FINANCIAL STATEMENTS OF THE RESOURCES MANAGED
BY LUMIN CONSULTING INCORPORATED FOR THE
CARIBBEAN MOBILE INNOVATION PROJECT UNDER EPIC TRUST FUND INFODEV
GRANT NO. TF017431 FOR THE PERIOD AUGUST 1, 2016 TO NOVEMBER 30, 2017
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INDEPENDENT AUDITOR'S REPORT

To the Executive Director
LUMIN Consortium

IBRD GRANT AGREEMENT TF017431
Name of Project – CARIBBEAN MOBILE INNOVATION PROJECT (CMIP)
Sixteen- month period ending November 30, 2017

Opinion

I have audited the accompanying Financial Statements of the Caribbean Mobile Innovation Project, set out on pages 5 to 12, which comprise the Statement of Sources and Uses of Funds, as at November 30, 2017, Statement of Cumulative Investments by Categories and Designated Account Reconciliation Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In my opinion, the appended Statements 1-2 and Supplementary Financial Information reflect a fair representation of the transactions of the Project for the period under review and the transactions conformed to the terms of the Grant Agreement and complied with the International Public Sector Accounting Standards (IPSAS) Cash Basis.

Basis for Opinion

The audit of the Project was conducted in accordance with:

- Article II Section 2.07 (b) of the Grant Agreement. – Project of standard conditions for Agreement between the LUMIN Consortium Inc. and the International Bank for Reconstruction and Development (IBRD) dated July 17, 2014.
- International Standards of Supreme Audit Institutions (ISSAIs).

My responsibilities under ISSAIs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. My staff and I are independent of the Project in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled the other ethical responsibilities in
accordance with the IESBA Code. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in this report.

Management’s Responsibility for the Financial Statements

The executing agency is responsible for the preparation and fair presentation of these financial statements, in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis. This responsibility includes: designing, implementing and maintaining internal controls, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether, due to fraud or error; selecting and applying appropriate accounting policies that are reasonable in the circumstances. The executing agency is also required to present audited financial statements to the IBRD.

The attached financial statements and supplementary financial information which are described hereunder were submitted to me by LUMIN Consortium Inc. to reflect the transactions of the Project for the period August 1, 2016 to November 30, 2017.

| Statement 1 | Statement of Sources and Uses of Funds |
| Statement 2 | Statement of Cumulative Investments by Categories |
|            | Designated Account Reconciliation |
|            | Notes to the Financial Statements |

Auditor’s Responsibility for the audit of the Financial Statements

My responsibility is to express an opinion on these Financial Statements based on my audit. I conducted my audit in accordance with the auditing standards issued by the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements; plan and perform the audit 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are
considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional scepticism throughout the audit.

I 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 my 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 Project's internal control.

- Evaluate the appropriateness of accounting policies used 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 Project's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. The conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Project 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 presents a true and fair view.

I have communicated with the LUMIN Consortium regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that was identified during the audit.
REPORT ON ADDITIONAL REQUIREMENTS OF THE IBRD GRANT AGREEMENT TF017431

COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND FINANCIAL CLAUSES OF THE GRANT AGREEMENT

During the period under review, I examined compliance by the Project Implementing Unit of the Executing Agency with the applicable laws and regulations related to the Project’s financial activities and with the accounting/financial/management clauses of the IBRD GRANT AGREEMENT TF017431. With the exception of failure to comply with Article 2, Section 2.01 (f) iii, 2.03 (d) and 2.06 (c) of the grant agreement there was general compliance with the following articles contained in the Grant Agreement mentioned:

Article I  - Section 1.01; 1.02 Standard Conditions; Definitions

Article II -Section 2.01:  Project Execution

   Section 2.03:  Institutional and Other Arrangements

   Section 2.05:  Project Monitoring, Reporting and Evaluation

   Section 2.06:  Financial Management

   Section 2.07:  Procurement

Article III - Withdrawal of Grant Funds

NON-COMPLIANCE TO CLAUSES IN GRANT AGREEMENT

The CMIP did not implement the following as stipulated in the grant agreement:

a. An Advisory Board to provide guidance and strategic direction for the Project;

b. A Project Operations Manual to guide the operations of the Project;

c. Since the inception of the Project in July 17, 2014, only one business plan was submitted to the World Bank for approval.
OPINION – GENERAL

In my opinion, the LUMIN Consulting Inc. maintained an adequate accounting system based on separate and clearly identifiable accounts which enabled the recording, monitoring and reporting of the operations and costs under the project in accordance with satisfactory accounting/financial/management practices and standards as required by the Grant Agreement.

