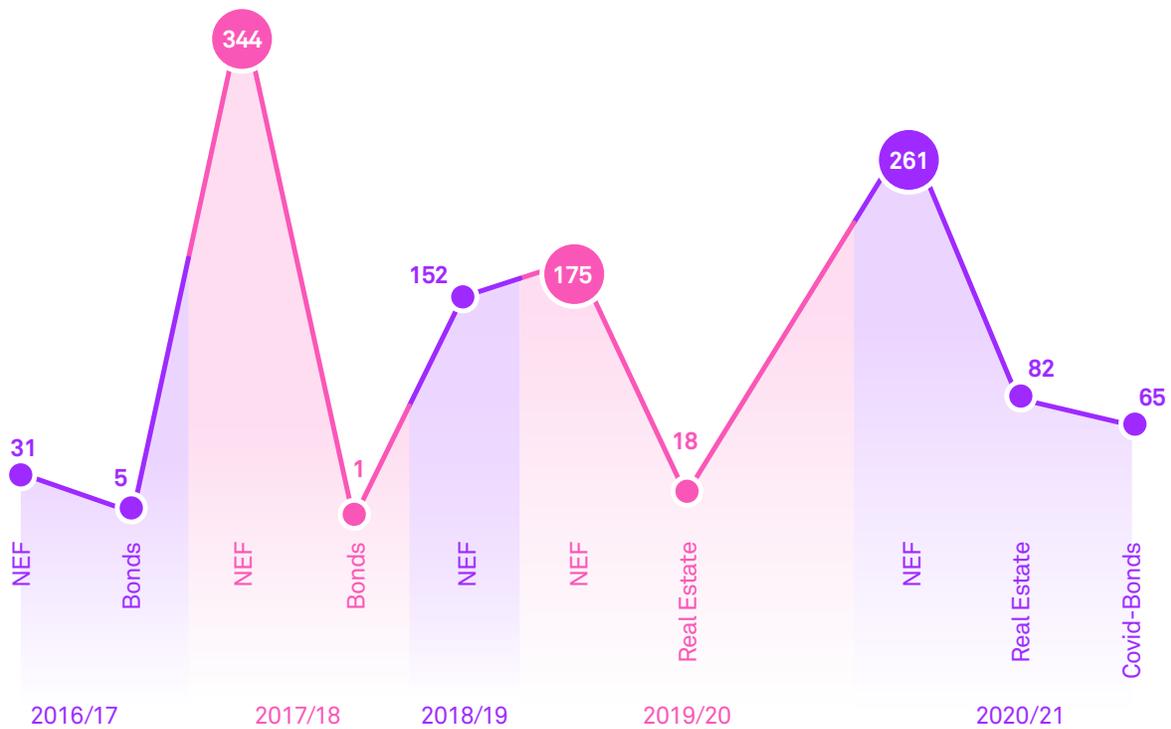
The appearance of COVID-19 to our shores in 2020, brought many uncertainties and CIP was not spared from the accompanying anxiety. The question was never whether persons would still be interested in a second citizenship during this pandemic, but it was centered on whether they would have access to the financial institutions and government



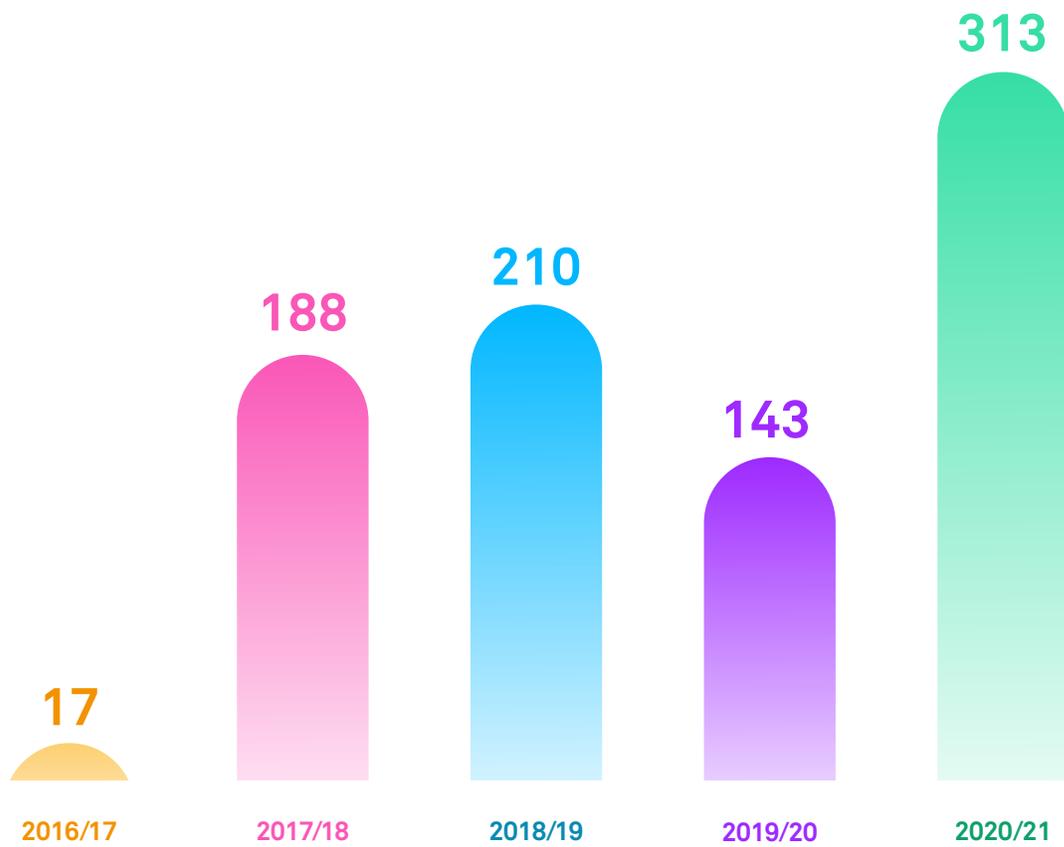
agencies which are paramount for the completeness and submission of applications. As a Unit, we activated our business continuity plan and made the necessary changes to accommodate the new environment without diluting our transparency and good governance.

Throughout the 5 years, the CIP Unit has had steady and responsible growth in its applications received.

Over the past five years investment into the National Economic Fund for the grant of citizenship continues to lead the way as the most preferred investment category.



Number of applications received over the 5-year period.

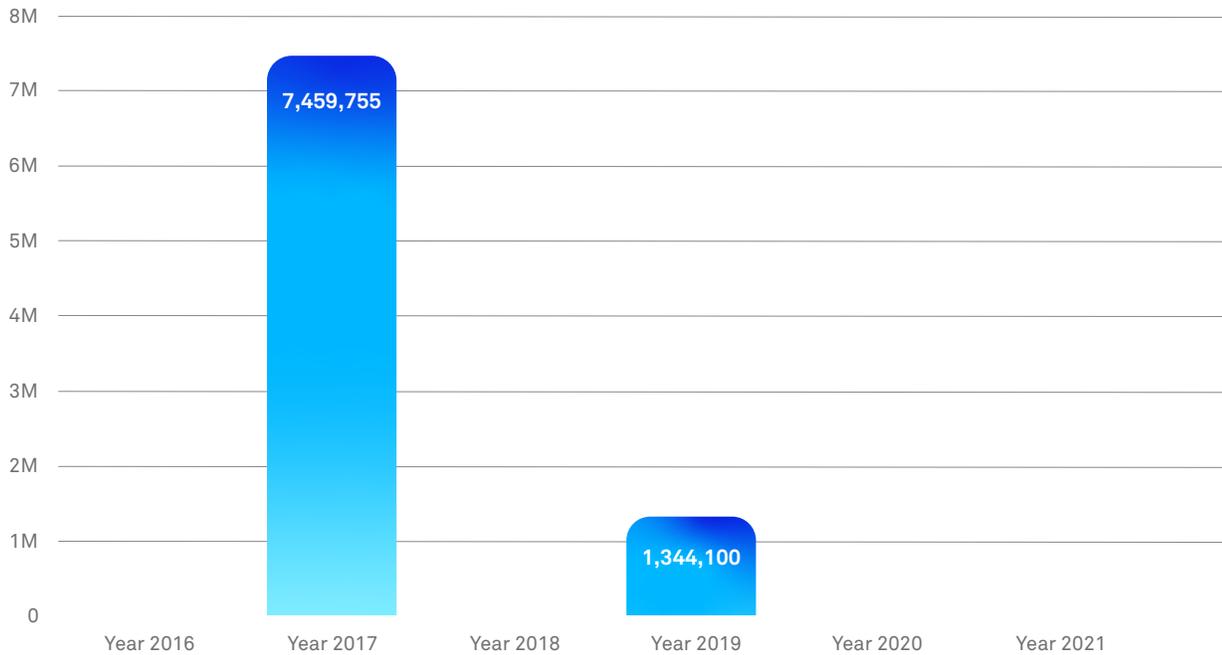


No. of Citizenship Applications **Granted** from inception: 2016 – March 2021.



Government Bonds

Making an investment into a Government Bond under the CIP is in accordance with the National Savings and Development Bonds Act Cap 15.25. The Bonds are zero-coupon bonds with holding periods from five (5) to seven (7) years.

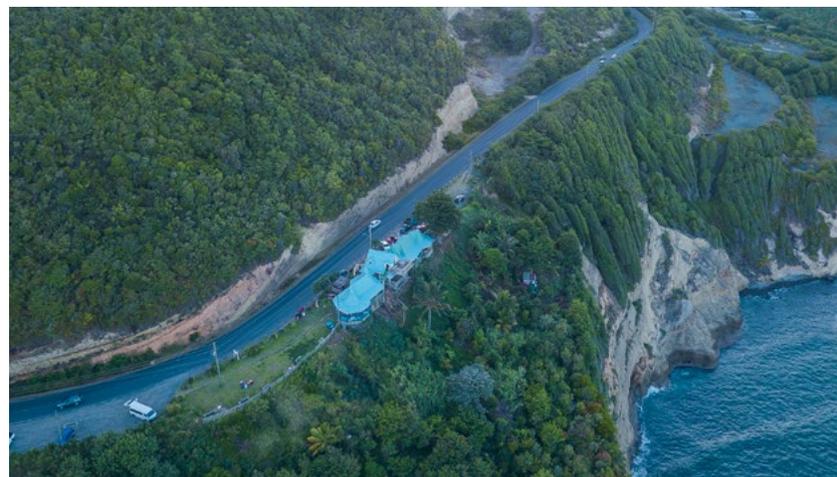


Government Bonds: Investment inflows over the 5-year period: 2016 – March 2021

Covid-19 Government Bond Relief Option

This limited investment option (ends December 31st, 2021) for the grant of citizenship, came out of the COVID-19 pandemic and the need to raise additional funds to restructure government’s short-term debt instruments. This Bond option is a zero-coupon Bond.

