



BARBADOS INVESTMENT
AND DEVELOPMENT
CORPORATION

ANNUAL REPORT | **2015 - 2016**

UNLEASHING *Ideas*
Inspiring ENTERPRISE



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MISSION

To provide effective solutions that will enhance the capacity of businesses to create and respond to market opportunities.

VISION

To be the leading catalyst for developing innovative, productive and internationally competitive businesses.

LETTER OF TRANSMITTAL

Barbados Investment and Development Corporation
P.O. Box 1250
"Pelican House"
Princess Alice Highway
BRIDGETOWN BB11000

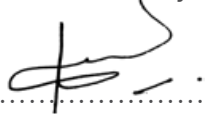
8th March, 2017

The Honourable Donville Inniss
Minister of Industry, International Business, Commerce
and Small Business Development
Ministry of Industry, International Business, Commerce
and Small Business Development
Reef Road
Fontabelle
ST. MICHAEL

Dear Minister:

In pursuance of Section 18(1) of the Barbados Investment and Development Corporation Act, 1992, I have the honour to submit the Report and Statement of Accounts for the period for the period 1st April, 2015 to 31st March, 2016.

Yours faithfully,



.....
Mr. Benson Straker
(Chairman)

GOVERNANCE

The Barbados Investment and Development Corporation (BIDC) is governed by a Board of Directors. Decisions relating to the operations of the BIDC are made by or under the authority of the Board, in accordance with the Barbados Investment and Development Corporation Act 1992.

The Minister, after consultation with the Chairman of the Board, may give directions of a general nature in respect of policy to be followed by the Board in the performance of its functions under the Act and the Board shall comply with the directions.

During the period 2015/16 the Board of Directors were:

- **Mr. Benson Straker**, Chairman
- **Mr. Junior Allsopp**, Deputy Chairman
- **Mr. Erskine Thompson**
- **Mr. Paul E. Gibson**
- **Ms. Gail Niles**
- **Mr. Adrian Padmore**
- **Mr. Jason Sambrano**, Representative of the Barbados Manufacturers' Association
- **Mr. Philmore Best**, The Permanent Secretary, Ministry of Industry, International Business, Commerce and Small Business Development

Meetings of the Board are held as required at such times as may be expedient for the transaction of business. Sub-Committees of the Board are convened to deal with specific matters. Sub-Committees during the period under review were:

The Establishments Committee, responsible for making recommendations to the Board on policy matters pertaining to the Corporation's human resources.

The Tenders & Estates Committee, responsible for making recommendations to the Board on matters pertaining to BIDC's properties, which also include tenders and the award of contracts for capital work projects.

The Finance and Special Technical Assistance Committee, responsible for making recommendations to the Board on all matters of a financial nature, including applications under the Special Technical Assistance Programme.

The Innovation and Industrial Development Committee, responsible for making recommendations to the Board on matters relating to the Corporate Strategic Plan, special projects like alternative energy solutions and applications for fiscal incentives under the Fiscal Incentives Act.

Exports and Entrepreneurial Committee, responsible for making recommendations to the Board on matters relating to export development and promotion and the development of the entrepreneurial sector.

BOARD OF DIRECTORS



Chairman, Mr. Benson Straker



Deputy Chairman, Mr. Junior Allsopp



Mr. Erskine Thompson



Mr. Paul E. Gibson



Ms. Gail Niles



Mr. Adrian Padmore



Mr. Jason Sambrano



Permanent Secretary, Mr. Philmore Best

EXECUTIVE MANAGEMENT 2015-2016

The Office of the Chief Executive Officer reports to the Board of Directors, and has responsibility for the overall leadership of the organization. The CEO is supported by an executive management team. Members of the executive management in 2015/16 were:

Mrs. Sonja S. Trotman, B.Sc., A.C.I.S., LL.M

Chief Executive Officer

Ms. Marina Taitt, Cert.Ed, B.Sc., M.B.A

Director, Export and Business Development

Mr. Dwaine Stuart, B.Sc., FCCA

Director, Finance and Properties

Mrs. Fern Lewis B.Sc. M.Sc.

