

INVEST
BARBADOS 

ANNUAL REPORT 2017

10th
Anniversary
Celebrating 10 years of landing & facilitating
international business.



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ABOUT INVEST BARBADOS

The Barbados International Business Promotion Corporation (BIBPC) was established as a statutory corporation on November 10, 2005. The Corporation subsequently gained permission to trade under the new name Invest Barbados (IB). On October 1, 2006 IB became operational and the first employee was hired. It was reasoned, given the critical need for the country to attract greater levels of foreign direct investment (FDI), boost vital foreign exchange receipts, create jobs and maintain Barbados' standard of living, that a dedicated organisation was needed to accomplish such outcomes.

IB is an economic development agency of the government of Barbados, responsible for attracting, winning and sustaining international investment for Barbados. The corporation is also responsible for helping to develop and manage the Barbados international business brand.

MANDATE

- To promote Barbados as a desirable investment location, and attract FDI
- To monitor competitive domiciles, clients and markets for new trends and legislative changes, and develop new products
- To work with other stakeholders to manage and develop the Barbados international business brand

MISSION

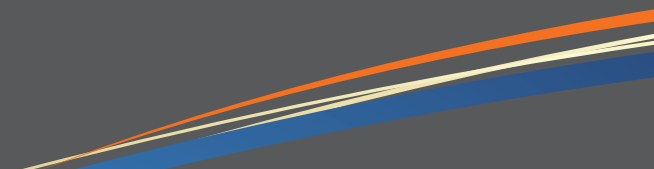
To secure and facilitate sustainable FDI and international business that result in increased jobs, technology and skills transfer, foreign exchange earnings and tax revenues for Barbados.

In pursuing our mission we will:

- Recruit, train and retain high quality people to execute our mandate
- Engage in promotional and sales activity globally
- Conduct research to facilitate the development of new products and markets
- Manage Barbados' investment climate to ensure client satisfaction and future growth

VISION

To be recognised as a leading investment promotion agency by virtue of our success in winning and facilitating international business.



LETTER OF TRANSMITTAL

**Barbados International Business Promotion Corporation
Trident Insurance Financial Centre
Cnr. Hastings Main Road and St. Matthias Gap
Christ Church**

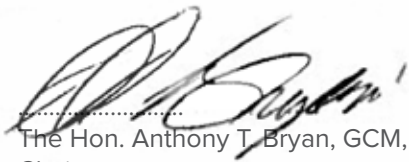
July 31, 2017

Senator, the Honourable Darcy Boyce
Minister in the Prime Minister's Office with Responsibility for Immigration,
Telecommunications, Energy and Invest Barbados
Government Headquarters
Bay Street
St. Michael

Dear Minister:

In pursuance of Section 18(1) of the Barbados International Business Promotion Corporation Act, 2005, I have the honour to submit to you, the Corporation's Report and Statement of Accounts for the period April 1, 2016 to March 31, 2017.

Yours faithfully,



The Hon. Anthony T. Bryan, GCM, J.P.
Chairman

BOARD OF DIRECTORS

The ten members of the Board of Directors are appointed by the Minister with responsibility for IB. The Board is generally responsible for the smooth administration of the Corporation. The Chief Executive Officer is an ex-officio member of the Board.

During the period April 2016 to March 2017, the Board held 10 administrative meetings. Its members were:

The Hon. Anthony T. Bryan, GCM, J.P. – Chairman
Mr. Rodwell London – Deputy Chairman
Ms. Debra Gooding
Mr. Randy Graham

Mr. Stephen Greaves
Ms. Emeline Taitt
Mr. Everton Walters, CBE, J.P.

Representative, Barbados International Business Association

Permanent Secretary, Ministry of Industry, International Business, Commerce and Small Business Development

Permanent Secretary, Prime Minister's Office



Board of Directors

Left-right:- Sandra Payne, CEO (Ag), Invest Barbados; Sonia Foster, Randy Graham, Rodwell London, Deputy Chairman; Stephen Greaves, Anthony Bryan, Chairman; Andrew Alleyne; Debra Gooding; Everton Walters; Emeline Taitt

Inset is Sonja Welch, Permanent Secretary,
Prime Minister's Office



EXECUTIVE MANAGEMENT

Miss Sandra Payne, B.Sc., MBA

Chief Executive Officer (Ag)

Mr. Kenneth Campbell, B.Sc., MBA

Director, Investment Promotion

Mr. Ezra Catwell, B.Sc., M.Sc.

Director, Investment Facilitation

Miss Jannette Babb, B.Sc., MBA

Director, Research & Development (Ag)

Mr. Jean-Paul Cumberbatch, B.Sc.

Manager, Research & Development

Miss Deborah Gill, B.Sc.

Manager, Finance

Mrs. Michelle Inniss, B.A., M.Sc.

Manager, Human Resources

Mr. Ronald Lewis, B.Sc., M.Sc.

Manager, Information Communication Technology

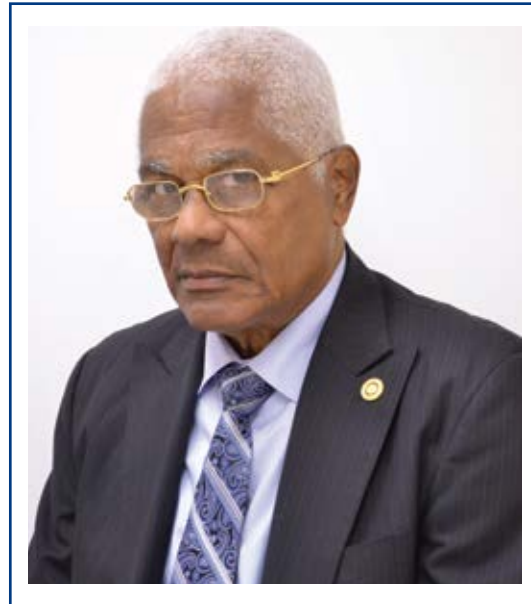


MESSAGE FROM THE CHAIRMAN

Barbados celebrated its golden anniversary at the end of 2016 commemorating 50 years of pride and industry. The country has achieved significant progress in many areas since becoming an independent nation, for which all Barbadians can be justifiably proud and thankful.

Similarly, during the period under review, IB marked a milestone anniversary of 10 years of operations as an investment promotion agency. Like the country, the Corporation has grown from strength to strength, and will go forward despite the various setbacks that may affect the economy in general and the international business and financial services (IB&FS) sector, in particular.

The management and staff of IB have worked tirelessly, along with industry stakeholders, to fulfil the Corporation's mandate of promoting Barbados as a desirable investment location and securing sustainable FDI and employment for the country. During this period the number of international businesses licensed has averaged 540 per year. This steady growth persisted throughout the economic challenges of fiscal year April 2016 to March 2017, as IB carefully deployed its resources, strategically marketing Barbados as a high quality international business jurisdiction, mainly through inward missions, international conferences, seminars and road shows into the traditional North American markets, as well as in the promising Latin American region. In 2016, IB hosted two successful business seminars in Mexico City, Mexico and Bogotá, Colombia, as part of promotional activities which also included private meetings attended by a 22-member Barbados delegation. Two



seminars were also held in Toronto, Canada and one in Atlanta, USA, which were all well supported by industry professionals.

I am happy to report that despite the constantly shifting global landscape, Barbados continues to do well as an international financial centre (IFC). The number of new international business entities licensed increased by 12.2% over the previous year, largely due to a record increase in registrations of international societies with restricted liability (ISRLs). Importantly too, the range of services being offered by new international companies establishing in Barbados during the past decade has expanded to include asset management, web design, medical education and information security management. Moreover, well

established businesses, such as Gildan SRL and KM² Solutions Inc., have also significantly increased their physical plant and staff complement.

In addition, Barbados was upgraded to “largely compliant” by the Organisation for Economic Cooperation and Development (OECD) signalling the country’s ongoing commitment to meeting and maintaining international standards of best practice. With this in mind, the Government of Barbados will continue to ensure that the country retains its status as a reputable and transparent jurisdiction that seeks to attract investment of substance.

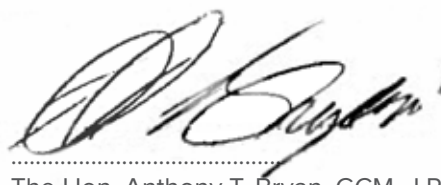
Looking Ahead

Barbados will push ahead as a proven IFC in spite of the economic challenges confronting the country and a cautious investor climate. IB will continue to implement those strategies which have yielded success so far, while adapting to prevailing market conditions, with ongoing emphasis on traditional markets in Canada and the USA as well as emerging regions within Latin America. We are hoping to attract investment from China and Africa, subject to the availability of resources.