For the fiscal year, a total of twenty-five



(25) bonds had been purchased, bringing a total cash inflow of XCD\$17,863,089 to the Government of Saint Lucia. The Bond option also calls for the payment of an administrative fee. For the twenty-five (25) bonds sold for the fiscal period 2020-2021, the CIP Unit was able to realize a cash inflow of XCD\$2,025,000.





COVID-19 Bond Relief: **Investment** inflows over the 5-year period: 2016 – March 2021



COVID-19 Bond Relief: **Administrative Fee** inflows over the 5-year period: 2016 – March 2021

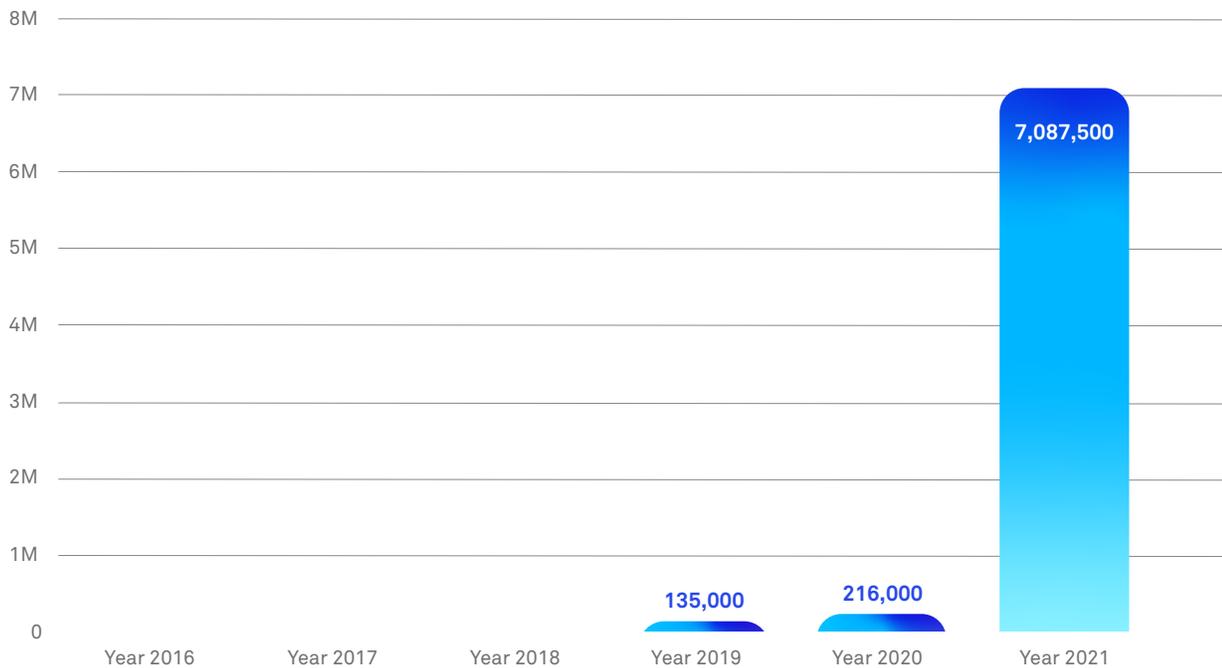
Government-Approved Real Estate Project



At present, there are only two (2) government approved real estate projects open for investment i.e. The Saint Lucia Canelles Resort and The Alpina Saint Lucia Hotel & Alpina Square. Thus far, all the applications generated through the real estate investment option, came from The Saint Lucia Canelles Resort. From the fiscal year 2019- 2020 & 2020-2021, a total of one-hundred (100) applications

were received, out of which, seventy-five (75) applications were granted which generated administrative fees of XCD\$7,438,500 for the CIP Unit.

The investment amount of USD\$300,000 per application for a real estate project, goes into an escrow account managed by an appointed escrow agent.



Real Estate: **Administrative Fee** inflows over the 5-year period: 2016 – March 2021

National Economic Fund

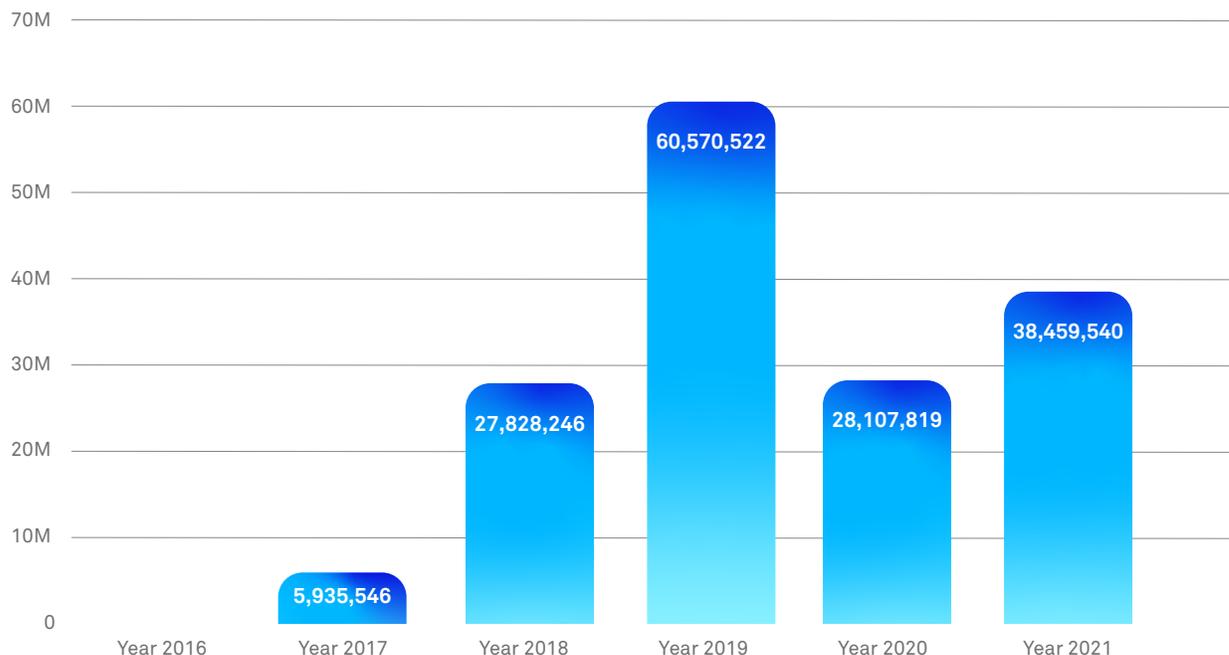
A special fund has been set up at a domestic Bank called the Saint Lucia National Economic Fund, to accommodate all investment amounts being made to the National Economic Fund. The administration and governance of the Fund is enshrined within the Saint Lucia National Economic Fund Act No. 18 of 2019. The governing body of the Saint Lucia National Economic Fund is the Saint Lucia National Economic Fund Board.

The functions of the Fund are:

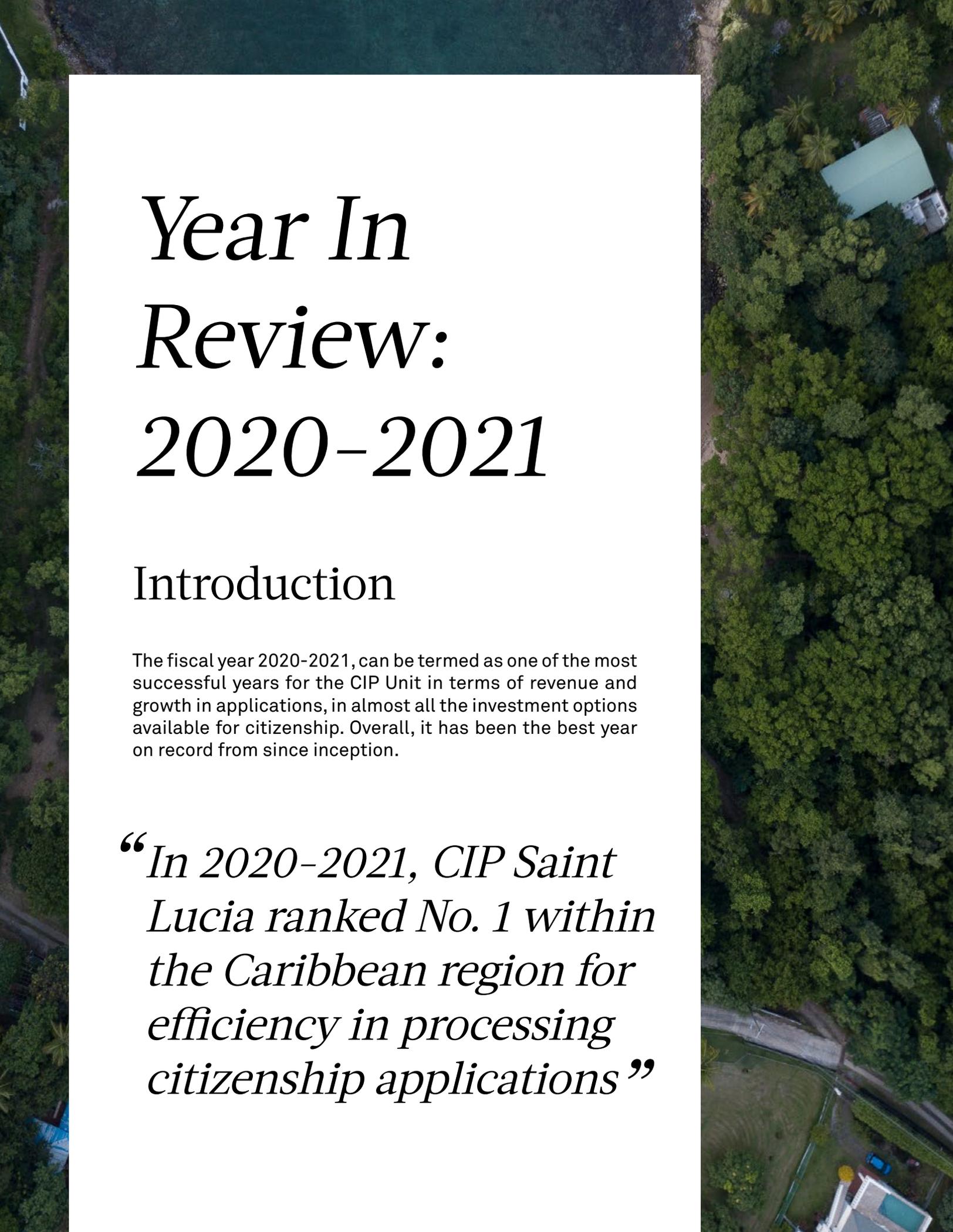
- a. to advance loans for a Government -approved capital project;
- b. to provide investment for a Government-approved capital project;
- c. to reduce Government debt;
- d. to purchase Government bonds;
- e. to provide monies for a purpose approved by Cabinet that is not considered recurrent in nature.