Director Ag., Business Support Services

Mrs. Andrea Burgess, B.Sc., CGMA, CPA

Chief Accountant, Finance and Accounting

Mr. Michael L. Piggott, B.A., ANSCAD, Alns. Pkg

Manager, Design Services

Mr. Paul Waithe, B.Sc., M.Sc.

Manager, Export and Business Development

Ms. Paula Bourne B.Sc., M.Sc., LL.B

Manager, Export and Business Development
(Effective July 1, 2015)

Mr. David H. Parris, B.Sc., M.Sc.

Manager, Human Resources

(Retired effective December 31, 2015)

Mr. Neville Rice, B.Sc., M.Sc.

Manager, Properties & Estates

Ms. Jane Brome B.Sc. M.B.A

Manager Ag., Research & Information Services

Mrs. Monica Mason-Crichlow, LL.B, LEC, LL.M

Legal Officer/Secretary to the Board

OUR ORGANISATION

ORGANISATIONAL CAPABILITY

Effective October 1, 2015, the BIDC refreshed its operational design for greater efficiency, through more streamlined operations. As a result, the BIDC's services are now offered through three divisions, within which specialised units have been established to effectively meet the needs of clientele.

THE EXPORT & BUSINESS DEVELOPMENT DIVISION

This Division is an amalgamation of some of the services previously offered by the former Export Development and Promotion and Entrepreneurial Development Divisions. Its focus is on business development services for both export and non-export companies, separated by groupings of Services and Products Portfolio management. Services extend to small and micro enterprises and well as large companies. This Division also conducts appraisals for Special Technical Assistance and executes Special Programmes for business incubation, innovation and craft development.

This Division's services portfolio includes:

- The promotion and the development of export trade
- Export advice and consultations
- Export certification
- Assistance in facilitating the establishment and expansion of enterprises
- Assistance in conceptualizing, planning and implementing new ventures
- Management consultancy services, including access to operations management expertise for production based enterprises
- Business Planning
- Advisory services related to securing financing

- Technical Assistance in achieving international standards certification and compliance

BUSINESS SUPPORT SERVICES DIVISION

The Division is comprised of the Research and Design Units and takes responsibility for the execution of:

- Market research and business intelligence
- Corporate Communications
- Corporate strategic planning and performance monitoring
- Design services, including corporate identity, store or display layouts and product design assistance, brand development & refinement; packaging design
- Assessment of applications for benefits under the Fiscal Incentives Legislation

THE FINANCE & PROPERTIES DIVISION

This Division is now comprised of the Finance and Accounting, Property & Estate Management and Administrative Services Units.

The Finance & Accounting Services Unit is responsible for the financial and management reporting functions within the Corporation and for providing advice to the Corporation on matters relating to financial policy. This relates to corporate finance, annual audited financial report, annual budget and rent administration.

The Property & Estates Management Unit has responsibility for the formulation and management of capital works programmes which are aimed at developing the capacity of small, medium and large scale manufacturers and service providers. This extends to the development and maintenance of the Corporation's industrial estates and general

plant, and provision of operating space on a rent or lease/purchase basis.

The Administrative Services Unit supervises and coordinates the Corporation's administrative services. This relates to personnel performing the Registry services as well as security, reception, driver/messenger and ancillary services.

CEO'S OFFICE

The Office of the Chief Executive Officer, which has responsibility for the overall leadership of the organisation, oversees Human Resources Management as well as the Corporate Secretarial functions and Legal Affairs of the BIDC.

These changes are intended to re-focus on the Corporation's core purpose of enhancing the capacity of businesses to take advantage of emerging market opportunities, locally and internationally. The Corporation is now better equipped to innovate, propel its work forward and offer the response our industry portfolio now urgently requires.

The Board at its meeting of May 20, 2015 agreed to invoke its discretion under Section 8 (1) of the Statutory Boards (Pensions) Act, Cap. 384 by requiring officers in its service who would have attained the age of 60 years, on or before August 31, 2015, to retire as at September 30, 2015. The Board later agreed to extend the retirement date until December 31, 2015.