We remain focused and committed to the task of contributing to our country’s goal of becoming the international financial and wealth management centre of choice in the Western Hemisphere. The Corporation stands ready to work, in collaboration with all stakeholders, to ensure the efficient and effective execution of the government’s strategic plan for the IB&FS sector.

The journey over the last few years has not always been smooth, and at times has been uncertain. However, the Corporation has overcome hurdles with one goal in mind – a focus on facilitating international business and attracting increased levels of FDI to Barbados. This shall remain over the years to come.

With God’s guidance, I am certain that the IB&FS sector will achieve even greater success. I am also confident that the board, management and staff of IB, who have always given their commitment, will continue in this vein and ensure the ongoing positive growth for the IB&FS sector and for Barbados.



The Hon. Anthony T. Bryan, GCM, J.P.
Chairman

ORGANISATIONAL STRUCTURE

The Chief Executive Officer (CEO) is responsible to the Board of Directors for the operations and administration of IB. Miss Sandra Payne, who was appointed CEO (Ag) in April 2015, continued to lead the Corporation in this capacity during the reporting period.

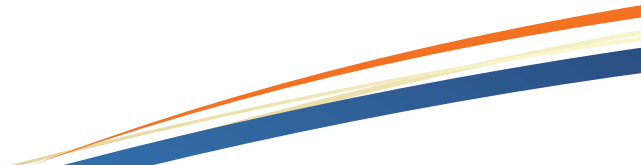
During the year, one intern was assigned to the Toronto Office for an initial period of three months. There was no movement of permanent employees during the financial year with the staff complement remaining at 34.

STRATEGIC PLAN

The Corporation's Strategic Plan for 2016-2017 outlined initiatives in keeping with the strategic imperatives of the organisation, particularly with regard to marketing and promotional activities, facilitation services and the management of Barbados' international business brand. Specific initiatives were articulated to target opportunities in financial services, niche manufacturing and ICT, including high value added subsectors such as business process outsourcing, web applications/programming, etc. At the same time, other activities were identified to secure additional business in the areas of medical schools and medical tourism while continuing efforts to attract more High Net Worth Individuals (HNWIs) to Barbados. Additionally, initiatives were geared towards the ongoing facilitation of existing investors and enterprises, to assist them in addressing potential issues and with expanding their mandate in Barbados, thereby increasing FDI, foreign exchange earnings and taxes and generating further employment for Barbados.

The plan also addressed IB's strategy for the further development of markets in Latin America which continue to be important sources of new business for Barbados, specifically, Colombia and Mexico. Research is ongoing to identify potential opportunities in other countries within the region including Cuba, Panama and Peru. While China and Africa remain in focus, budgetary constraints mitigated against engaging with these markets during the reporting period.

The Corporation's strategy incorporated activities to reinforce both the IB and Barbados brands through various messaging channels. Additionally, programmes were designed to highlight the attributes of the Brand while promoting the country as a quality jurisdiction that encourages business of substance.



OPERATING ENVIRONMENT

World economic growth was recorded at 3.1% in 2016, with the latter half of the year gaining momentum, particularly in advanced economies. The IMF World Economic Outlook for 2016 also predicted further growth in the global economy into 2017, with projections of 3.5%. This moderate increase is expected to come from greater business activity levels and stronger demand, as a result of the recovery of commodity prices the previous year.

In the latter half of 2016, the USA experienced growth due to the confidence companies placed in future demand. Additionally, following the BREXIT referendum, growth was also positive in the UK, with spending proving to be resilient. Japan, China, Germany and Spain also boasted positive activity due to strong net exports and domestic demand. However, India and Brazil showed signs of decline, with the latter facing a recession.

UNCTAD's 2016 World Investment Report indicates that global FDI inflows fell by 2% to US\$1.75 trillion in 2016, due in part to weak economic growth and significant policy risks as perceived by multinational enterprises. This decline was experienced by developing regions such as Asia, Africa, Latin America and the Caribbean. Least developed countries and small island developing states also saw a fall in FDI flows of 13% (US\$38 billion) and 6% (US\$3.5 billion), respectively; while landlocked developing countries saw stable FDI at US\$24 billion. However, global FDI is projected to see a moderate recovery – growth of 5% to approximately US\$1.8 trillion in 2017. This increase is expected to result from greater economic growth in major regions and the upsurge of business investor confidence.

Uncertainty, however, still remains with respect to geopolitical risks in countries such as the UK due to BREXIT and in the USA where the current administration is moving to abandon the Trans-Pacific Partnership and renegotiate certain trade agreements, as well as undertake potential tax reform.

Over the past few years FDI inflows have shown a steady decline in Latin America and the Caribbean. This trend continued into 2016 with a decrease in FDI inflows totalling US\$142 billion. In South America, economic recession, weak commodity prices and higher currency volatility led to a 14% decline in inflows of US\$101 billion. Central America suffered a similar fate (a 14% decline to \$38 billion) while in the Caribbean, there was a 9% decrease in FDI flows totalling US\$3 billion. FDI flows in Latin America and the Caribbean for 2017 are projected to decrease further by approximately 10% to US\$130 billion.

The top prospective destinations for FDI were the USA, China and India. The top 15 recipient countries included both developed and developing nations. Of these, only one country in Latin America and the Caribbean region, Brazil, made the list. The agriculture, information communication technology and food and beverage sectors were identified as the leading sector recipients of potential FDI within Latin America and the Caribbean.

Barbados' IB&FS sector continued to display resilience despite the country's ongoing challenges, including a deteriorating business environment; further downgrades by international ratings agencies; increasing impact of bank de-risking; sustained attacks on IFCs and strengthening of the tax fairness

movement in Canada, the country's main source of FDI; uncertainty surrounding BREXIT and the looming impact of the Base Erosion and Profit Shifting initiative.

Nevertheless, a number of positive developments occurred during the period under review. The international insurance sub-sector continued to perform well, with an encouraging increase in the number of new registrations. As a result, Barbados maintained its ranking within the top 10 domiciles globally for international insurance. This, including the previously introduced Incorporated Cell Company legislation, was among the key reasons that led to Barbados being highly commended at the 2016 US Captive Services Awards.

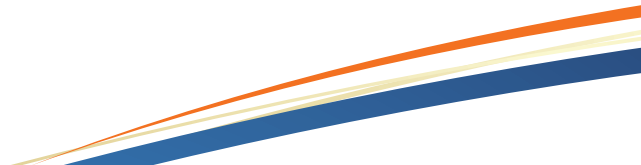
During the same period, Barbados was upgraded to "largely compliant" by the OECD. This upgrade further endorsed Barbados' reputation as a stable, transparent and cooperative jurisdiction based on international standards and best practices.

The country continued to expand its treaty network. At the end of March 2017, the total number of double taxation agreements in force was 37, the most recent addition being with the United Arab Emirates. The Multilateral

Convention on Mutual Administrative Assistance in Tax Matters which was signed in October 2015 entered into force in November 2016.

Business facilitation also remained high on the agenda during the period under review. Consequently, Senator, the Hon. Darcy Boyce, Minister in the Office of the Prime Minister, was designated to oversee this critical function. The initiative is intended to further boost investor confidence and to remove any impediments to effective and efficient service delivery within the sector.

Government is very keen on enhancing the country's already strong legislative framework and ensuring that transparency and cost efficiency are optimised. Additionally, together with stakeholders, the government is committed to successfully navigating the inevitable challenges within the global business environment and reinforcing the country's reputation as a tried, proven and preferred domicile.



BARBADOS' INTERNATIONAL BUSINESS AND FINANCIAL SERVICES SECTOR...

Ten Years With IB

Even as traditional sectors continue to hold their own, over the past 10 years, the IB&FS sector has evolved in response to market forces and changing regulatory requirements. This has been evident particularly in the international banking sub-sector where stricter regulations enforced by Revenue Canada led to the closure of some international banks, while others changed their business model in order to maintain a presence in Barbados. At the same time, the range of services being delivered from Barbados has expanded, as new entrants take advantage of the country's value proposition to enhance their global competitiveness. There has been the emergence of entities offering services in the medical and education spaces, investment management, energy, digital multi-media, fintech, research and development and specialised international sales. This interest is evident in the select profiles presented below.

American University of Barbados (AUB) – School of Medicine

The AUB, School of Medicine began operations in February 2012 from the Wildey Industrial Estate, with 11 students, both local and international. The school quickly outgrew that facility and relocated to a campus at Landsdown, Silver Sands, Christ Church in May 2014, catering to a student body of 80. With an increasing student roll, currently 255, AUB is now located at its new campus at Upton, St. Michael, formerly owned by Cable & Wireless.