Since the establishment of the Saint Lucia National Economic Fund, a total of XCD\$32,706,791.76 has been transferred.

However, from inception of the Programme, the Citizenship by Investment Unit has transferred a total of XCD\$160,901,673.36 to the Government of Saint Lucia.



National Economic Fund: *Investment* inflows over the 5-year period: 2016 – March 2021

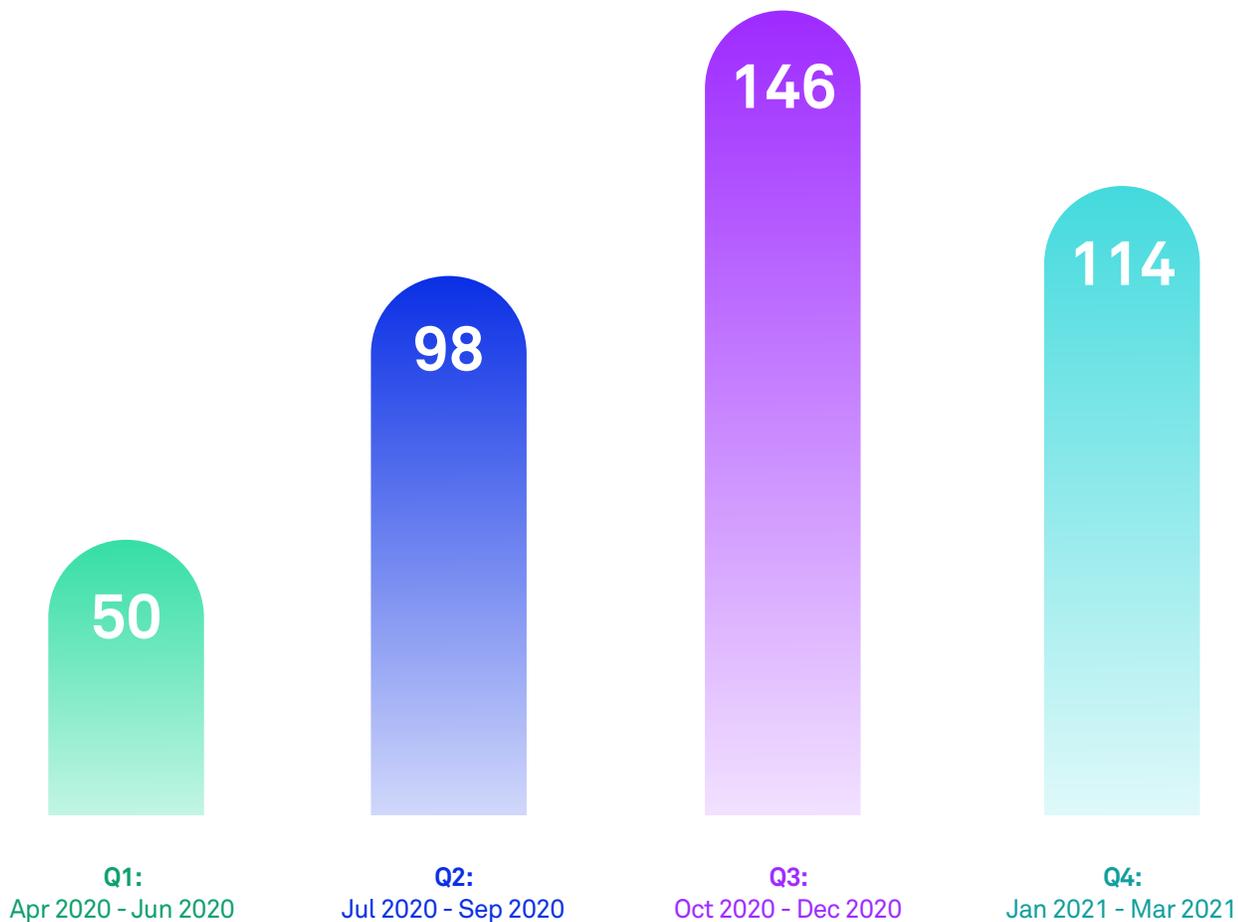
An aerial photograph of a lush green forest. In the upper right, a building with a light green roof is visible. In the lower right, a swimming pool and a white building are partially visible. The forest is dense with various shades of green, and a road or path runs through the trees.

Year In Review: 2020-2021

Introduction

The fiscal year 2020-2021, can be termed as one of the most successful years for the CIP Unit in terms of revenue and growth in applications, in almost all the investment options available for citizenship. Overall, it has been the best year on record from since inception.

“In 2020-2021, CIP Saint Lucia ranked No. 1 within the Caribbean region for efficiency in processing citizenship applications”



Applications Received per quarter during the fiscal 2020-2021

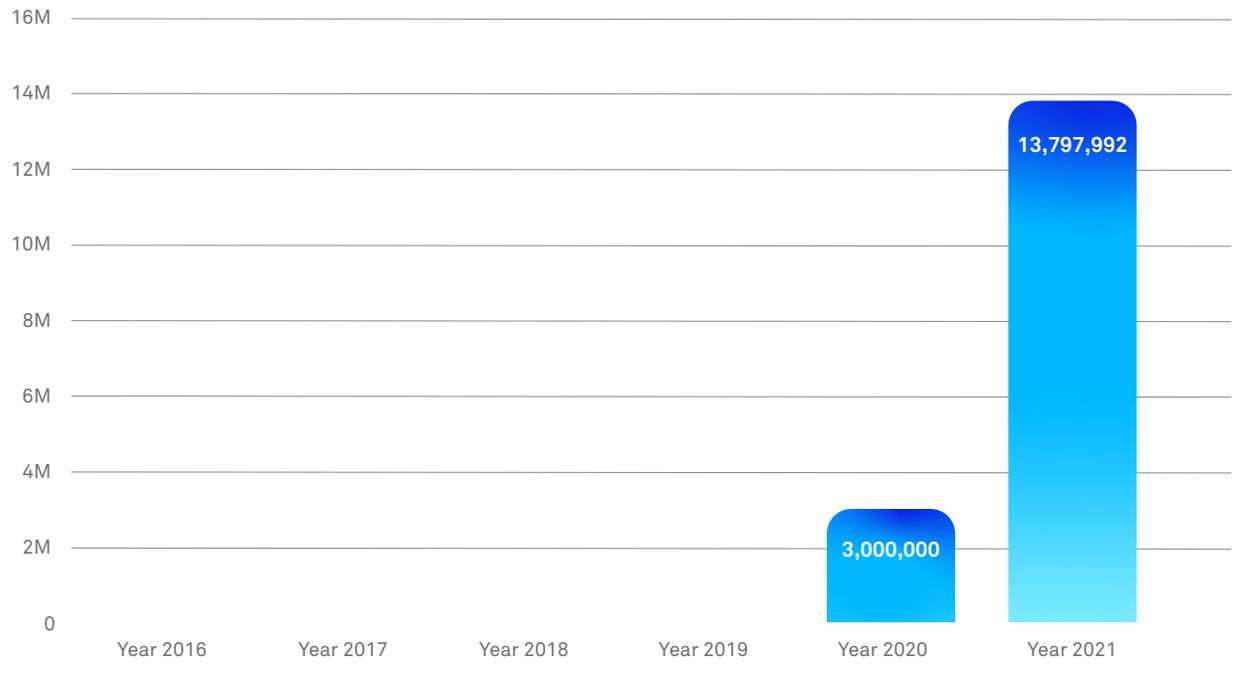
Although investment to the National Economic Fund impacted performance considerably, when compared to the prior year, 2019-2020 by XCD\$2,407,590, administrative fees earned from investments into Real Estate and Covid-19

Government Bonds had a greater impact on performance of XCD\$8,896,500 when compared to the prior year 2019-2020. Investments into an approved Real Estate Project represents 20% of the total applications received for the fiscal year.

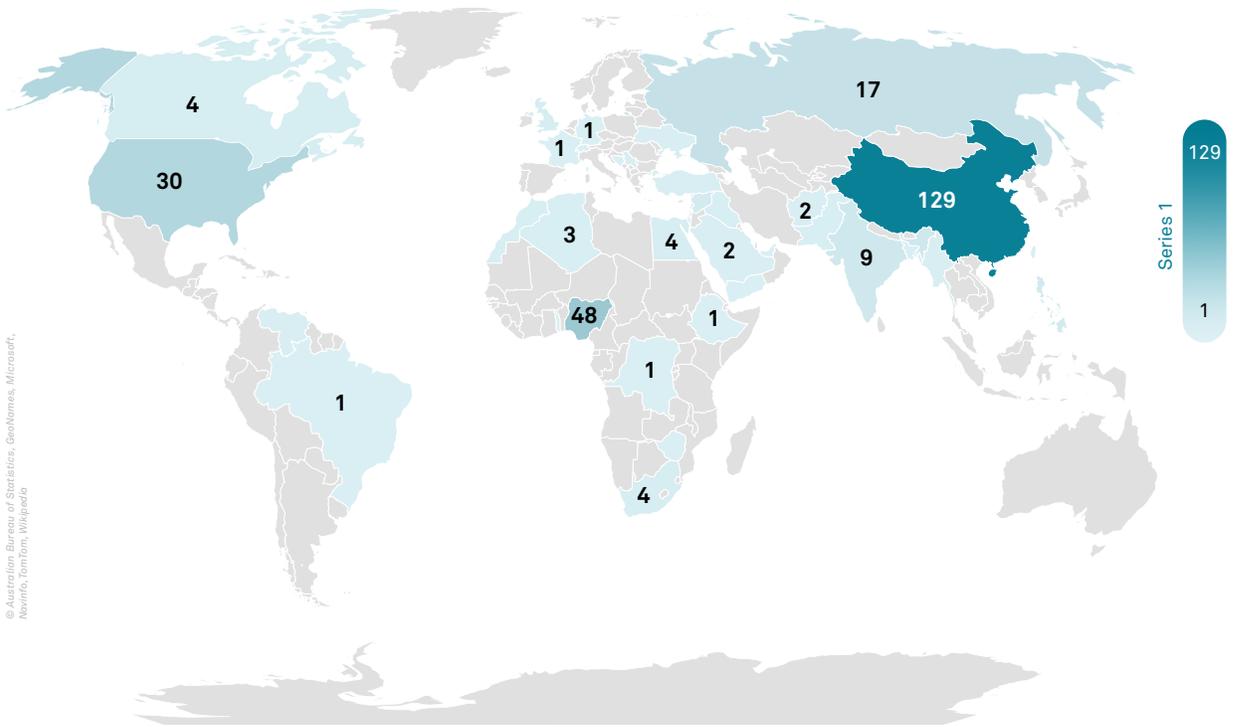
Excess Funds

With a significant revenue stream from administrative fees, derived from the real estate and COVID-19 Bonds, the

Citizenship by Investment Unit has had cash beyond its own budgetary requirements. For this fiscal year: 2020-2021, a total of XCD\$13,797,992.19 has been transferred to the Government Consolidated Fund.