However, on July 20, 2015, seven of the ten staff members who were retired from the BIDC, filed Applications for: (a) an Interim Injunction to restrain BIDC from effecting the retirement of the claimants and that they be allowed to continue in the employment of the service of the BIDC and (b) Judicial Review.

The hearing of the application for the Interim Injunction was set for July 28, 2015. However, at the Injunction Hearing the parties came to an agreement to extend the retirement date until December 31, 2015 and to go directly to the Judicial Review application.

The Judicial Review Application Hearing commenced on December 16, 2015 and concluded in March 2016. The judgement is currently being awaited.

At the end of the period under review, the BIDC had 81 employees.

TRAINING & DEVELOPMENT

In pursuit of a continuous improvement strategy where learning and knowledge transfer are embedded in the culture and excellence becomes the benchmark for performance, management continues to place great emphasis on developing the competencies and skills of staff. Despite severe financial constraints, training was provided to all categories of staff. In addition, the BIDC supported the secondment of one officer, in promotion of employee development.

- Training programmes offered during the year included:
 - Customer Service Workshop – Frontline and Middle management staff
- Emotional Intelligence Workshop
- Introduction to Export Market Development
- Change Management Workshop
- Taking and Writing Effective Minutes
- Forum For International Trade Training (FITT) - International Trade and Research
- CVQ Industrial Security Operations course
- Grant Proposal Writing workshop
- Coaching and Counselling for Leadership Development
- Graduate course International Trade in Services
- Health & Safety Committee Member Certification Training
- Training to facilitate the adoption of the Small Business Development Center (SBDC) Model
- Managing in a Trade Union Environment Training
- Media Training for Management
- Training in the use of NEOSERRA – a client management database
- HeartSaver First Aid with CPR and AED training course
- Financial Management for Barbados sponsored by the Shanghai Education and Training Centre of Commerce in China

Following discussions with the Barbados Human Resource Development Strategy Unit, an application was submitted and approval was granted to support the training of the BIDC Staff in Research and International Trade Strategies. The training was provided by the Canada-based Forum for International Trade Training (FITT), with the first sessions conducted in February 2016. Other sessions are scheduled for May 2016. Training was offered to all Business Development Officers, Research Officers and Managers, and focused on:

- International Marketing
- International Market Entry Strategies
- International Trade Research
- International Trade Management

On successful completion of a written online assessment, participants will be provided with a FITT Certificate in International Trade.

As a component of its succession planning programme, a number of staff members were placed in acting appointments at all levels across the Corporation. The dual objective was to enable select employees to benefit from the experience of functioning in a higher position while simultaneously allowing management to assess the performance of these officers and provide required mentoring or specified training to enhance their competencies.

The Corporation this year continued to support the Barbados Community College's Division of Computer Studies work attachment programme, by hosting two students. The students reported to the IT department over a three month period beginning January, 2015 and presented their projects to their class at the BCC as part of their final grade. This attachment is in partial fulfillment of the requirements of the award of the Associate Degree in Applied Sciences (Computer Studies major).

Since 1999, the BIDC has been offering The Kurleigh King Memorial Scholarship to students of the UWI Cave Hill Campus. In April 2016, two students were again awarded the 2-year scholarships. The two \$5,000 awards were offered to nationals of Barbados who are entering the Level II programme of the B.Sc. in Computer Science, Economics or

Management Studies. A decision was taken to change the field of study to either Entrepreneurship, Management Studies and/or International Business from the academic year 2017/2018. Dr. Kurleigh King, a former Barbados Scholar and Economist by training, served as the General Manager of the Industrial Development Corporation from 1968 to 1974. He has been described as one of the pioneers of organized Industrial Development in Barbados.

EMPLOYMENT RIGHTS

The Corporation, through its HR Department, continued reviewing and updating its policies and procedures to enable compliance with the Employment Rights Act (ERA). Senior staff members were enrolled in training organized by the Barbados Employers' Confederation and other seminars, to ensure they become familiar with the provisions and application of the Act.

REVISION OF THE CORPORATION'S TERMS AND CONDITIONS OF SERVICE

The Corporation is reviewing and updating its 1995 Terms and Conditions of Service. Over time, other human resource related policies would have been implemented and the intention is to have all incorporated into the Terms and Conditions of Service. This is a joint effort between management, staff and the Workers' Representative.