AUB offers a US model curriculum for its four and five-and-a-half year medical degree programmes as it seeks to provide a world-

class medical education with innovative teaching techniques, that include the use of 3D animations and video games which make learning easy and interactive. AUB continues on its path to becoming a leading university in the Caribbean and has plans to build a clinic and hospital at its new location in the near future.

Quantum Investment Management Inc.

Quantum Investment Management Inc. (Quantum) is an international business company, licensed and regulated in Barbados. Quantum is registered as an investment advisor and its activities are governed by the Financial Services Act and are monitored on an ongoing basis by the Financial Services Commission.

Quantum's professional team provides discretionary wealth and investment management to a select group of clients, and offers flexibility through full asset management irrespective of the chosen investment vehicle. Investment services are provided to corporations, international banks, trusts and individuals with substantial financial resources. The company's overriding goal is to offer a fully personalised and superior service in terms of both wealth management and client communication.

Caribbean LED Lighting Inc.

Caribbean LED Lighting Inc. is a fast growing, energetic and forward thinking manufacturing company. Established in 2011 with two employees, it currently has in excess of

45, producing a variety of high quality LED products and exporting to over 18 countries, including 14 countries of CARICOM and South America. It also has a growing network of distributors across the region.

Investment in training is essential to Caribbean LED, enabling it to adapt quickly and take advantage of technology and business opportunities that are constantly developing within this dynamic and ever evolving industry. According to the owner, Mr. Jim Reid, the main reasons he selected Barbados were the stable political climate, good infrastructure and availability of talented labour and because it is a good place to live and do business.

Hyuna International Ltd.

Hyuna International Ltd. (Hyuna) is a digital multimedia (movies, music, e-books, audio-books and videogames) operation, providing services to an international clientele. The Canadian parent company has several offices around the world including the Ukraine, as well as in the cities of Montreal, Los Angeles, London and New York. It decided to establish its headquarters in Barbados.

In October 2016, Hyuna celebrated its fifth anniversary in Barbados, growing from an initial staff complement of 10 to over 100 at present. The cadre of persons employed at the Barbados office includes customer service agents, IT consultants, software developers, financial managers and lawyers.

Bitt

Bitt is a financial technology company utilising the blockchain protocol to increase the efficiency and ease of financial transactions. Fee structures in traditional payment systems are based on sharing arrangements between vast networks of financial institutions; each taking a processing fee and using the control of their respective financial channels to their benefit. These fees, often high and frictional, make sending money throughout

the Caribbean quite cumbersome and costly. Bitt is building the financial ecosystem in the Caribbean to remedy these issues experienced daily across the region. It directly connects merchants and consumers using frictionless mobile money, offering a low-cost international cash and virtual currency remittance service, and providing liquid digital currency to traditional currency trading markets through the Bitt exchange platform.

Bitt leverages the disruptive technological advancements of the Bitcoin blockchain to bring efficient financial services to the massive unbanked population in the Caribbean and Latin America. By being the first mover of this market in the Caribbean, Bitt has positioned itself to be a huge part of the future of this revolutionary change by leading innovation, compliance, business partnership and adoption in this region. Established in 2014 with a staff of six, the company now employs over 40 persons and has secured a sizeable investment from a leading US entrepreneur, the CEO of Overstock.com

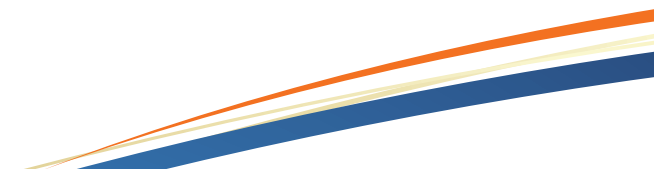
Scoros International Inc.

Scoros International Inc. is a US based corporation that operates dedicated research and development (R&D) organisations in developing economies around the world on behalf of their North American clients. This strategy allows them to operate businesses devoted solely to their clients' specific projects and enables them to leverage global talent with their R&D capabilities.

Scoros established its Barbados-based operation, NuParadigm, in February 2012. This entity is a software development customer support group that maintains a market research portal for major US corporations and currently employs 10 persons.

Argo Development Studio

Argo Development Studio (Argo) is a design and development management company.



Founded in 2013, Argo is headquartered in Christ Church, Barbados where it focuses on working with teams of industry professionals in the construction building arena to achieve greater efficiencies in the design and development process. Each team selection and approach is uniquely tailored to serve the needs of the clients and their projects. Services offered include 3D moulds and imagery, technology selection, fire certification, material selection, project investigation, model development, quality assurance and control, drawings and specifications. Through strong leadership, Argo safeguards the project's journey from concept to completion.

Managing Director, Mr. David Campion, was a former lecturer at the School of Architecture, Dublin Institute of Technology in Ireland. He has over 20 years of industry experience in design and development work, across a number of sectors in the USA, Europe and the Caribbean. The company also has offices located in Ireland, the UK, Trinidad and Tobago and a procurement office in Hong Kong.

KM² Solutions (Barbados) Ltd.

KM² Solutions, a US owned, state of the art call centre, commenced operations in Barbados on June 4, 2007. The company services a number of clients and industries in the USA, providing support of collections, customer care, back office operations, technical support, vehicle re-acquisition logistics, catalogue sales and servicing, retail sales and servicing, and B2B sales.

Currently KM² Solutions Barbados employs over 900 persons and is actively recruiting to accommodate continued growth. The Barbados operating centre is the largest of the company's five Caribbean and Latin American facilities.

KM² Solutions has been repeatedly recognised as an industry leader for excellence in service and values, with a 2012 Caribbean Business

Award for Best Caribbean Call Centre. In 2015, Frost & Sullivan awarded the company with the Central American and Caribbean Contact Centre Outsourcing Customer Value Leadership Award; an acknowledgement of KM² Solutions' unique positioning and commitment to excellence.

MarketOne

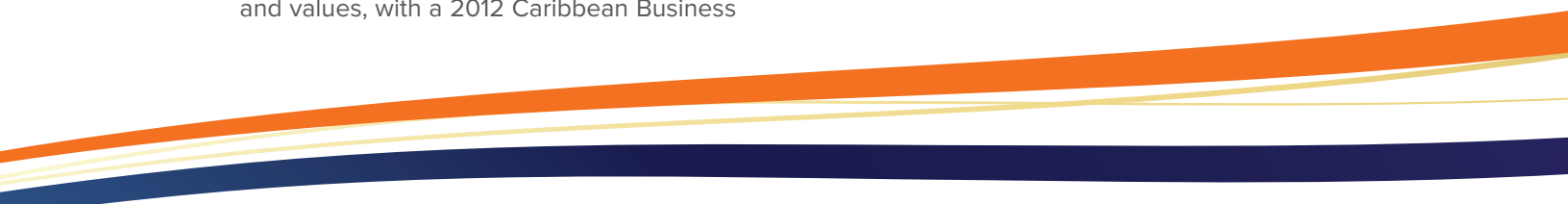
MarketOne is a global demand generation agency that specialises in delivering quantifiable sales outcomes to its business-to-business (B2B) clientele. At MarketOne, they believe that improving the customer experience, across marketing channels, is what strengthens a loyal customer base.

From 2008 when they started a near shore operation in Barbados, MarketOne has evolved from being primarily a B2B telemarketing firm to one that helps clients manage their mid-funnel marketing activities. MarketOne is ISO 27001 certified at all of its eight offices worldwide. The company's global employee count is approximately 450 with a local Barbadian staff complement of 80.

Platinum System Chiropractic Revolution Corporation

Platinum System Chiropractic Revolution Corporation started operations in Barbados in July 2004. The company markets full practice management solution software systems designed specifically for the chiropractic profession and also provides technical support. Its main markets are Canada and the USA.

The company has been quite successful in Barbados and under new management, is looking to expand its services. It currently provides employment for 24 persons and is located at the Harbour Industrial Park, St. Michael.



MANDATE EXPANSIONS

Other well-established entities have expanded their Barbados operations and continue to make a significant contribution to the Barbados economy in terms of job creation, foreign exchange generation and corporation tax. In particular:

Gildan Activewear SRL

Gildan Activewear (Gildan) is a leading supplier of quality branded basic family apparel, including T-shirts, fleece, sport shirts, underwear, socks, hosiery and shape wear. The company distributes its products in markets in the USA and Canada, as well as in Europe, Asia-Pacific and Latin America. The products are also marketed to a broad spectrum of retailers mainly in the USA and Canada. Gildan owns and operates vertically-integrated, large-scale manufacturing facilities which are primarily located in Central America, the Caribbean Basin and the USA. The company's corporate head office is located in Montreal, Canada and it has over 47,000 full-time employees worldwide.