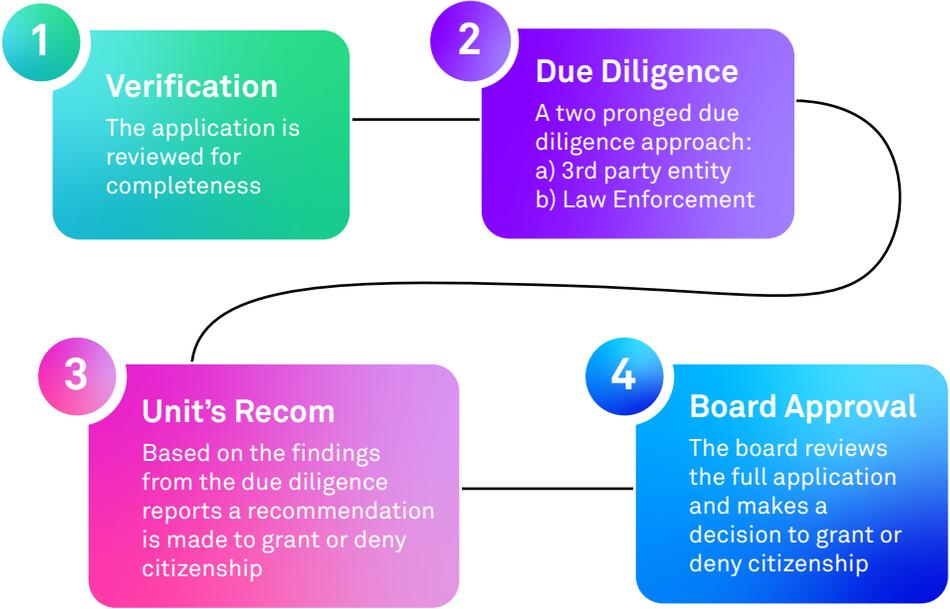
Excess Administrative Fee inflows over the 5-year period: 2016 – March 2021



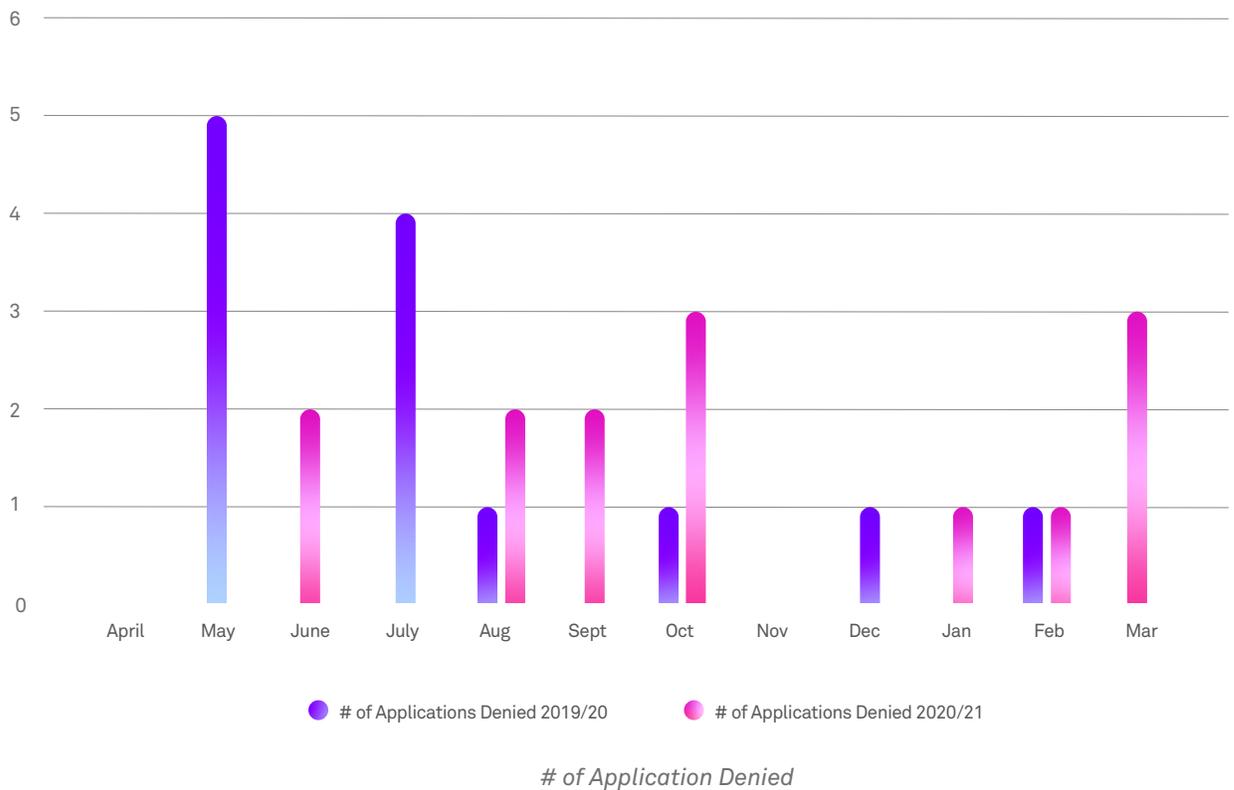
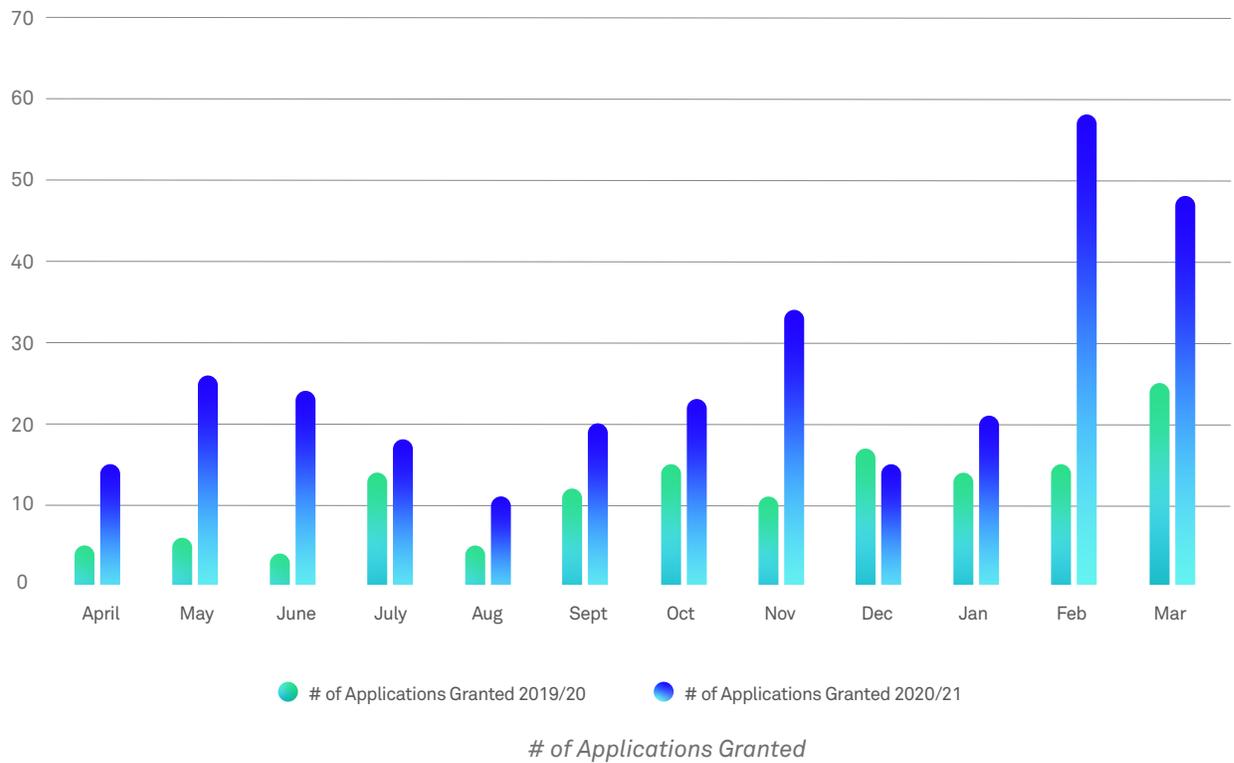
MAP represents the # of applications **Granted by Country of Birth**: 2020-2021



Citizenship Applications Granted & Denied.



Citizenship applications must be submitted in physical and electronic form via the citizenship application portal. **AVERAGE PROCESSING TIME: 66 DAYS**



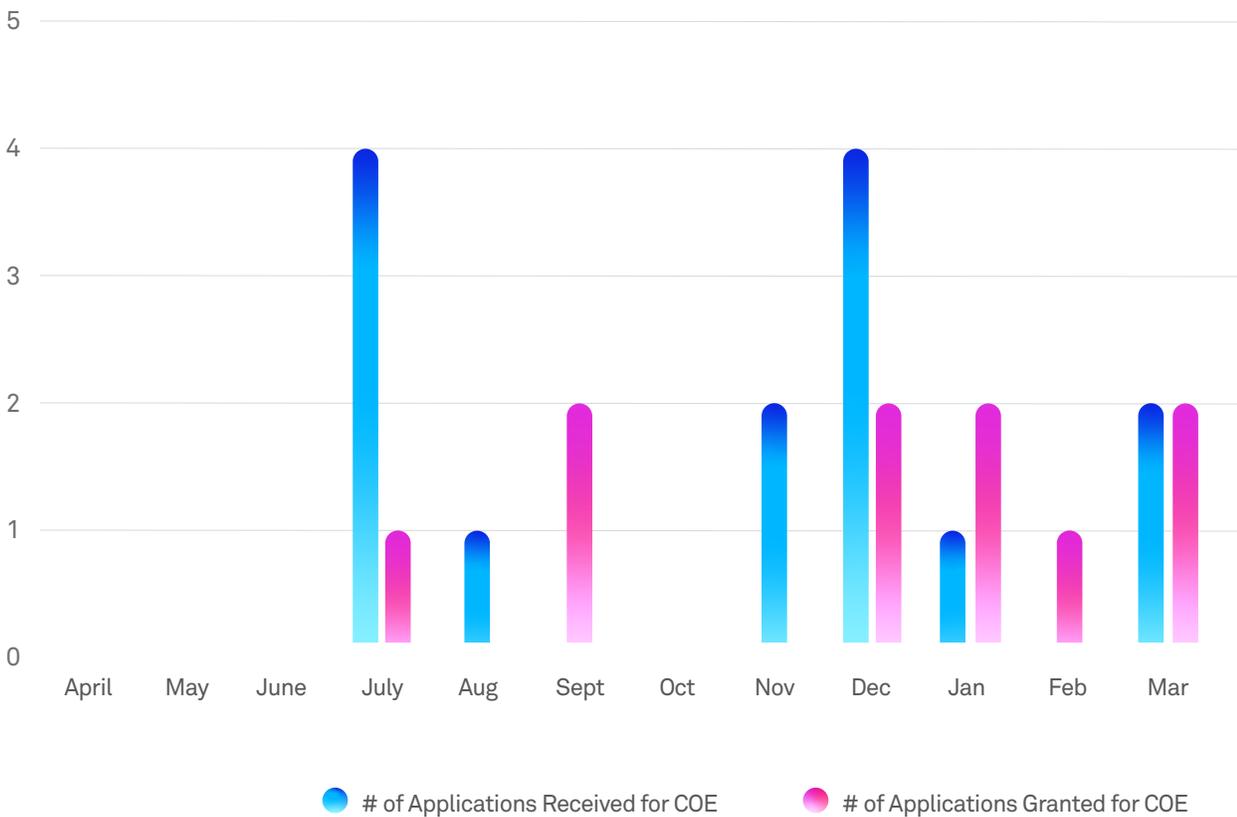
Alien Landholding Regime

With the enactment of the Alien Landholding (Licensing) Act No. 1 of 2020 and the Alien Landholding (Licensing) Regulations No. 70 of 2020, the CIP Unit was given the additional task of being responsible, primarily for the processing of an application for a Certificate of Eligibility (COE) or an Alien Landholding License (ALHL).