AUDIT OF THE DESIGNATED BANK ACCOUNT

I have examined the appended Designated Account Reconciliation Statement, reflecting the movement in the Designated Bank Account for the period ended November 30, 2017. The Designated Bank Account No. 3687-8499 is maintained in United States Dollars in the name of University of the West Indies. My examination was made in accordance with the standards of the International Organisation of Supreme Audit Institutions (INTOSAI) and accordingly included such tests of the accounting records and other procedures I considered necessary.

OPINION – DESIGNATED BANK ACCOUNT

In my opinion, the Designated Account Reconciliation Statement reflects the total amount advanced to the Designated Account as at November 30, 2017 and has reconciled to the outstanding (undocumented) amount advanced to the account as at November 30, 2017 in conformity with IPSAS Cash Basis and IBRD guidelines.

[Signature]
Auditor General of Jamaica

[Date]
**RESOURCES MANAGED BY LUMIN CONSULTING INCORPORATED**
**CARIBBEAN MOBILE INNOVATION PROJECT InfoDev GRANT NO. TF017431 UNDER EPIC TRUST FUND**
**STATEMENT OF SOURCES AND USES OF FUNDS**
**FOR THE SIXTEEN MONTHS ENDED NOVEMBER 30, 2017**

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
</tr>
</tbody>
</table>

**Sources of Funds**

**World Bank**

- Designated Account: 721,622.89
- Total Funds Received: 6 721,622.89

**Uses of Funds**

**Grant Categories**

- Phase 1: Ideation to Pitch: 490,401.66 761,284.68 270,883.02
- Phase 2: Pitch to Market: 67,136.10 112,237.87 45,101.77
- Phase 3: Market to Maturity: 51,849.19 51,849.19 -
- Virtual Community: 28,235.33 50,200.21 21,964.88
- Monitoring & Evaluation: 103,141.63 223,770.90 120,629.27
- Business Model & Sustainability: 4,515.40 4,515.40 -
- Total Loan Expenditures: 7 745,279.31 1,203,858.25 458,578.94

**Net Cash Movement**

(23,656.42) 214,698.42 238,354.84

**BANK BALANCES**

**Opening Cash Balances**

- Designated Account: 238,354.84 - -
- Main Project Bank Account: - - -
- Total Opening Balance: 238,354.84 - -

**Closing Cash Balances**

- Designated Account: 214,698.42 214,698.42 238,354.84
- Main Project Bank Account: - - -
- Total Closing Balance: 8 214,698.42 214,698.42 238,354.84
- Available Cash Balance as at November 30, 2017: 214,698.42 214,698.42 238,354.84

Claudine Milton - Project Accountant

Melissa Johnson - Project Manager

Lisa Cummins
Executive Director - LUMIN Consortium

*The accompanying notes on pages 8 – 12 form an integral part of the financial statements*
RESOURCES MANAGED BY LUMIN CONSULTING INCORPORATED
CARIBBEAN MOBILE INNOVATION PROJECT InfoDev GRANT NO. TF017431 UNDER EPIC TRUST FUND:
STATEMENT OF CUMULATIVE INVESTMENTS BY DISBURSEMENT CATEGORY

<table>
<thead>
<tr>
<th>Category #</th>
<th>Description</th>
<th>Cumulative Balance to November 30, 2017</th>
<th>Cumulative Balance to July 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GO; CS; NCS; TRN; OP</td>
<td>745,279.31</td>
<td>1,203,858.25</td>
</tr>
<tr>
<td>2</td>
<td>Research Grant under p.4(a) of the Project</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Scholarship under p1(g) of the Project</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>745,279.31</td>
<td>1,203,858.25</td>
</tr>
</tbody>
</table>

Claudine Hyton - Project Accountant

Melissa Johnson - Project Manager

Lisa Cummins
Executive Director - LUMIN Consortium

The accompanying notes on pages 8 – 12 form an integral part of the financial statements.
RESOURCES MANAGED BY LUMIN CONSULTING INCORPORATED
CARIBBEAN MOBILE INNOVATION PROJECT Infodex GRANT NO. TTD17431 UNDER EPIC TRUST FUND
DESIGNATED ACCOUNT RECONCILIATION
AS AT NOVEMBER 30 2017

Bank Account #3687-8499 - CITI Bank; Kgn.