EMPLOYEE SAFETY AND HEALTH

The BIDC has been proactive in complying with the Safety and Health at Work (SHaW) Act which came into effect January 2013. As such a Safety and Health Policy was prepared by the HR Department and approved by the Board of Directors. The Policy was discussed with staff and all staff members received and signed a copy of the document.

The Safety and Health Committee, charged with assisting the Corporation in ensuring the safety and welfare of all staff, clients and visitors, was certified by REA Envirohealth International in Health and Safety Committee Member Certification Training. Other Safety and

Health Training included Emergency Management; First Aid; Fire Safety; Conducting Risk Assessment and Accident Investigation & Reporting. Training was also arranged for Security, Ancillary Staff and Receptionist as well as the Safety and Health Committee in the operation of the Flood/Fire Alarm at both locations.

In support of hurricane preparedness, the BIDC emergency plan was circulated to all staff in May 2015. The HR Department also liaised with the Property and Estates Department to arrange a general inspection of the BIDC buildings by the Barbados Fire Service. Assistance was also requested regarding the placement of fire extinguishers.

EMPLOYEE RELATIONS AND WELFARE

In support of improved staff relations and the quality of work life, social activities organized this year included participation in the Breast Cancer Walk/run, Crop Over and annual end of year celebrations. Staff were encouraged to continue to utilize the onsite gym facilities as part of the health and wellness drive.

As far as the employee recognition efforts go, long-serving members of staff as well as outstanding employees were honored during the annual Christmas Party and Awards Ceremony. Thirteen awardees were honoured, having provided service between 10 – 35 years.

The contributory Group Health and Life Insurance plan forms a critical component of the Corporation's commitment to enhancing the conditions of service for its employees. The plan was reviewed and found to be favourable by both the employees and the Plan Provider, and was renewed in August 2015. Additional employees joined the Plan during this financial year. The Corporation continues to contribute at the level of 50% of the monthly payments.

OPERATING ENVIRONMENT

ECONOMIC CONDITIONS

Barbados' International Ranking

The international ratings of a country are of great economic importance as they constitute the main drivers for attracting foreign investments and can influence the dynamics of interest rates. Barbados' sovereign creditworthiness has suffered markedly on the back of rapidly deteriorating fiscal indicators and external imbalances.

At the end of the fiscal period, Moody's Investors Service ("Moody's") downgraded Barbados' government bond rating and issuer rating to Caa1 and changed the outlook to stable. Moody's decision to downgrade Barbados' issuer and bond ratings to Caa1 and revise the outlook to stable from negative was driven by the following factors:

1. Slow progress towards achieving fiscal consolidation consistent with a sustainable debt trajectory
2. Low level of foreign exchange reserves and weak funding conditions

Despite some progress to reduce the government fiscal deficit and contain pressures on foreign exchange reserves, macroeconomic and credit risks remain elevated in Barbados. Debt burden remains very high and additional fiscal consolidation is needed to reverse the rising trend in debt burden. Slow progress to narrow the fiscal deficit to sustainable levels continue to put pressure on foreign exchange reserves, placing the exchange rate peg at risk.

Although economic conditions in Barbados appear to be stabilizing with the improved growth outlook and low oil prices, the recent and anticipated fiscal consolidation is unlikely to be sufficient to put the debt trajectory on a downward path. Moody's projects debt-to-GDP ratio to continue to rise over the next 2-3 years and will likely reach

110% of GDP by 2018 (excluding debt held by the National Insurance Scheme). Continued accumulation of government debt will slowdown relative to the past three years due to the expected pick-up in economic growth and the reduction in fiscal deficit; however these improvements will not be sufficient to put debt-to-GDP ratio on a sustainable path. After a five-year period of anemic GDP growth of 0.3% on average, growth is expected to reach 1.5% in 2016, driven by a recovery in the tourism and construction sectors. We expect the fiscal gap to narrow to around 5.5% of GDP in the year ending in March 2016, from a peak of 11.2% in 2013. Despite these positive developments, significant fiscal challenges remain over the rating horizon. Particularly, high debt overhang and large funding requirements are important rating constraints, in addition to the high interest burden, which consumes around 27% of government revenues.