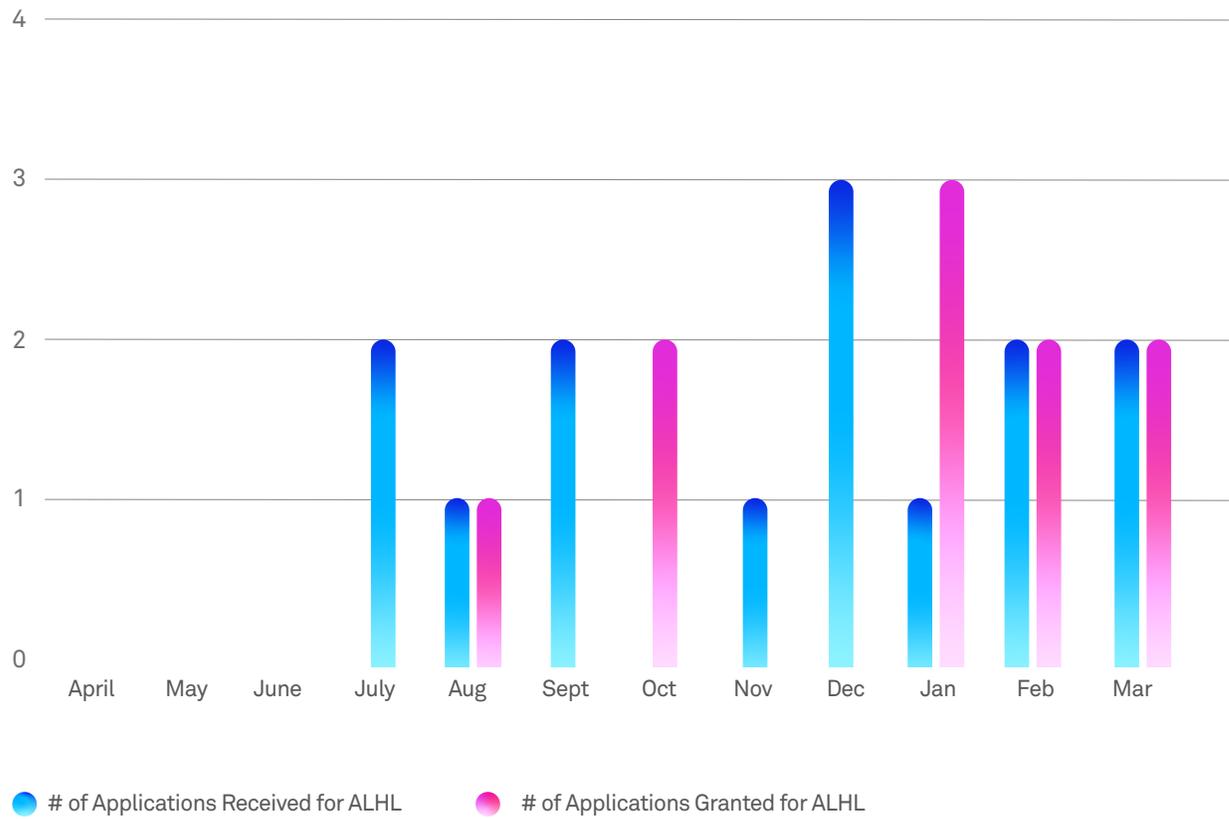
Table below depicts the number of certificates and licenses that were received and granted for the period 2020-2021.

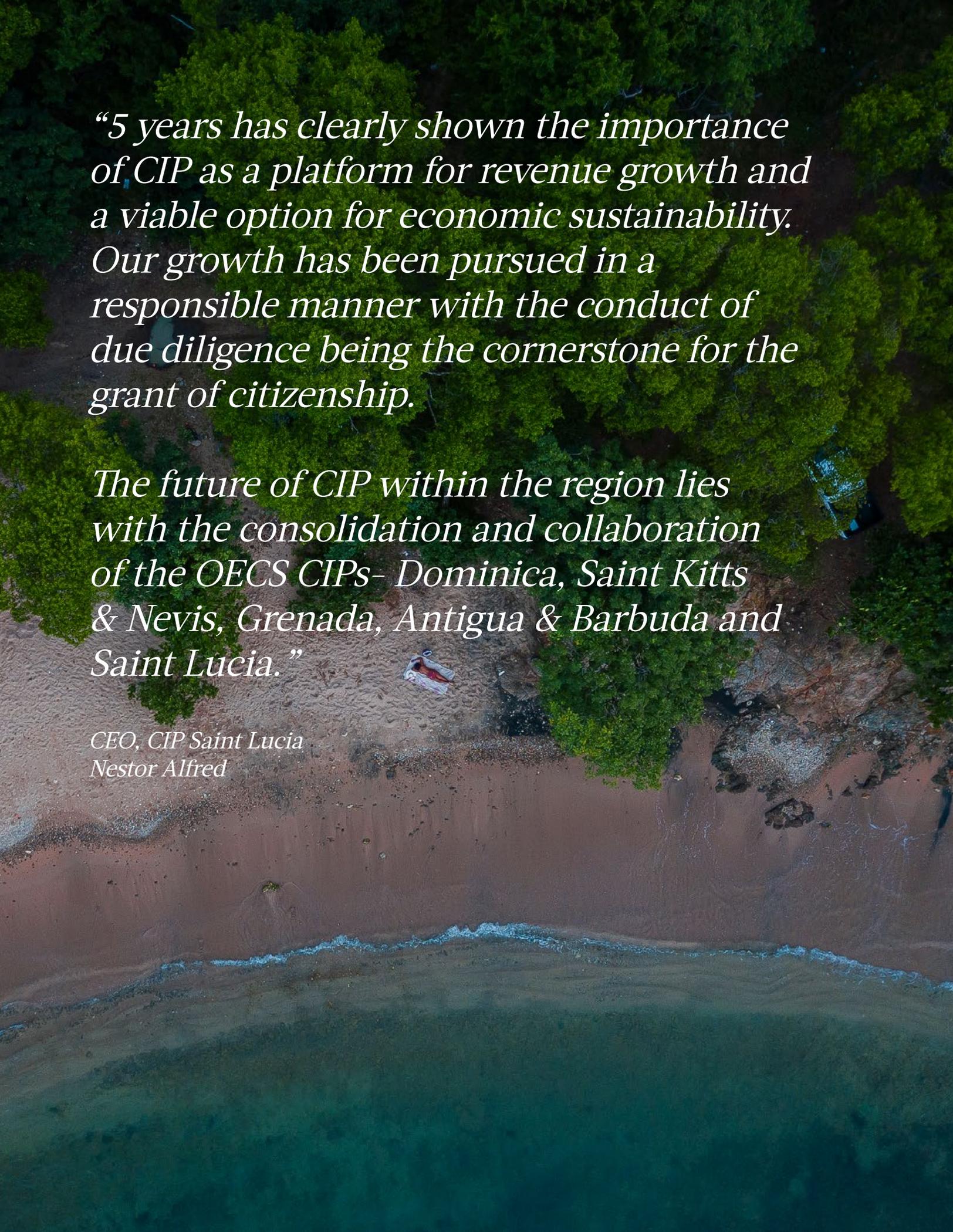


**Certificate of Eligibility (COE)
Applications Received vs. Applications Granted**



Alien Landholding License (ALL) Applications Received vs. Applications Granted





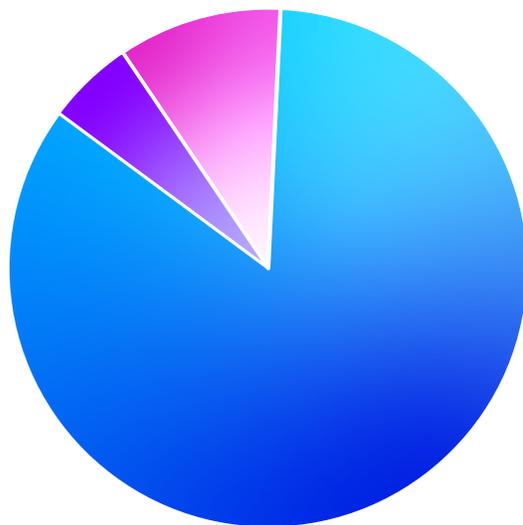
“5 years has clearly shown the importance of CIP as a platform for revenue growth and a viable option for economic sustainability. Our growth has been pursued in a responsible manner with the conduct of due diligence being the cornerstone for the grant of citizenship.

The future of CIP within the region lies with the consolidation and collaboration of the OECS CIPs- Dominica, Saint Kitts & Nevis, Grenada, Antigua & Barbuda and Saint Lucia.”

*CEO, CIP Saint Lucia
Nestor Alfred*



Financial Summary



-  National Economic Fund
-  Regular Bonds
-  COVID-19 Bonds

Revenue

Total revenue from ordinary activities generated XCD\$33.4 million for the period 2020-2021 in comparison to XCD\$14.4 million for the period ended March 2020. This reflects an overall increase of 133%.

Revenue 2020/2021				
Revenue Categories	March 2021	March 2020	Variance 2020/2021 Vs 2019/2020	% Change 2020/2021 versus 2019/2020
	\$('000)	\$('000)	\$('000)	%
20% Marketing & Promotions from Donations	9,640,890	7,233,300	2,407,590	33%
Processing Fees	1,709,910	1,167,762	542,148	46%
Due Diligence Fees	11,630,250	4,549,531	7,080,719	156%
Administrative Fees	9,112,500	216,000	8,896,500	4119%
Authorizing Agents - Application Fees	10,800	2,700	8,100	300%
Authorizing Agents - License Fees	427,316	424,292	3,024	1%
Promoter - Application Fees	13,500	13,500	0	0%
Promoter - License Fee Marketing Agents -	568,114	481,690	86,424	18%
Marketing Agents - License Fees	141,750	162,000	(20,250)	-13%
Alien Landholding- Application Fees	132,300	-	132,300	100%
Other Income	60,269	120,299	(60,030)	-50%
	33,447,599	14,371,074	19,076,525	133%

Programme Costs

Programme costs for the period stood at XCD\$15.5 million and exceeded prior year by XCD\$2.9 million.