1 Total advanced by World Bank 1,418,556.67
2 Less: Total amount Documented by World Bank 1,113,792.04

3 Present Outstanding Amount Advanced to the Designated account (1-2) 304,764.63

4 Balance of Designated Account per attached bank reconciliation statement as at November 30, 2017 214,698.42
5 plus amount claimed in this Application (not yet documented in client connection for the period August 2017 to November 2017) 90,066.21
6 Plus: Total amount Withdrawn and not yet Claimed
7 Plus: Amounts Claimed in Previous Applications not yet Credited at the date of the bank statement
8 Less: Interest Earned
9 Total Advances Accounted for (#4 through #9) 304,764.63

10 Discrepancies between (#3 & #9)- see explanation below

Claudine Hylton - Project Accountant

Melissa Johnson - Project Manager

Lisa Cummins
Executive Director - LUMIN Consortium

The accompanying notes on pages 8 – 12 form an integral part of the financial statements
RESOURCES MANAGED BY LUMIN CONSULTING INCORPORATED FOR THE CARIBBEAN
MOBILE INNOVATION PROJECT INFODEV GRANT NO. TF017431 UNDER EPIC TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD AUGUST 1, 2016 TO NOVEMBER 30, 2017
(EXPRESSED IN UNITED STATES DOLLARS)

1. IDENTIFICATION

The LUMIN Consulting Incorporated (formerly University of the West Indies (UWI) Consulting) is an international company incorporated in St, Lucia with offices at the University of the West Indies Regional Headquarters, 2a Hermitage Road, Kingston 7, Jamaica. Through a consortium agreement dated 12th May, 2014; UWI Consortium was established and consisted of three parties namely, UWI Consulting Incorporated, Mona School of Business and Management and the Mona Business Support Services.

2. OVERVIEW

The Government of Canada under the support for Entrepreneurship Programme for Innovation in the Caribbean Multi Donor Trust Fund (EPIC TF) extended grant funds for the benefit of member countries within the Caribbean region. A grant amount of US$1,500,000 was awarded to the LUMIN Consortium for the execution of the Caribbean Mobile Innovation Project. The grant is being administered by the World Bank under the Technical Assistant Programme.

The objectives of the Project are to strengthen the Caribbean mobile innovation ecosystem and enable growth-oriented mobile enterprises to grow rapidly. The target beneficiaries of the Project are mobile app innovators, aspiring and existing entrepreneurs from the CARICOM Region. The Project is aimed at increasing gender responsiveness of the mobile innovation ecosystem and encourages participation of women in the Project activities.

PROJECT COMPONENTS

The Caribbean Mobile Innovation Project under EPIC Trust Fund consists of six parts:

Phase I - Ideation to Pitch

Identify and mobilize the top mobile application developer and entrepreneurial talent in the region. Direct the top talent and their mobile products to the annual competition through local and regional activities. Also spark excitement and interest in mobile innovation in the region and help to develop the skills and knowledge of current and future competitors including:

i) provide training-courses that cover building a start-up and product development;
ii) organize and run prototyping events and competitions (i.e. Hackathons);
PROJECT COMPONENTS CON’D

Phase I - Ideation to Pitch Cont’d

iii) hold a competition for developers and entrepreneurs to submit their mobile app business ideas, prototype or existing product/service in order to award prizes, (which could include further direct support through the project); and
iv) organize the annual pitching event in which at least 25 finalists (with a minimum of 20% participation rate for women-led enterprises) from the competition pitch their business to a panel of judges.

Phase II – Pitch to Market

Focus on supporting the winners of the competition to launch their products, strengthen their market share and investment readiness, including:
i) provide and manage seed financing to each of the winning teams;
ii) match the winning teams from the competition with mentors;
iii) provide the winning team access to selected facilities;
iv) arrange networking events between the winning teams as well as other members of the Caribbean and international mobile innovation ecosystem; and
v) implement the acceleration-type activities, including product development, investment readiness, and culminate with the opportunity for the winning teams to pitch at an international event.

Phase III – Market to Maturity

These activities may include:

i) supervise the progress of the finalist and winning teams, including assisting them in applying to other financing mechanisms and matching the teams with other potential investors; and
ii) maintain and develop the network of alumni to enable additional opportunities for networking and peer-to-peer learning.

Virtual Community:

Establish and maintain a virtual community in order to engage and connect all stakeholders in the Caribbean mobile innovation ecosystem.