Continued fiscal consolidation to achieve a primary surplus of around 2% of GDP and a sustained recovery in economic growth would be necessary to stabilize the debt at the current level. Reducing the large debt overhang will require additional fiscal savings.

Foreign exchange reserves remain under pressure, after dropping by 19% since 2013. The slow pace of fiscal consolidation continues to pressure Barbados' reserve buffer, putting the exchange rate peg at risk. The government has increased its reliance on financing from the Central Bank of Barbados, while commercial banks reduced their exposure to the sovereign. The rapid increase in short-term debt since 2013 raises concerns about rollover risk, while short-term funding pressures remain in the face of the government's large financing gap.

The outlook is stable, reflecting the risk of further deterioration in debt dynamics on the one hand, balanced by the prospect that the authorities will continue to reduce the fiscal deficit in the context of an improved external environment and more supportive economic growth.

According to the Central Bank of Barbados, the Barbados economy expanded by an estimated 1.7% during the first quarter of 2016, thanks to another strong winter tourist season. Long-stay arrivals were up 7%, with continued improvement in the US and UK markets. Retail prices are estimated to have remained unchanged for the quarter and unemployment for 2015 averaged 11.3%, down from the previous year's 12.3%.

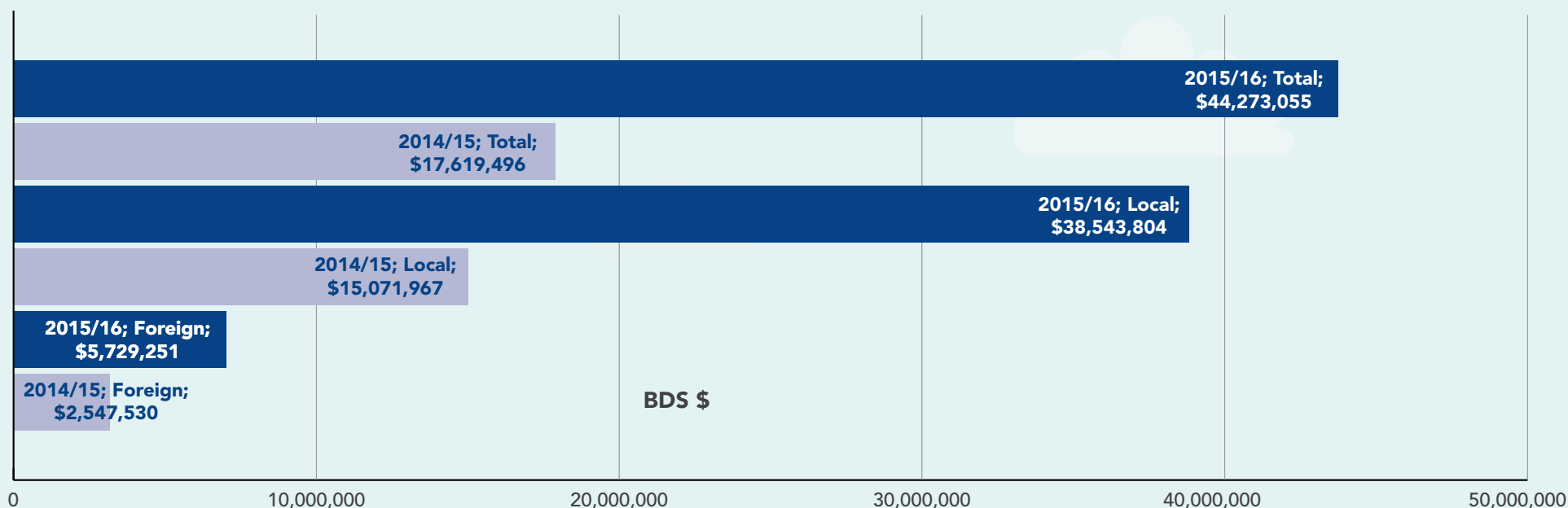
International reserves stood at \$938 million, equivalent to 14 weeks of import cover, an increase of \$11 million during the winter tourist season. Net private inflows increased by \$19 million, largely due to the proceeds from the sale of Banks Holdings Limited to the Brazilian conglomerate, Ambev, which yielded \$102 million for local shareholders and \$68 million for overseas-based shareholders. The proceeds from this sale contributed to an increase for the quarter of \$186 million in commercial banks' net foreign assets. Private net investment inflows are estimated at \$170 million for the quarter, above the average of \$107

million over the past four years. Public inflows were \$89 million and external payments were \$83 million.