Cost was significantly impacted by the commissions paid to Authorized Agents and Promoters at XCD\$7 million and due diligence expenses at XCD\$7.4 million.

Programme Costs 2020/2021				
Programme Costs	March 2021	March 2020	Variance 2020/2021 Vs 2019/2020	% Change 2020/2021 versus 2019/2020
	\$('000)	\$('000)	\$('000)	%
Authorized Agents /Promoters Commissions	7,010,455	3,564,000	3,446,455	97%
Marketing Agents (10% from Donations & Admin Fees)	77,625	5,678,100	(5,600,475)	-99%
Henley & Partners International	675,000	-	675,000	100%
Due Diligence expenses	7,394,939	2,765,539	4,629,580	167%
Due Diligence Expenses- Alien Landholding	2,700	0.00	2,700	100%
Public Education Campaign	-	3,000	(3,000)	-100%
Marketing & Investor Relations	36,291	37,965	(1,675)	-4%
Marketing & Promotions	319,675	275,708	43,967	16%
Business Travel Overseas	-	310,323	(310,323)	-100%
	15,516,685	12,634,455	2,882,230	23%

Operating Expenses

Generally, operating expenses are well managed by the Unit but exceeded prior year by 3% or XCD\$64.6k due to payroll increases and the inclusion of the Alien Landholding Department. This department was not yet operationalized in the prior year 2019-2020.

Operating Expenses 2020/2021				
Operating Expenses	March 2021	March 2020	Variance 2020/2021 Vs 2019/2020	% Change 2020/2021 versus 2019/2020
	\$('000)	\$('000)	\$('000)	%
Payroll Costs -CIU	1,577,900	1,386,498	194,401	14%
Payroll Costs-Alien Land Holding Department	93,803	-	93,803	100%
Operating Expenses - ALH(Alien Land Holding)	12,142	-	12,142	100%
Depreciation & Amortization	188,087	216,164	(28,076)	-13%
Lease Expense	20,726	23,755	(3,029)	-13%
Communication & IT	164,909	146,461	18,448	13%
Board Remuneration	133,000	133,000	-	0%
Audit Fees	31,000	30,125	875	3%
Consultancy	1,251	13,631	(12,380)	-91%
Legal Fees	82,100	295,756	(213,656)	-72%
Insurance	8,259	8,297	(37)	0%
Office Supplies & Services	38,329	50,872	(12,543)	-25%
Corporate sponsorship	13,500	6,200	7,300	118%
Utilities	62,958	66,416	(3,458)	-5%
Bank Charges	18,464	11,656	6,808	58%
Credit Card Com-E Processing Platform	12,272	-	12,272	100%
Gain/(Loss) on Disposal of Asset	(774)	-	(774)	0%
Foreign Exchange Loss	15,534	19,949	(4,415)	-22%
	2,473,460	2,408,780	64,680	3%

Balance Sheet

Total assets grew by XCD\$4.96 million or 65% in comparison to 2019-2020 with the main component of this being cash at bank at XCD\$12,003,411 versus XCD\$6,976,889 in the prior year.

Total liabilities increased by XCD\$3.3 million or 82% over prior year. This is attributed to an increase in commissions payable to Authorized Agents and Promoters, payments due to due diligence service providers and value added tax on the import of services.

Total Shareholders' equity increased by 46% or XCD\$1,657,071 over prior year despite excess cash of XCD\$3,797,992 distributed to government for the period.

Cash Flow

The Unit's cash flow and liquidity has been strong throughout the period with significant cash generated from administrative fees from real estate and bond investments.

The working capital ratio is at 1.74 with monetary investments of XCD\$637,200 held in trust to the National Economic Fund.



Investment Inflows

Investment contributions to the National Economic Fund paid to the **Government of Saint Lucia Consolidated fund.**

	Apr. - Jun.	July - Sept.	Oct.-Dec.	Jan-Mar.	Total
	2020	2020	2020	2021	
	\$	\$	\$	\$	\$
NEF donations collected Marketing and promotion	6,345,000				6,345,000
Donations held in trust from prior yr.31-Mar-2020 now remitted	698,932				698,932
fees applicable to the Unit	(1,269,000)				(1,269,000)
Foreign exchange loss	(22,184)				(22,184)
Net donations remitted to the Government of St. Lucia Consolidated Fund.	5,752,748	0.00	0.00	0.00	5,752,748

Investment Contributions to the National Economic Fund paid into the **National Economic Fund bank account.**

	Apr. - Jun.	July - Sept.	Oct.-Dec.	Jan-Mar.	Total
	2020	2020	2020	2021	
	\$	\$	\$	\$	\$
NEF donations collected; Marketing and promotion	0.00	6,790,995	18,933,255	16,135,200	41,859,450
fees applicable to the Unit	0.00	(2,422,980)	(2,721,870)	(3,227,040)	(8,371,890)
Donations held in trust @CIU 31-Mar-2021				(637,200)	(637,200)
Foreign exchange loss	0.00	(19,090)	(70,850)	(53,629)	(143,569)
Net donations remitted to the National Economic Fund Account.	0.00	4,348,925	16,140,535	12,217,331	32,706,791

Citizenship by Investment Unit

Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

1 Incorporation and principal activity

The Citizenship by Investment Unit (the “Unit”) is a statutory body of the Government of Saint Lucia, which was established on August 24, 2015, under the Citizenship by Investment Unit (CIU) Act No. 14 of 2015 and subsequently amended by Statutory Instrument No.1 of 2017. The Unit commenced operations on October 1, 2015.

The Unit’s primary function is for the general administration of the Citizenship by Investment program (“CIP”) of Saint Lucia.

The Unit’s registered office and principal place of business is located on the 5th Floor, Francis Compton Building, Waterfront, Castries, Saint Lucia.

2 Summary of significant accounting policies

Overall policy

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

Basis of preparation

The financial statements of the Citizenship by Investment Unit have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and under the historical cost convention.

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

(a) New and revised standards that are effective for annual periods beginning on or after April 1, 2020

- Amendments to IFRS 3 - Definition of a Business
- Amendments to IAS 1 and IAS 8 - Definition of Material
- Conceptual Framework for Financial Reporting

These amendments do not have a significant impact on these financial statements and therefore the disclosure have not been made.

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Independent Auditor's Report... *continued*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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Chartered Accountants

Citizenship by Investment Unit

Statement of Financial Position

As of March 31, 2021

(expressed in Eastern Caribbean dollars)

	2021 \$	2020 \$
Assets		
Current assets		
Cash (Note 5)	12,003,411	6,976,889
Accounts receivable	11,035	57,541
Prepayments (Note 6)	427,204	153,356
	<u>12,441,650</u>	<u>7,187,786</u>
Non-current asset		
Property, plant and equipment (Note 7)	184,569	363,676
Prepayment (Note 6)	—	107,566
	<u>184,569</u>	<u>471,242</u>
Total assets	<u>12,626,219</u>	<u>7,659,028</u>
Liabilities and equity		
Current liabilities		
Accounts payable and accruals (Note 8)	5,079,143	2,852,570
Deferred income - license fees (Note 9)	814,291	626,876
Lease payable (Note 11)	70,290	148,713
Provision (Note 12)	1,181,046	—
	<u>7,144,770</u>	<u>3,628,159</u>
Non-current liabilities		
Deferred income - government grants (Note 9)	200,702	215,403
Deposits (Note 10)	—	121,500
Lease payable (Note 11)	—	70,290
	<u>200,702</u>	<u>407,193</u>
Total liabilities	<u>7,345,472</u>	<u>4,035,352</u>
Equity		
Accumulated surplus	5,280,747	3,623,676
Total equity	<u>5,280,747</u>	<u>3,623,676</u>
Total liabilities and equity	<u>12,626,219</u>	<u>7,659,028</u>

Approved by the Board of Directors on July 23, 2021



Director



Director

The accompanying notes form an integral part of these financial statements.

Citizenship by Investment Unit

Statement of Operations

For the year ended March 31, 2021

(expressed in Eastern Caribbean dollars)

	2021 \$	2020 \$
Revenue (Note 13)	33,447,600	14,371,074
Grant income (Note 9)	<u>14,701</u>	<u>14,701</u>
	<u>33,462,301</u>	<u>14,385,775</u>
Operating expenses (Note 14)	(2,473,460)	(2,408,779)
Programme costs (Note 15)	(15,516,685)	(12,634,455)
Interest expense	<u>(17,094)</u>	<u>(5,505)</u>
	<u>(18,007,238)</u>	<u>(15,048,739)</u>
Surplus/(deficit) for the year	<u>15,455,063</u>	<u>(662,964)</u>

The accompanying notes form an integral part of these financial statements.

Citizenship by Investment Unit

Statement of Net Assets

For the year ended March 31, 2021

(expressed in Eastern Caribbean dollars)

	2021 \$	2020 \$
Net assets		
At beginning of year	3,623,676	7,286,640
Government distribution (Note 16)	(13,797,992)	(3,000,000)
Surplus/ (deficit) for the year	<u>15,455,063</u>	<u>(662,964)</u>
Net assets at end of year	<u>5,280,747</u>	<u>3,623,676</u>

The accompanying notes form an integral part of these financial statements.

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Citizenship by Investment Unit

Statement of Cash Flows

For the year ended March 31, 2021

(expressed in Eastern Caribbean dollars)

	2021 \$	2020 \$
Cash flows from operating activities		
Surplus/(deficit) for the year	15,455,063	(662,964)
Adjustments for:		
Depreciation (Notes 7)	188,791	216,164
Interest expense	17,094	5,505
Operating income/ (loss) before working capital changes	15,660,948	(441,295)
Increase in accounts receivable and prepayments	(119,776)	(293,894)
Increase/(decrease) in accounts payable and accruals	2,226,573	(356,225)
Increase in deferred income - license fees	187,415	18,427
Decrease in deferred income - government grants	(14,701)	(14,701)
Increase in provision – vat payable	1,181,046	–
Decrease in deposits	(121,500)	(162,000)
Cash generated from/ (used in) operations	19,000,005	(1,249,688)
Interest paid	(17,094)	(5,505)
Net cash provided by/ (used in) operating activities	18,982,911	(1,255,193)
Cash flows used in investing activities		
Purchase of property, plant and equipment	(9,684)	(14,445)
Proceeds from disposal of property, plant and equipment	–	4,109
Net cash used in investing activities	(9,684)	(10,336)
Cash flows used in financing activities		
Payment of lease payable (Note 11)	(148,713)	(157,498)
Distribution to government (Note 16)	(13,797,992)	(3,000,000)
Net cash used in financing activities	(13,946,705)	(3,157,498)
Net increase/(decrease) in cash	5,026,522	(4,423,027)
Cash - beginning of year (Note 5)	6,976,889	11,399,916
Cash - end of year (Note 5)	12,003,411	6,976,889

The accompanying notes form an integral part of these financial statements.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

1 Incorporation and principal activity

The Citizenship by Investment Unit (the “Unit”) is a statutory body of the Government of Saint Lucia, which was established on August 24, 2015, under the Citizenship by Investment Unit (CIU) Act No. 14 of 2015 and subsequently amended by Statutory Instrument No.1 of 2017. The Unit commenced operations on October 1, 2015.