Gildan commenced operations in Barbados in 1999 with less than 10 employees and today employs 258 persons with this number projected to increase to about 300 by year-end. The company continues to expand its presence on the island, particularly since acquiring its own premises at Newton Industrial Park, Christ Church and as it further extends its reach in the apparel industry through the acquisition of various brands, including the recently purchased American Apparel label. The company's Barbados office performs various functions for the Print Wear Division including complete global sales, marketing, customer service, inventory control, operations and finance. Gildan is pleased with the quality of its Barbados staff and its operations on the island.

Lenstec Barbados Inc.

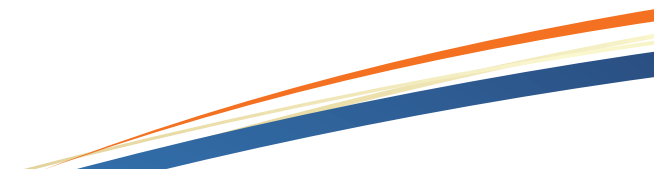
Lenstec Barbados Inc. (Lenstec) is a manufacturing company specialising in intraocular lens. The company commenced operations in Barbados in 1996 and has expanded over the years, now employing over 250 persons. From its 30,000 sq. ft. facility in Christ Church, Barbados, Lenstec currently exports to over 50 countries including the USA, Canada, Japan, UK and China.

Considered to be one of Barbados' flagship operations, Lenstec is the only medical device manufacturer based in the English speaking Caribbean to have multiple medical device approvals from the US Food and Drug Administration. In addition, the company has held CE Mark and ISO 9001 approval since 1997 and FDA approval in 2010.

For its investments in innovation and consistent growth in exports, Lenstec was nominated by IB for the Foreign Investor of the Year Award 2015/2016. The company emerged the winner of this prestigious award which was presented during the 2016 Caribbean Investment Summit hosted by the Caribbean Association of Investment Promotion Agencies (CAIPA) in Miami.

STAKEHOLDERS

Since the start of operations in 2006, the IB team has consistently engaged with all stakeholders including regulators, relevant government departments and industry professionals. The Corporation continues to nurture this relationship, working collaboratively with these partners to meet the needs of its clients. Regulators and industry professionals, in particular, continue to provide technical support to IB in its promotional efforts through participation in seminars and road shows. The latter group has also witnessed an evolution



in the past decade. As some sub-sectors contracted or new opportunities emerged, a number of professionals have branched out and started their own businesses. These include Tailored Tax Solutions, the Axbridge Group and Total Asset Management, to mention a few. Firms such as Delany Law (USA) and Dentons (UK) have also set up in Barbados, providing corporate and legal advisory services.

J&T Bank and Trust which marked 20 years of its Barbados operations during the period, acknowledged the IB staff for their ongoing support and guidance over the past decade.

In tribute to this successful partnership, the launch of the firm's anniversary celebrations was held at the offices of IB.

Similarly, IB maintained its strong strategic partnership with associations such as the Barbados International Business Barbados Association (BIBA) and the local chapter of the Society of Trust and Estate Practitioners (STEP). This was evident in the Corporation's active engagement and sponsorship of select promotional activities, such as International Business Week and STEP seminars/networking events, as well as in allowing access to its office facilities for various press launches, workshops and other business meetings organised by the respective groups.

KEY ACHIEVEMENTS

The Investment Promotion and Facilitation division continued to work expeditiously to fulfill the Corporation's mandate to secure increased levels of FDI and international business, through both new starts and the expansion of existing enterprises. Officers at headquarters, as well as in the New York and Toronto offices, engaged in prospecting and lead generation activities while advising clients about the Barbados value proposition and how it could assist in achieving their business objectives and enhancing global competitiveness.

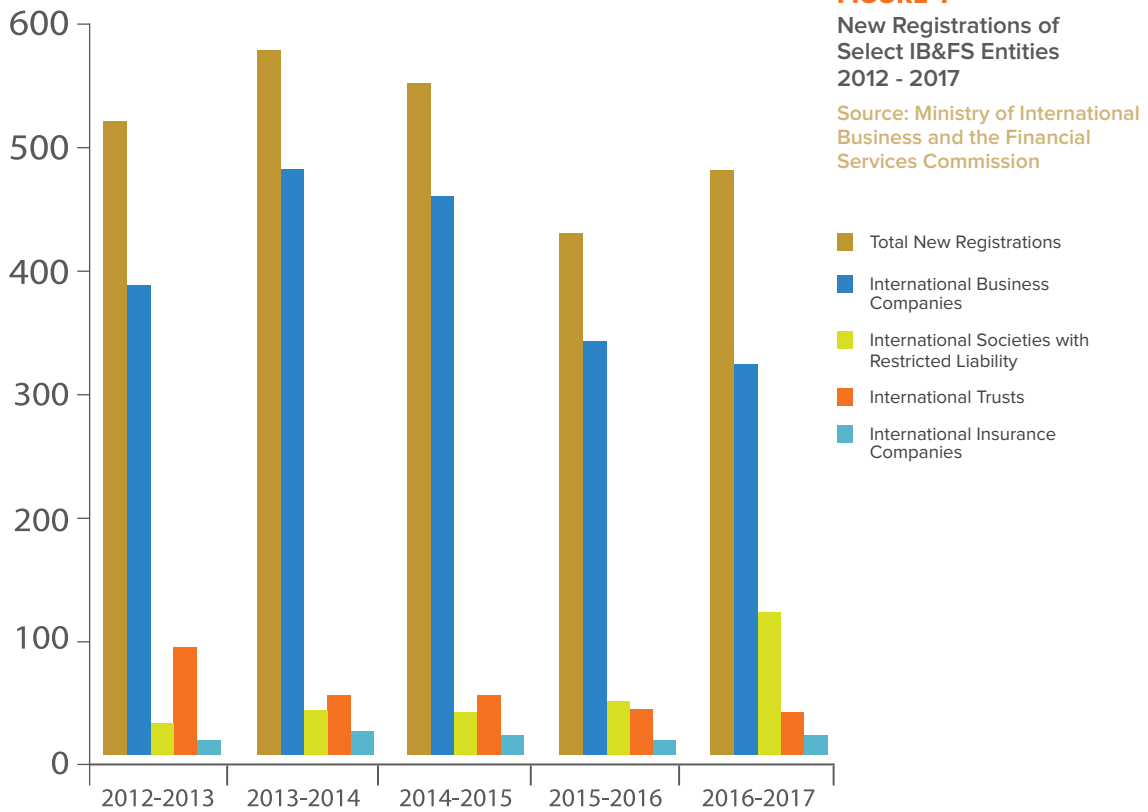
As customary, the team worked closely with industry stakeholders to facilitate registrations of new financial services entities. Total registrations of international business companies (IBCs), international societies with restricted liability (ISRLs), international trusts, exempt and qualifying insurance companies,

and exempt management companies for the 2016-2017 financial year were 470. This represented an increase of 12.2% when compared to last year's results of 419 new registrations. This was attributed primarily to a significant increase in licences of new ISRLs – 112 vs. 41 in the previous year; an increase of 173%. According to industry professionals, this was a direct result of a change to the UK tax rules that created challenges for some UK international business entities, but was successfully resolved by utilising a Barbados based structure.

Of the new registrations of financial services entities, 313 (66.6%) were IBCs, 30 (6.4%) were international trusts, 112 (23.8%) were ISRLs and 15 (3.2%) international insurance companies – 11 exempt and 4 qualifying. There were no registrations of exempt management companies during the year. As has been the


case for the last two fiscal years, there were no new registrations of international banks during this review period. At the end of the period there were 25 offshore banks on record, compared to 28 at December 2015.

A comparison over the past five years is shown in Figure 1 for new registrations of IBCs, ISRLs, international trusts and international insurance companies – the main types of entities registered.