Monitoring & Evaluation:

Establish a project monitoring system and collect and analyse the necessary data order to meet the reporting requirements of the World Bank.
PROJECT COMPONENTS CON’D

Business Model & Sustainability:

i) review the activities delivered in order to identify any updates and adaptations to implementation approach and business model;

ii) carefully track progress toward revenue targets specified in the Business Plan; and

iii) revise and submit the Business Plan annually to the World Bank for approval.

MANAGEMENT REPORT

The Annual Report was submitted by management of the Caribbean Mobile Innovation Project for the period August 1, 2016 to November 30, 2017.

AUDITING OF THE PROJECT

The Project is currently audited by the Auditor General’s Department.

The Auditors,
Auditor General’s Department,
40 Knutsford Boulevard,
Kingston 5,
Jamaica.

The Budget

The budget is the approved budget allocation between the International Bank for Reconstruction and Development (IBRD) and LUMIN Consortium Inc. The budgeted amount for the period US$1,040,158.85

3. Reporting Currency

These financial statements are expressed in United States of America dollars.

4. Summary of Accounting Policies

i. Basis of Accounting

The Project Accounting Unit (PAU) uses the cash basis of accounting to account for the project’s transactions and these financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) -Cash basis. Under this basis, income is recognized when funds are received rather than when earned and expenses are recognized when payment is made rather than when obligations are
4. Summary of Accounting Policies cont’d

incurred. Since the main objective of these financial statements is to disclose the sources and uses of funds, it is not necessary to present information adjusted for inflation.

ii. Foreign Currency Translations

Expenditure in Jamaica dollars paid from the United States dollars project account (designated account) held with Citi-Bank, were converted at the rate of exchange applied by the bank at the date funds were withdrawn from the account. During the period, the rates of exchange applied by the bank ranged from J$126.00 to J$130.00 to US$1.

iii. Fluctuation in exchange rates and fees

All fees and charges for un-disbursed loan funds, as well as losses due to exchange rate fluctuations are not considered eligible project costs and are absorbed by LUMIN Consulting Inc.

iv. Equipment and other fixed assets

Equipment and other fixed assets procured with project resources are recorded at their acquisition cost at the date of purchase. Depreciation is not charged on these assets and is also not reflected in these financial statements.

5. Disbursement Request

<table>
<thead>
<tr>
<th>Disbursement Request Date</th>
<th>Disbursement Number</th>
<th>Amount US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 23, 2017</td>
<td>TF-17431/WA7</td>
<td>462,194.55</td>
</tr>
<tr>
<td>November 16, 2017</td>
<td>TF-17431/WA 10</td>
<td>259,428.34</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>721,622.89</td>
</tr>
</tbody>
</table>

This represents the total advance issued by the IBRD for the period ending November 30, 2017.

6. Source of Funds

The amount of US$721,622.89 (cumulatively US$1,418,556.67) was received from the World Bank for the period under review.
7. Use of Grant Funding

Total funds invested during the period amounted to approximately US$745,279.31 (cumulatively US$1,203,858.25).

8. Available Cash Balance

The cash available to the Project as at November 30, 2017 was:

<table>
<thead>
<tr>
<th>Account</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Account</td>
<td>214,698.42</td>
</tr>
<tr>
<td>Administrative Account</td>
<td>-</td>
</tr>
<tr>
<td>Total Closing Balances</td>
<td>214,698.42</td>
</tr>
</tbody>
</table>

The Project did not maintain a dedicated bank account and as such, the funds held by UWI are in a general projects’ bank account. This Project received approval by way of Disbursement Letter dated June 15, 2015, to operate a Pooled Designated Account. UWI operates a system of fund accounting that is an integral part of the Banner Finance System. The system provides for segregated fund balances.

9. Fixed Assets

Assets held by the Project at November 30, 2017 include:

<table>
<thead>
<tr>
<th></th>
<th>Computer</th>
<th>Equipment</th>
<th>Furniture</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at August 1, 2016</td>
<td>4,133.90</td>
<td>4,530.78</td>
<td>175.26</td>
<td>8,839.94</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>2,102.05</td>
<td>2,102.05</td>
</tr>
<tr>
<td>Balance at November 30, 2017</td>
<td>4,133.90</td>
<td>4,530.78</td>
<td>2,277.31</td>
<td>10,941.99</td>
</tr>
</tbody>
</table>