The Unit’s primary function is for the general administration of the Citizenship by Investment program (“CIP”) of Saint Lucia.

The Unit’s registered office and principal place of business is located on the 5th Floor, Francis Compton Building, Waterfront, Castries, Saint Lucia.

2 Summary of significant accounting policies

Overall policy

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

Basis of preparation

The financial statements of the **Citizenship by Investment Unit** have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and under the historical cost convention.

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

(a) New and revised standards that are effective for annual periods beginning on or after April 1, 2020

- Amendments to IFRS 3 - Definition of a Business
- Amendments to IAS 1 and IAS 8 - Definition of Material
- Conceptual Framework for Financial Reporting

These amendments do not have a significant impact on these financial statements and therefore the disclosure have not been made.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

2 Summary of significant accounting policies ...continued

New standards, amendments to standards and interpretations

(b) Standards, amendments and interpretations that are issued but not effective and have not been early adopted are as follows:

- References to the Conceptual Framework
- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Unit's financial statements. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Unit.

Cash

Cash is carried on the statement of financial position at cost. For the purpose of the statement of cash flows, cash comprise balances with a maturity period of three months or less from the date of acquisition including cash on hand and deposits held on call with banks.

Property, plant and equipment

Property, plant and equipment are stated at historical cost net of accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

Subsequent costs are included in the assets carrying amount or recognised as an asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Unit and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of operations during the financial period in which they are incurred.

Depreciation is calculated on the straight-line basis to allocate the cost of each asset to their residual value over their estimated useful lives as follows:

Furniture, fixtures and appliances	10 years
Computer equipment	3 years
Leasehold improvement	3 years (lease term)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposal are determined by comparing proceeds with carrying amounts. These are included in the statement of operations.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

2 Summary of significant accounting policies ... continued

Leased assets

(a) The Unit as a lessee

For any new contracts entered into, the Unit considers whether a contract is, or contains a lease. A lease is defined as 'a contract or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Unit assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Unit;
- the Unit has the right to obtain substantially all of the economic benefit from use of the identified asset throughout the period of use, considering the rights within the defined scope of the contract; and,
- the Unit has the right to direct the use of the identified asset throughout the period of use. The Unit assess whether it has the right to direct 'how and for what purpose' the asset is use for the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Unit recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Unit, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Unit depreciated the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The Unit also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Unit measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available, or the Unit's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss, if the right-of-use asset is already reduced to zero.

The Unit has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in Property, plant and equipment and lease liability have been included in lease payables.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

2 Summary of significant accounting policies... *continued*

Impairment of non-financial assets

The carrying amounts of the Unit's Property, plant and equipment are reviewed at each reporting date to determine whether there are any indicators of impairment. If any indicators exist, the asset's recoverable amount is estimated.

The recoverable amount of the asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of operations.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Accounts payable

Accounts payable are classified as current liabilities if payment is due within one year or less. Accounts payable are initially recognised at fair value and subsequently measured at amortised cost.

Related party transactions

A party is related to the Unit if:

- (i) Directly or indirectly the party:
 - a. Controls, is controlled by, or is under common control with the Unit: -
 - b. Has an interest in the Unit which gives it significant influence over the Unit: -
 - c. Has joint control over the Unit.
- (ii) The party is a member of the key management personnel of the Unit.
- (iii) The party is a close member of the family of any individual referred to in (i) or (ii).
- (iv) The party is a post-employment benefit plan for the benefit of employees of the Unit or anybody that is a related party to the Unit.

Revenue recognition

To determine whether to recognise revenue, the Unit follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligation.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligation in the contract.
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Citizenship by Investment Unit in accordance with IFRS 15 recognises that the performance obligation is satisfied upon the issuance of a certificate of citizenship after a qualifying investment is made by an applicant. Revenue is recognised upon the receipt of the qualifying investment from the applicant after citizenship has been granted by the Board.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

2 Summary of significant accounting policies... *continued*

Donations to the National Economic Fund

When applicants apply for citizenship, one of the options available to them is that they can opt for a monetary donation into the Saint Lucia National Economic Fund. The minimum that has to be donated is USD 100,000 based on revised legislation to the CIU. Once the applicant has been granted citizenship and has been informed accordingly, the applicant will pay the amount into the Bank account of the Unit. Based on Statutory Instrument No. 1 of 2017 dated January 5, 2017, for every donation received from an applicant, 20% is retained by the Unit for marketing and promotion of the CIP and recognised as revenue, and the remaining 80% is transferred to the Government of Saint Lucia.

Processing fees

The processing fee per applicant is US\$2,000 and for each qualifying dependent US\$1,000. This is paid upon submission of the completed application to the Unit and recognised as revenue in the period it is paid.

Authorised Agents - application fees and license fees

Application fees arise when a company wishes to become an authorised agent so that they can assist applicants in submission of complete applications to the Unit. The application fee is paid upon submission of the application and is non-refundable. Once the application has been approved, a license is granted and the authorised agent pays the license fee for a year. A license is valid for one calendar year. The revenue from application fees are recognised on submission of application. The license fees are recognised after the grant of the license.

Promoters - application fees and license fees

Application fees arise when a company wishes to become a promoter. The application fee is paid upon submission of the application and is non-refundable. Once the application has been approved, a license is granted, and the promoter pays the license fee for a year. A license is valid for one calendar year. The revenue from application fees and license fees are recognised in the period in which it is earned.

Marketing agents

Marketing agents can only market CIP if they are registered and licensed to do so, thus a company wishing to do so would have to apply to become a marketing agent. A license is valid for one calendar year. Marketing agents can choose to pay a lump sum in advance for future licenses. This is recorded as Advanced deposits, and the amounts are recognised as revenue over the period in which it is earned.

Deferred government grant income

Grants related to depreciable assets are initially recorded as deferred income and are subsequently brought to income at the same rate as the assets to which they relate are depreciated. Other grants are recognised in the periods in which the expenses for which they were given are incurred.

Due diligence fees

The due diligence and background check fees per applicant are USD 7,500 and for each qualifying dependent over 16 years of age it is USD 5,000. This is paid upon submission of the completed application to the Unit and recognised as revenue in the period it is paid.

All fees are charged in accordance with the Citizen by Investment Act.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

2 Summary of significant accounting policies... *continued*

Expenses

Expenses are recognised on an accruals basis.

Contingencies

Contingent liabilities represent possible obligations and are disclosed in the financial statements unless the possibility of the outflow of resources embodying the economic benefit is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Subsequent events

Post year-end events that provide additional information about the Unit's position at the reporting date (adjusting events) are reflected in the Unit's financial statements. Material post year-end events which are not adjusting events are disclosed.

Provision

Provisions are recognised when: the Unit has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in the presentation of the current year.

3 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Unit based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Unit. Such changes are reflected in the assumptions when they occur.

There are no 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.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

4 Financial risk management

In accordance with the provisions of International Financial Reporting Standard No. 7, disclosures are required regarding credit risk, liquidity risk, market risk, fair value of financial instruments and capital management.

Credit risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Unit. The Unit's maximum exposure to credit risk is indicated by the carrying amount of its financial assets.

The financial asset which may potentially expose the Unit to concentrations of credit risk consists primarily of cash and accounts receivable. The Unit places its deposits with a highly reputable and regulated financial institution and the receivables are due from applicants whose net worth has been reviewed and determined to be satisfactory. As such, management does not believe that significant credit risk exists at March 31, 2021.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet contractual obligations. Management reviews cash flow forecasts on a regular basis to determine whether the Unit has sufficient cash reserves to meet future working capital requirements. Based on the available cash resources, the Unit is able to meet its obligations as they become due and as such, management does not believe that significant liquidity risk exists at March 31, 2021.

Market risk

Market risk is the risk that changes in market prices, such as interest and foreign exchange rates will affect the value of the Unit's assets, the amount of its liabilities and or the Unit's income. The Unit has minimal exposure to interest rate risk as it has no significant interest-bearing financial assets or liabilities. The Unit exposure to foreign exchange risk is minimal as the majority of its foreign transactions are quoted in US dollars, which has been formally pegged to the EC dollars at EC\$2.70 = US\$1.00 since 1976.

Fair value of financial instruments

Fair values represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and are best evidenced by quoted market values, if they exist. None of the Unit's financial assets or liabilities are traded on formal markets and as such their fair values are assumed to approximate their carrying amounts.

Capital management

The Unit's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to collect funds on behalf of the Government of Saint Lucia. The Unit has no significant debt and the unit is at low risk of capital inadequacy.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

5 Cash

	2021	2020
	\$	\$
Cash on hand	1,000	1,000
Cash at bank	12,002,411	6,975,889
	<u>12,003,411</u>	<u>6,976,889</u>

Included in cash in bank is \$637,200 which represents contributions held in trust at the Unit due to the National Economic Fund (See Note 16).