PRINCIPAL ACTIVITIES

The Corporation's main activities continue to revolve around:

1. Presenting Barbados' value proposition and competitive advantages to investors and tax advisors in our various target markets so that the Barbados jurisdiction remains top-of-mind as a viable investment location.
 2. Organising and hosting inward missions of prequalified investors and service providers to assess the jurisdiction first-hand and appreciate the quality of the infrastructure and professional services available.
 3. Facilitating new client visits with a view of encouraging FDI and the establishment of new foreign owned enterprises.
 4. Expanding the network of contacts in existing and new markets, including to smaller boutique tax advisory firms.
 5. Continuing to take action and lobby for improved business facilitation.
 6. Providing customer care visits and aftercare services to investors in Barbados.
 7. Managing the Barbados business brand in the international market.
 8. Monitoring markets and competing jurisdictions, identifying emerging trends, and seeking to influence the creation of new niche products.
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DIVISIONAL ACTIVITIES

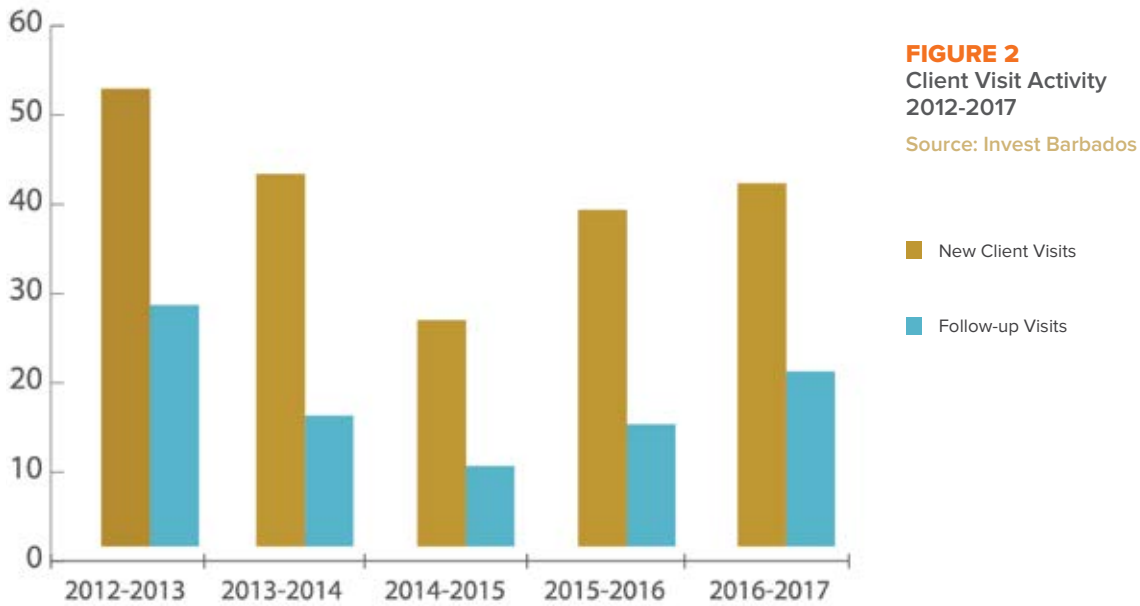
Investment Promotion and Facilitation

The Investment Promotion strategy was geared towards fulfilment of the Corporation’s mandate to attract and win sustainable international investment for Barbados, particularly in the areas of financial services, ICT and niche manufacturing. Through its marketing programme, and working in partnership with stakeholders, 470 new financial services entities were registered. Officers in the division also facilitated four new non-financial company starts in the areas of telecommunications, international sales, entertainment and manufacturing, creating 50 new jobs. There are currently three imminent starts on record. In addition, a number of existing companies, including KM² Solutions,

Bitt, Gildan and the Brookfield Group also recorded growth, adding a total of 125 new jobs during the year.

The division assisted with 42 new client evaluation visits to Barbados, an increase of approximately 8% over the preceding year when 39 visits were recorded. There were also 20 follow-up visits compared with 14 for the previous year. These client visits were mainly from the traditional markets of Canada, the USA and UK. However, visitors also came from Hungary and South Africa, as well as Caribbean territories. Among the main areas of interest were financial services, ICT, manufacturing, alternative/renewable energy as well as medical tourism and schools projects.

Figure 2 provides a comparison of client visit activity between 2012 and 2017.



The Corporation engaged in a number of targeted promotional activities during the year, organised by its offices in New York and Toronto, as well as the Barbados headquarters. Activities included four road shows – two in Toronto and one in Halifax, Canada with the fourth covering the cities of Dallas, New York and New Jersey in the USA. During these road shows presentations on the Barbados value proposition were made to 53 tax advisors and company representatives. The division also attended 13 conferences and trade shows.

of 85 attendees including tax and legal professionals, business advisors, as well as potential and existing investors. Members of the Barbados delegation also engaged in private meetings with representatives of the business community in both cities. The seminars held in North America were equally well attended, with the three events attracting a total of 251 delegates.

The Corporation collaborated with the Barbados International Business Association



International Business Seminar-Colombia

In addition, five successful ministerial seminars were conducted. Of these, two were held in the Latin American cities of Bogotá and Mexico City, while one was held in Atlanta and two in Toronto. As usual, the seminars were well supported by both Barbadian service providers and industry professionals from the respective cities. The Latin American events, in particular, were supported by a 22-member Barbados delegation and attracted a total

(BIBA) to organise and implement another successful week of activities, as well as, the international business week (IBW) conference, in particular. October 2016 marked the seventh year that the event was held as part of the annual IBW activities to highlight the international business sector and its important contribution to the economy of Barbados. IB was again the diamond sponsor for the week of activities.



IBW Conference

The 2016 conference, themed: ***Weathering the Perfect Storm: Explore, Evolve and Adapt***, aptly captured the state of the global environment for international business and the ever-moving goalposts, particularly in relation to small IFCs. The agenda addressed these challenges head-on and explored approaches to navigating the uncertain environment. Among the topics on the programme were: *Is There a Need for IFCs in the Modern World? Transparency And Privacy: Can They Co-exist? Dawn of Digital Currencies: Who Needs Banks Anyway? Blockchain – What Is It and How Does It Work? How Being Smart with Customer Risk Management Can Give Quality OFCs the Edge*, among others.

A total of 200 delegates attended the conference including two participants from the UK and one from the USA. Respondents were satisfied with the high standard of the conference, its organisation and execution, as 98% of them indicated that the organisation of the conference was either “excellent” or “good.” In addition, 97% of respondents indicated that the conference had met or

surpassed their objectives. Respondents were also impressed with the high calibre of speakers on the programme, with 94% rating them either “excellent” or “good.” Some of the specific comments noted were: “The conference was well organised”; “A good mix of presentations”; “Topics were very relevant”; “The speakers were well prepared”.



IBW - Diamond Sponsor Presentation



RIMS Canada Conference



IB Staff with 50th Anniversary Trident

The IPF team continued to provide key facilitation services to new and existing clients to ensure that, in collaboration with other stakeholders, the local business environment remains welcoming and conducive to the conduct of business. Officers in the division executed 246 customer care visits to clients, including both foreign investors and domestic service providers. In the process, they sought to resolve a variety of client issues by liaising directly with relevant regulatory agencies and other industry stakeholders, as required; primarily the Corporate Affairs and Intellectual Property Office, Customs Department, Immigration Department, the Financial Services Commission, the Barbados Revenue Authority, the International Business Unit and the Town and Country Planning Development Office. The division also facilitated 18 HNWIs who were granted special entry permits (SEPs). Additionally, officers liaised with the Immigration Department to secure work permits and entry visas for 43 clients.

Officers maintained an active schools' outreach programme with the aim of raising awareness among university and secondary school students of the role of IB and the contribution of the IB&FS sector to the economy of Barbados, as well as the type of employment opportunities offered by the industry. There were six presentations to secondary schools during the period, and for the first time, one primary school was engaged. Officers also participated in a career day event at the Cave Hill campus of the University of the West Indies.

Research and Development

The Research and Development division continued to engage in various activities to gather intelligence on the domestic and international environment to assist in shaping the marketing strategy of the Corporation, and in evaluating and refining the Barbados international business brand. Updated profiles on Barbados' main competing domiciles

including the Bahamas, Bermuda, BVI, Cayman Islands, Hong Kong, Ireland, Mauritius, Panama and St. Lucia, as well as other markets of interest such as Colombia, Mexico and Spain were completed. Country surveys were prepared and updated for Botswana and Cameroon and surveys for Chile, Italy and South Africa were in progress. R&D officers also continued to track and update Barbados' rankings on important global indices. The division conducted a preliminary study exploring potential opportunities for Barbados in the area of business process outsourcing (BPO)/ knowledge process outsourcing (KPO). Research on this project is ongoing.

The division continued to ensure that all of the Corporation's constituents and staff were well informed, and in a timely manner, through both print and electronic media. Sixty-one (61) articles/publications related to the international business sector and to the global competitive environment were circulated to IB staff. During the period, the division, in collaboration with strategic partners and investors, produced the ninth edition of the Barbados International Finance and Business Magazine (BIFB), which is always eagerly anticipated by persons in the industry. Approximately 5,500 print copies of the 2017 edition were distributed to existing clients as well as potential investors, in Barbados and abroad. As customary, an e-version of the publication could be accessed via the Corporation's website.

During the review period, the division, in collaboration with the IT department, started the process towards upgrading and redesigning the website which continues to grow in significance as a leading source of information about the Barbados jurisdiction and is gaining in popularity for both Barbadian and international visitors. Maintenance of the foreign language sections of the site – Spanish, Portuguese and Chinese – was also carried out in a timely manner. During the review period 39 relevant news articles were

posted to the website as well as 12 home page stories. Total visitors to the site were 46,660 – an increase of 6.3% over the previous year where visitors were 43,900. As usual, the traditional markets – Canada, USA and UK, were the primary source of visitors, while Latin America, particularly, Brazil, Colombia, Mexico, and Venezuela continued to feature among the second tier of countries making up the top 10 by visitor origin.

A list of top 10 foreign countries from which visits originated during April 2016 – March 2017 is shown in Figure 3 below, while Figure 4 presents a comparison of the number of visitors to the site over the past five years.

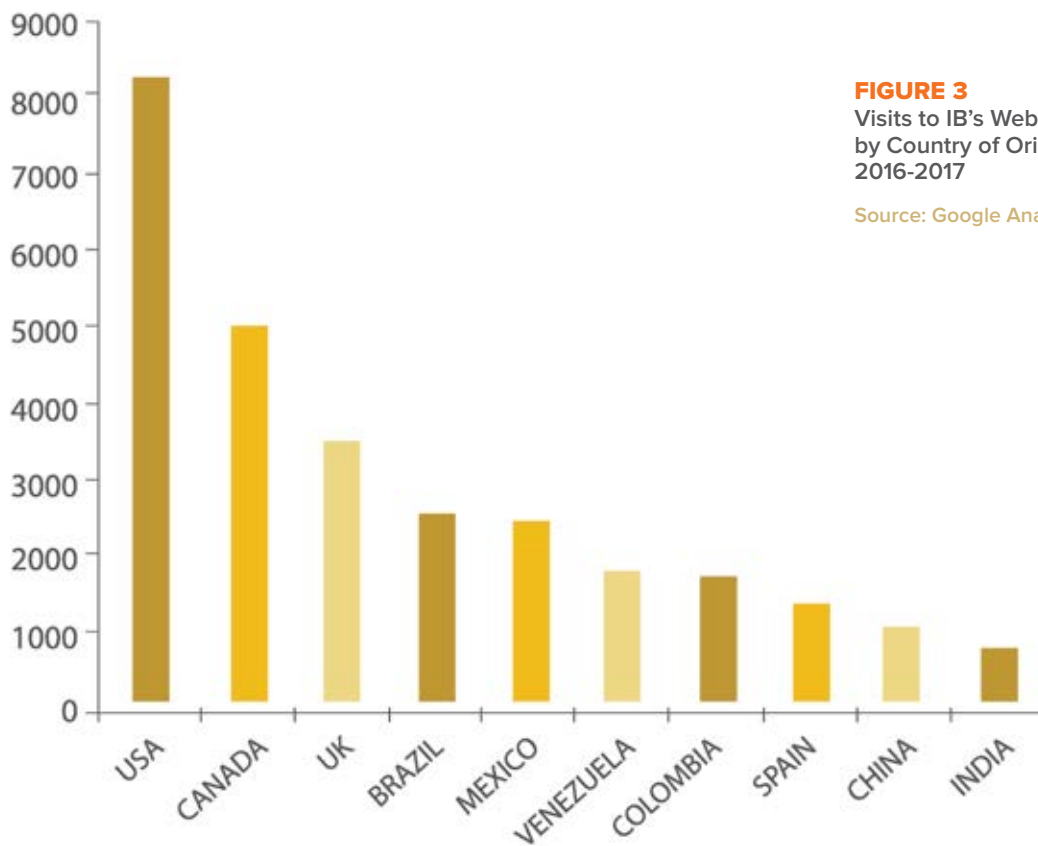


FIGURE 3
Visits to IB's Website
by Country of Origin
2016-2017

Source: Google Analytics

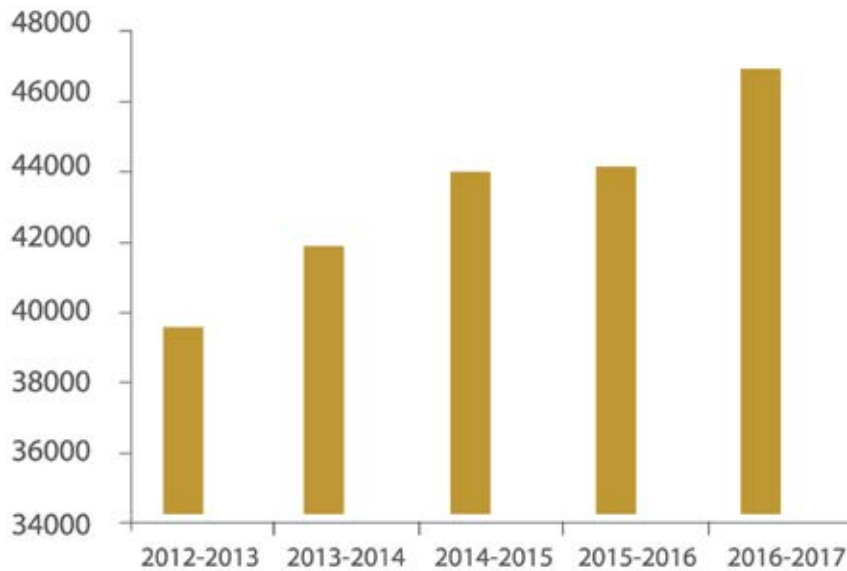


FIGURE 4
 Visitors to IB Website
 2012/13 -2016/17

Source: Google Analytics

R&D staff worked closely with the IT department to deliver an improved CRM system that would better meet the needs of the Corporation. Significant progress was achieved during the review period and the project is ongoing.

During the period, the Research & Development team, in collaboration with the IPF Division, developed a new portfolio of advertisements promoting the key sectors, IB&FS, ICT and niche manufacturing. The new ads were featured in leading industry publications including Captive Review, IFC World and Canadian Mining Journal, among others. At the same time, the division continued to engage with IB's public relations consultant, Claritas Communications, to identify other opportunities to profile the Barbados domicile. In collaboration with the New York office, a promotional campaign targeting businesses in the USA was also created by Development Counsellors International.

The Corporation also established an account with Mondaq, a widely used source of information for corporations and professional services firms around the world with 700,000 registered subscribers. This facility allows IB to post an unlimited amount of content onto the website; the content is also disseminated across all of their distribution networks including Reuters and Bloomberg. Reports generated by Mondaq highlighting interest in IB's content are another useful tool in targeting potential investors.

In addition, the division completed an abridged version of IB's promotional video which has been placed on the website. Work began on revising and converting the general promotional literature, as well as the *Doing Business Guide* into brochure format. The general promotional literature was translated into Spanish and a promotional flyer for the hotel sector, targeting HNWI's, was completed. Amendments to the literature designed for the UK market were also in train.

All promotional materials have been streamlined incorporating IB's new strap line **Your Place is Here...Grow With Us**. Additionally, a video presentation highlighting the contribution of the IB&FS sector to the economy of Barbados and IB's role was started during the review period and is close to completion. This feature is being developed to mark IB's 10th anniversary of operations.

Support Departments

The ICT Department is responsible for the delivery of cutting edge information and communication technology across the Corporation's offices as well as for matters related to building maintenance. The division continued to service the Corporation's telecommunications, software and technology needs. The ICT team continued to provide support to the R&D division for the update and maintenance of the IB website and CRM database.

The Human Resources and Administration Department continued to deploy the Corporation's human resources in adherence with industry best practices. A number of staff members benefited from local training during the period. There were no staff changes during the financial year.