6 Prepayments

	2021	2020
	\$	\$
Current		
Advertising	363,271	—
Advanced registration and subscription fees	48,389	137,812
Prepaid rent	15,544	15,544
	<u>427,204</u>	<u>153,356</u>
Non-current		
Website development fees	—	107,566
	<u>—</u>	<u>107,566</u>

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

7 Property, plant and equipment

	Leasehold Improvements \$	Furniture \$	Computer Equipment \$	Right of Use \$	Total \$
As at March 31, 2019					
Cost	591,155	187,786	282,334	–	1,061,275
Accumulated depreciation	(591,155)	(59,029)	(222,305)	–	(872,489)
	–	128,757	60,029	–	188,786
For the year ended March 31, 2020					
Opening net book value	–	128,757	60,029	–	188,786
Additions during the year	–	–	14,445	376,501	390,946
Disposals during the year	–	–	(4,109)	–	(4,109)
Depreciation charge for the year (Note 13)	–	(18,918)	(42,429)	(150,600)	(211,947)
Closing net book value	–	109,839	27,936	225,901	363,676
As at March 31, 2020					
Cost	591,155	187,786	271,613	376,501	1,427,055
Accumulated depreciation	(591,155)	(77,947)	(243,677)	(150,600)	(1,063,379)
	–	109,839	27,936	225,901	363,676
For the year ended March 31, 2021					
Opening net book value	–	109,839	27,936	225,901	363,676
Additions during the year	–	–	9,684	–	9,684
Depreciation charge for the year (Note 13)	–	(18,918)	(19,273)	(150,600)	(188,791)
Closing net book value	–	90,921	18,347	75,301	184,569
As at March 31, 2021					
Cost	591,155	187,786	277,483	376,501	1,432,925
Accumulated depreciation	(591,155)	(96,865)	(259,136)	(301,200)	(1,248,356)
	–	90,921	18,347	75,301	184,569

During the period there was disposal of fully depreciated asset with a cost of \$3,814.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

8 Accounts payable and accruals

	2021	2020
	\$	\$
Accounts payable	940,731	300,952
Contributions in trust at Unit due to National Economic Fund	637,200	–
Qualifying Investment - Advance Payments	364,500	553,500
Staff gratuity	92,694	190,023
ALA License Fees – Advance Payments	27,000	–
Other	16,591	4,000
Contributions in trust at Unit due to Government	–	698,932
	<u>2,078,716</u>	<u>1,747,407</u>
Accrued expenses		
Authorised agents and promoters' commissions	1,471,500	422,550
Due diligence services	1,356,750	562,950
Staff vacation	97,277	41,712
Audit fees	32,381	31,000
Marketing agent commissions	27,000	–
Utilities	11,919	12,685
Other	3,600	34,266
	<u>3,000,427</u>	<u>1,105,163</u>
	<u>5,079,143</u>	<u>2,852,570</u>

9 Deferred income

	2021	2020
	\$	\$
Current:		
Deferred income - license fees		
At beginning of year	626,876	608,449
Funds received during the year	1,324,596	1,086,409
Funds received during the year recognised as revenue	(510,305)	(459,533)
Funds from prior balance recognised as revenue	(626,876)	(608,449)
At end of year	<u>814,291</u>	<u>626,876</u>
Non-current		
Deferred income - government grants		
At beginning of year	215,403	230,104
Amounts recognised as grant income	(14,701)	(14,701)
At end of year	<u>200,702</u>	<u>215,403</u>

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

10 Deposits

	2021 \$	2020 \$
Advanced marketing licensing fees	—	121,500

In December 2015, two marketing companies entered into a Marketing Service Agreement Contract with the Unit and paid the stipulated annual license fee of US\$30,000 for five years in advance.

11 Leases

Lease payables are presented in the balance sheet as follows:

	2021 \$	2020 \$
Lease payables		
Current	70,290	148,713
Non-current	—	70,290
	<u>70,290</u>	<u>219,003</u>

The Unit has a lease for office properties which is reflected on the statement of financial position as a right-of-use asset under property, plant and equipment and lease payables under current and non-current liabilities. The Unit classified its right-of-use assets in a consistent manner to its Property, plant and equipment (see Note 7).

For the lease mentioned above, there is a restriction that, unless there is written consent for the contractual right for the Unit to sublet the asset to another party, the right-of-use asset can only be used by the Unit. The lease is cancellable only if there is a breach of the covenants and with three months written advance notice. The unit must keep the premises in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Unit must insure items of Property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Unit's leasing activities by type of right-of-use asset recognised on statement of financial position.

Right-of-use assets	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of lease with extension options	No. of lease with options to re-purchase	No. of leases with variation payments linked to an index	No. of leases with termination options
Office premises	1	>1	>1				

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

11 Leases... continued

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

	Within 1 year \$	Total \$
At March 31, 2021		
Lease payments	82,904	82,904
Finance charges	(12,614)	(12,614)
	<u>70,290</u>	<u>70,290</u>

Additional information on the right-of-use asset is as follows:

	Carrying amount (Note 7) \$	Depreciation expense \$	Impairment \$
At March 31, 2021			
Office Premises	<u>75,301</u>	<u>150,600</u>	–

The right-of-use assets are included as a separate line under Property, plant and equipment.

12 Provision

	2021 \$	2020 \$
VAT payable	<u>1,181,046</u>	–

13 Revenue

	2021 \$	2020 \$
Allotment from National Economic Fund donations	9,640,890	7,233,300
Due diligence fees	11,630,250	4,549,531
Administrative fees – approved real estate project	7,087,500	216,000
Administrative fees – Covid-19 bonds	2,025,000	–
Processing fees	1,709,910	1,167,762
Other income	1,221,750	1,204,481
Alien land holding processing fee	132,300	–
	<u>33,447,600</u>	<u>14,371,074</u>

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

14 Operating expense

	2021	2020
	\$	\$
Payroll and employee benefits	1,671,703	1,386,498
Depreciation expense	188,791	216,164
Directors' stipends	142,000	133,000
Telecommunications	92,369	95,140
Legal fees	82,100	295,756
IT costs	74,069	51,321
Utilities	62,958	66,416
Professional fees	31,000	30,125
Travel allowance	12,620	1,411
Consultancy	1,251	13,631
Office supplies and services	114,599	119,317
	<u>2,473,460</u>	<u>2,408,779</u>

Payroll and employee benefits include amounts for gratuity and termination costs.

15 Programme costs

	2021	2020
	\$	\$
Due diligence expenses	7,397,639	2,765,359
Authorized Agent and Promoters commission	7,010,455	3,564,000
Marketing Agents commission and settlement payment	752,625	5,678,100
Business travel (Promotion and Conference)	–	310,323
Marketing and investor relations	355,966	316,673
	<u>15,516,685</u>	<u>12,634,455</u>

16 Government Distribution

	2021	2020
	\$	\$
Government Distribution – Consolidated Fund	<u>13,797,992</u>	<u>3,000,000</u>

Not having the mandate to put under management funds in excess of its budget, on August 14th, 2020, the Board decided that any excess funds which may accumulate from time to time should be transferred to the Government of Saint Lucia. Thereafter, written instructions were received from the Minister with Responsibility for the Citizenship by Investment Programme to remit any excess funds to the Consolidated Fund. Excess funds are an amount apart from the Donations to the National Economic Fund as stipulated in the Citizenship by Investment Legislation.

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

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Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

17 Related party transactions

Transactions with related parties as defined in Note 2 comprised of key management compensations and amounts collected on behalf of and remitted to the Government of Saint Lucia for donations to the National Economic Fund.

Key management compensations

	2021 \$	2020 \$
Directors' stipend	142,000	133,000
Salaries and other benefits	1,011,427	813,481
	<u>1,153,427</u>	<u>946,481</u>

National Economic Fund

During the year US\$17,853,500 or EC\$48,204,450 (2020 - US\$13,395,000 or EC\$36,166,500) was received by the Unit as monetary investments to the National Economic Fund. In accordance with Statutory Instrument No.1 of 2017 dated January 5, 2017, 20% is allocated to the Unit to cover marketing and promotions costs incurred. This resulted in a net of EC\$38,563,560 of which EC\$5,752,748 was remitted to the Government of Saint Lucia for the National Economic Fund during the year ended March 31, 2021, inclusive of prior year balance of EC\$698,932. EC\$32,706,791 was paid to the National Economic Fund Board During the year ended March 31, 2021. EC\$637,200 was outstanding to the National Economic Fund as at March 31, 2021.

The table below provides the collections and remittances details by quarter:

Donations under the Citizenship By Investment Programme Category National Economic Fund paid to the Government of Saint Lucia Consolidated Fund.

	April – June 2020 \$	July – September 2020 \$	October - December 2020 \$	January - March 2021 \$	Total \$
NEF donations collected	6,345,000	–	–	–	6,345,000
Contributions in trust at Unit due to Government from Prior Year March 31, 2020, now remitted	698,932	–	–	–	698,932
Marketing and promotion fees applicable to the Unit	(1,269,000)	–	–	–	(1,269,000)
Foreign exchange loss	(22,184)	–	–	–	(22,184)
Net donations remitted to the Government of St. Lucia Consolidated Fund	<u>5,752,748</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>5,752,748</u>

Citizenship by Investment Unit

Notes to Financial Statements

March 31, 2021

(expressed in Eastern Caribbean dollars)

18 Impact of COVID-19

On March 11, 2020, the World Health Organisation declared COVID-19 to be a pandemic. The pandemic has resulted in a significant downturn in commercial activity around the world. There is currently no cure, and the means most recommended to manage contagion is social distancing. This has resulted in several countries embarking on varying degrees of lock-down, closure of borders and travel bans. Global travel restrictions have been implemented, all of which will have negative global economic consequences.

COVID-19 impacted the economies of the Caribbean islands and that of the world in general. As small island states who are heavily dependent on Tourism, COVID-19 impacted at the very core of our economies. However, the same cannot be said of the Investment Migration sector within the OECS and St. Lucia. Citizenship by Investment programme generated its best revenue and applications during this pandemic. This is a clear statement that people desire for international mobility appeared greater during this pandemic. The increased numbers of application continued throughout 2020 and still is at favorable levels in 2021 and we foresee those numbers being sustained with our renewed and focused marketing thrust.



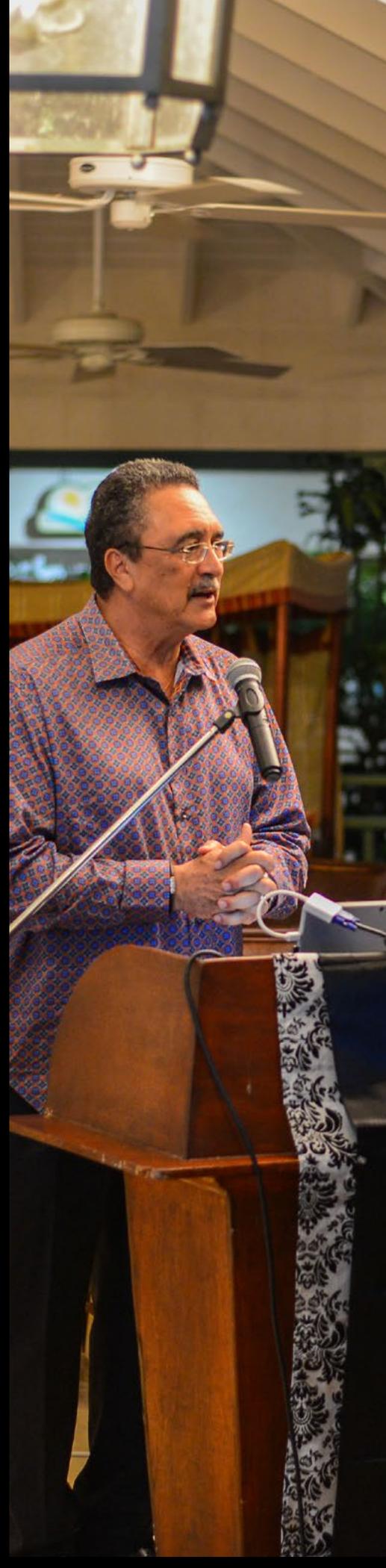


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BRAND









CARIBBEAN INVESTMENT SUMMIT





STAKEHOLDER FORUM





TEAM MEMBERS





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