As IB observed its 10th anniversary of operations, eight employees who were with the Corporation from inception were recognised for their years' service. These were:

- Sandra Payne
– Chief Executive Officer (Ag)
- Jannette Babb
– Director, Research and Development (Ag)
- Kenneth Campbell
– Director, Investment Promotion
- Ezra Catwell
– Director, Investment Facilitation
- Jean-Paul Cumberbatch
– Manager, Research and Development
- Ann Mellows
– Senior Business Development Officer
- Wendy Taylor-King
– Administrative Assistant, New York Office
- Mechelle Welch-Rhooms
– Executive Assistant, Toronto Office



IB 10 Year Awardees: (l - r) Ezra Catwell, Jannette Babb, Sandra Payne, Ann Mellows and Kenneth Campbell.
Missing: Jean-Paul Cumberbatch, Wendy Taylor-King and Mechelle Welch-Rhooms



IB Head Office Staff

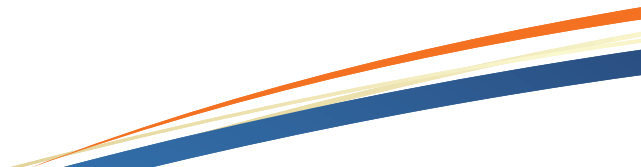


Staff of the New York and Toronto offices

The Finance Department executed its functions in an efficient and effective manner, particularly with respect to the provision of accurate and timely information, as well as with the prompt settlement of the Corporation's liabilities. For the financial year 2016-2017, Government's subvention to the Corporation

was \$7,548,686 while expenditure totalled \$6,685,028.

The audited financial statements were completed by E.G. Hutson & Co. and duly approved by the Board of Directors.



BARBADOS INTERNATIONAL BUSINESS
PROMOTION CORPORATION

Financial Statements

MARCH 31, 2017
(EXPRESSED IN BARBADOS DOLLARS)

Auditor's Report
Balance Sheet
Statement of Changes in Equity
Statement of Revenue and Expenditure
Statement of Cash Flows
Notes to Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and the Government of Barbados

Opinion

We have audited the accompanying financial statements of Barbados International Business Promotion Corporation (Invest Barbados), which comprise the statement of financial position as at March 31, 2017, the statement of changes in reserves, the statement of comprehensive income and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of Barbados International Business Promotion Corporation (Invest Barbados) as of March 31, 2017 and its financial performance and its cash flow for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

Basis of Opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations or has no realistic alternative but to do so.

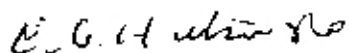
Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could be reasonably expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditors' responsibilities for the audit of the financial statements is located at the Institute of Chartered Accountants of Barbados' website <http://www.icab.bb/about-icab/auditing>. This description forms part of our report.



E.G. Hutson & Company
Chartered Accountants
Bridgetown, Barbados

25th July, 2017

Balance Sheet


As at March 31, 2017

(expressed in Barbados dollars)

	Notes	2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	4	3,218,038	2,430,559
Accounts receivable and prepaid expenses	5	739,818	623,035
		3,957,856	3,053,594
Non-current assets			
Property, plant and equipment	6	307,102	471,533
Total assets		4,264,958	3,525,127
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		370,407	330,516
Non-current liabilities			
Deferred capital grants	7	307,102	471,533
Total liabilities		677,509	802,049
Equity			
Accumulated excess of revenue over expenditure		3,587,449	2,723,078
Total liabilities and equity		4,264,958	3,525,127

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

Approved by the Board of Directors on 25th July, 2017 and signed on its behalf by:



The Hon. Anthony Bryan – Chairman



Rodwell London- Deputy Chairman

Statement of Changes in Equity

As at March 31, 2017

(expressed in Barbados dollars)

	\$
Balance at March 31, 2015	1,550,302
Excess of revenue over expenditure for the year	<u>1,172,776</u>
Balance at March 31, 2016	2,723,078
Excess of revenue over expenditure for the year	<u>864,371</u>
Balance at March 31, 2017	<u>3,587,449</u>

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

Statement of Revenue and Expenditure

For the year ended March 31, 2017

(expressed in Barbados dollars)

	Notes	2017 \$	2016 \$
Revenue			
Revenue grant from Government of Barbados		7,548,686	8,185,836
Expenditure			
Promotional expenses	8	(2,072,464)	(2,042,138)
Staff costs	9	(3,362,115)	(3,657,756)
Office expenses		(95,538)	(119,893)
Operational expenses	11	(350,229)	(380,557)
Miscellaneous expenses		(1,681)	(2,573)
Premises		(778,667)	(772,029)
		(6,660,694)	(6,974,946)
Finance income	12	-	1,643
Finance costs	12	(23,820)	(40,547)
Finance income - net		(23,820)	(38,904)
Excess of revenue over expenditure before the following items:		864,172	1,171,986
Gain/(loss) on disposal of property, plant and equipment		(514)	(114,986)
Depreciation	6	(215,033)	(224,756)
Amortisation of capital grants	7	215,746	340,532
Excess of revenue over expenditure for the year		864,371	1,172,776

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

Statement of Cash Flows

For the year ended March 31, 2017

(expressed in Barbados dollars)

	2017	2016
	\$	\$
Cash flows from operating activities		
Excess of revenue over expenditure for the year	864,371	1,172,776
Adjustments for:		
Depreciation	215,033	224,756
Amortisation of capital grants	(215,746)	(340,532)
(Gain)/loss on disposal of property, plant and equipment	514	114,986
Interest income	-	(1,643)
Operating excess of revenue over expenditure before working capital changes	864,172	1,170,343
Decrease/(increase) in accounts receivable and prepaid expenses	(116,783)	109,216
(Decrease)/increase in accounts payable and accrued liabilities	39,891	(350,576)
Net cash from operating activities	787,280	928,983
Cash flows used in investing activities		
Purchase of property, plant and equipment	(51,315)	(14,164)
Interest income received	-	1,643
Net cash used in investing activities	(51,315)	(12,521)
Cash flows from financing activities		
Capital grants received	51,315	14,164
Proceeds on disposal of property, plant and equipment	199	790
Net cash from financing activities	51,514	14,954
Net increase in cash and cash equivalents	787,479	931,416
Cash and cash equivalents - beginning of year	2,430,559	1,499,143
Cash and cash equivalents - end of year	3,218,038	2,430,559

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

Notes to Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

1 Establishment, principal activity and principal place of business

Barbados International Business Promotion Corporation (The Corporation) was established on November 10, 2005 under the Barbados International Business Promotion Corporation Act 2005-25 for the purpose of marketing and promoting Barbados as an international business centre.

The use of the name Invest Barbados was approved by an amendment to the Act in 2008. Invest Barbados became the registered trading name of Barbados International Business Promotion Corporation.

The Corporation's principal place of business is located at Trident Insurance Financial Centre, Hastings, Christ Church.

2 Significant accounting policies

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

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS).

Significant accounting policies are as follows:

a) Basis of preparation

The financial statements of the Corporation have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Corporation's accounting policies. Although these estimates are based on management's best knowledge of current events and conditions, actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

i) *Standards, amendments and interpretations early adopted by the Corporation*

The Corporation has chosen not to early adopt standards and interpretations that were issued but not effective for the 2017 reporting year. Management is in the process of reviewing these to determine if any are relevant to the Corporation's operations.

b) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying value or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of revenue and expenditure during the financial period in which they are incurred.

Notes to Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

2 Significant accounting policies ...continued

b) Property, plant and equipment ...continued

Depreciation on property, plant and equipment is provided on the straight line method at rates which are calculated to allocate the cost of the assets over their expected useful lives as follows:

Furniture and equipment	-	10% per annum
Computer hardware	-	33.3% per annum
Computer software	-	100% per annum
Vehicles	-	20% per annum
Leasehold improvements	-	10% per annum

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Any gain or loss on disposal included in the statement of revenue and expenditure is determined by comparing proceeds to the asset's carrying value at the time of disposal.

Assets purchased from the Barbados Investment and Development Corporation (BIDC) at net book value are being depreciated over their remaining useful lives.

c) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with other banks.

d) Revenue and capital grants

Revenue grants received from Government are taken to income in the period in which the related expenditure is incurred.

Grants received from Government that are used for capital expenditure are treated as capital grants and are deferred and amortised over the useful life of the assets purchased.

e) Taxation

The Corporation is not liable to corporate tax.

f) Financial assets

The Corporation has classified its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. These are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets. The Corporation's loans and receivables comprise: cash and cash equivalents and other receivables.

Notes to Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

2 Significant accounting policies ...continued

g) Provisions

Provisions are recognised when: the Corporation has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

h) Operating leases

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

i) Foreign currencies

i) Functional and presentation currency

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

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of revenue and expenditure.

j) Pension scheme

At commencement of the Corporation, certain employees previously employed with Barbados Investment and Development Corporation (BIDC) were transferred to the Corporation. These employees participated in a fully insured purchased annuity pension scheme that is operated by BIDC. The scheme takes the form of a defined contribution pension scheme. The Corporation continues to honour the employees' pension rights and pays over to the BIDC their share of such employees' pension costs. Pension costs are accounted for on the basis of contributions payable in the year.

k) Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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

Notes to Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

3 Critical accounting estimates and judgements

The Corporation's financial statements have been prepared in accordance with IFRS. These accounting standards require the selection of specific accounting policies and methods from acceptable alternatives. A summary of the significant accounting policies adopted by the Corporation is disclosed in note 2. In the process of applying these policies, the Corporation is required to apply judgements and make certain estimates and assumptions of the effect of uncertain future events that affect the amounts recognised in the financial statements. The Corporation bases its judgements, estimates and assumptions on historical experience and expectation of future outcomes that it believes are reasonable under the circumstances.

4 Cash and cash equivalents

	2017	2016
	\$	\$
Petty cash	2,100	2,100
Imprest accounts	599,457	662,922
Recurrent account	2,124,066	1,273,123
Call account	492,415	492,414
	<hr/>	<hr/>
	3,218,038	2,430,559

5 Accounts receivable and prepaid expenses

	2017	2016
	\$	\$
Staff loans	150,358	81,905
VAT recoverable	255,062	240,016
Other receivables	19,105	30,385
Security deposits	69,320	69,320
Prepaid expenses	245,973	201,409
	<hr/>	<hr/>
	739,818	623,035

Notes to Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

6 Property, plant and equipment

	Office furniture and equipment \$	Computer equipment and software \$	Vehicles \$	Leasehold improvements \$	Total \$
At March 31, 2015					
Cost	827,924	389,068	224,759	1,644,198	3,085,949
Accumulated depreciation	(621,029)	(364,285)	(172,941)	(1,129,793)	(2,288,048)
Net book amount	206,895	24,783	51,818	514,405	797,901
Year ended March 31, 2016					
Opening net book amount	206,895	24,783	51,818	514,405	797,901
Additions	364	13,800	-	-	14,164
Disposals (net book value)	(766)	-	-	(115,010)	(115,776)
Depreciation charge	(72,747)	(13,624)	(13,230)	(125,155)	(224,756)
Closing net book amount	133,746	24,959	38,588	274,240	471,533
At March 31, 2016					
Cost	821,007	414,243	224,759	1,251,544	2,711,553
Accumulated depreciation	(687,261)	(389,284)	(186,171)	(977,304)	(2,240,020)
Net book amount	133,746	24,959	38,588	274,240	471,533
Year ended March 31, 2017					
Opening net book amount	133,746	24,959	38,588	274,240	471,533
Additions	8,353	42,962	-	-	51,315
Disposals (net book value)	(713)	-	-	-	(713)
Depreciation charge	(61,605)	(15,044)	(13,230)	(125,154)	(215,033)
Closing net book amount	79,781	52,877	25,358	149,086	307,102
At March 31, 2017					
Cost	824,148	446,288	224,758	1,251,544	2,746,738
Accumulated depreciation	(744,368)	(393,411)	(199,401)	(1,102,458)	(2,439,636)
Net book amount	79,781	52,877	25,358	149,086	307,102

Notes to Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

7 Deferred capital grants

	2017	2016
	\$	\$
Balance - beginning of year	471,533	797,901
Grants received	51,315	14,164
Amortisation	(215,746)	(340,532)
	<hr/>	<hr/>
Balance - end of year	307,102	471,533
	<hr/>	<hr/>
Total grants received	3,762,682	3,711,368
Accumulated amortisation	(3,455,580)	(3,239,835)
	<hr/>	<hr/>
	307,102	471,533
	<hr/>	<hr/>

Deferred capital grants are amounts received from Government that are used for capital expenditure. The grants are amortised over the useful life of the assets purchased with grant funds.

8 Promotional expenses

	2017	2016
	\$	\$
Advertising expenses	745,719	867,727
Local seminars, conferences and trade shows	45,523	52,695
Overseas sales missions and trade shows	879,338	722,114
Market development	211,585	144,839
Other	190,299	207,413
Special project	-	47,350
	<hr/>	<hr/>
	2,072,464	2,042,138
	<hr/>	<hr/>

Notes to Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

9 Staff costs

	2017	2016
	\$	\$
Salaries, wages and allowances	2,918,867	2,980,998
Medical expenses	154,814	145,122
Other benefits	10,274	8,423
Pension contributions (note 10)	80,632	325,615
National insurance	142,549	138,137
Temporary staff	6,715	4,974
Staff training and development	48,264	54,487
	<hr/> 3,362,115	<hr/> 3,657,756

10 Pension scheme

At commencement certain employees previously employed with BIDD were transferred to the Corporation. These employees participated in a fully insured purchased annuity pension scheme that is administered by BIDD. This plan has been accounted for as a defined contribution plan.

The premiums paid to BIDD on behalf of those employees during the financial year represent payments for the period April – December 2016 in the amount of \$30,824 (April 2015 – March 2016 - \$35,873).

In January 2017 BIDD announced a review of the pension plan and held a series of meetings with the plan insurers – Sagacor Life Inc.

Subsequent to the financial year end, the Corporation was informed by BIDD that the pension plan was being wound up. While the exact details of the wind up are still not yet known, in May 2017, BIDD refunded the Corporation premiums paid from April 1, 2011 to December 31, 2016. The Corporation awaits further information from BIDD.

The Barbados employees, including those on overseas deputation, are members of the Barbados Government Pension Scheme and National Insurance. Contributions to the National Insurance scheme are made by both employee and employer on a monthly basis, whereas the Government Pension Scheme is non-contributory.

The Corporation will explore the best way to meet its obligations to all employees including the possible implementation of a new pension scheme. However, at this time, the liability to the Corporation cannot be quantified.

Notes to Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

11 Operational expenses

	2017	2016
	\$	\$
Staff travel and reorientation visits	16,381	5,634
Telephone and other communication charges	74,948	62,302
Computer expenses	69,760	67,114
Staff relocation	-	71,105
Professional fees	34,785	31,725
Other expenses	154,355	142,677
	<hr/> 350,229	<hr/> 380,557

12 Finance income and costs

	2017	2016
	\$	\$
Finance income		
Interest income on fixed deposit account	-	1,643
Finance costs		
Bank charges	(12,870)	(11,775)
Net exchange (losses) gains	(10,950)	(28,772)
	<hr/> (23,820)	<hr/> (40,547)
Net finance (loss) income	<hr/> (23,820)	<hr/> (38,904)

Notes to Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

13 Related Parties

a) Year-end balances:

	2017	2016
	\$	\$
Receivables from Government-related entities		
Barbados Tourism Marketing Inc. – NY	-	3,660
Barbados Revenue Authority – VAT	255,062	240,016
	255,062	243,676
Payables to Government-related entities		
Barbados Revenue Authority	35,940	36,864
Barbados Tourism Authority	4,000	4,000
Central Purchasing Department	697	468
Director of National Insurance	21,851	20,578
Barbados Tourism Marketing Inc	-	4,543
	62,488	66,453

b) Transactions with Government-related entities and entities in which Directors of the Corporation have an interest:

	2017	2016
	\$	\$
Barbados Investment & Development Corporation	31,424	88,598
Central Purchasing Department	6,277	6,221
Barbados Licensing Authority	2,050	2,050
National Initiative of Service Excellence	-	275
Government Printery	353	353
Postmaster General	260	1,128
Ministry of Foreign Affairs & Foreign Trade	12,428	-
Barbados Revenue Authority	376,893	464,064
Director of National Insurance	250,527	249,986
Entities in which Directors of the Corporation have interest	246,127	280,711
	926,339	1,093,386

Notes to Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

14 Financial risk management

14.1 Financial risk factors

The Corporation's activities expose it to limited financial risks. Financial assets of the Corporation include cash on hand and at bank and accounts receivable. Financial liabilities of the Corporation include accounts payable.

a) Market risk

i) Foreign exchange risk

The Corporation is not exposed to any significant foreign exchange risk.

ii) Price risk

The Corporation is not exposed to any price risk.

iii) Cash flow and fair value interest rate risk

As the Corporation has no significant variable interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates.

The Corporation does not have any borrowings and therefore is not exposed to interest rate risk.

b) Credit risk

Cash is placed with local and international banks with good standing. Credit risk on accounts receivable is limited as receivables are shown net of any necessary provision for impairment. The Corporation's maximum exposure to credit risk at the balance sheet date is the carrying value of the cash and cash equivalents and accounts receivables in the balance sheet.

c) Liquidity risk

The Corporation is exposed to limited liquidity risk as its expenditure is funded by pre-approved Government grants. The Corporation monitors its expenditure to ensure that those are incurred in accordance with approved budgets.

14.2 Capital risk management

The Corporation is funded by grants received from the Government of Barbados. The Corporation's objectives when managing capital is to ensure that its expenditure is incurred in accordance with the budgets based on which grants were approved by the Government.

14.3 Fair value estimates

The fair values of financial assets and liabilities are not considered to be materially different from their carrying amounts.





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