According to the BIDC's quarterly Employment & Investment Survey, during the period April 2015 to March 2016, foreign investment in the manufacturing and related services sectors totaled \$5.7 million, with local investment tallying \$38.5 million. Total investment for this period was registered at BDS\$44.2 million. This was \$26.6 million more than the previous period, April 2014 to March 2015, where investment totaled \$17.6 million. January to March 2016 was the most active period for investment, with a total of \$26.4 million recorded for the quarter.

The food, beverages & tobacco sub-sector recorded the largest share of investment with \$27.3 million. This accounted for 61.7% of the total investment for the period. Approximately \$3.8 million was invested in the services sector with the manufacturing sector accounting for the remaining \$40.4 million.

DISTRIBUTION OF INVESTMENT - 2014/15 & 2015/16



Source: Barbados Investment and Development Corporation

COMPARATIVE SECTORAL DISTRIBUTION OF INVESTMENT (BD\$) FOR FISCAL YEARS 2014/15 AND 2015/16

SUBSECTOR	2014/15 ^R	2015/16	Net Change	% Change
Food, Beverages & Tobacco	13,430,468	27,373,803	-13,943,335	103.8
Textiles, Apparel & Leather	154,815	122,906	31,909	-20.6
Wood, Wooden Products & Fittings	0	2,400,897	-2,400,897	
Paper Products & Printing	234,666	305,233	-70,567	30.1
Chemicals & Chemical Products	583,509	395,094	188,415	-32.3
Plastic Products	463,705	1,129,130	-665,425	143.5
Non Metallic Mineral Products	1,313,334	8,312,634	-6,999,300	532.9
Fabricated Metal Products	1,313,334	8,312,634	-6,999,300	532.9
Precision Instruments	0	0	0	
Electronic Components	60,750	7,400	53,350	-87.8
Handicraft	33,380	93,450	-60,070	180.0
Other Manufacturing	15,950	5,150	10,800	-67.7
Sub-Total	16,651,900	40,379,989	-23,728,089	1,097.6
Information Services	106,280	1,272,839	-1,166,559	204.2
Other Services	861,316	2,620,227	-1,758,911	151.3
Sub-Total	967,596	3,893,066	-2,925,470	103.8
Total	17,619,496	44,273,055	-26,653,559	-20.6

^R - Revised

Source: Barbados Investment and Development Corporation

The Central Bank reported capital expenditure of \$201 million, which was \$30 million higher than in fiscal year 2014/15. The largest items were the Inter-American Development Bank financed water and sanitation systems upgrade, road work projects financed by the Andean Development Corporation, as well as the Smart Meter Business Transformation Project. Capital expenditure financed from abroad was approximately \$185 million or 92% of the total. Commercial banks increased their financing of Government by \$154 million over the fiscal year. In addition, Central Bank advanced \$238 million to Government from additional liquidity which commercial banks accumulated at Central Bank, and further provided \$190 million of newly created money for the financing of the deficit. The National Insurance expanded their investment in Government securities by \$71 million and pension funds, businesses and others lent \$109 million.

The Central Bank has forecast economic growth in 2016 at 1.6%, driven mainly by tourism and ancillary activity. Summer airlift capacity is forecast to be up 4.5%, with increases from the United Kingdom and the United States of America. Total investment in infrastructure, tourism facilities and alternative energy is expected to be 23% higher than last year. The fiscal deficit for 2016/17 is projected to be 5% of GDP, on the basis of expenditures approved by Parliament in March 2016. This compares with projected nominal growth of GDP of 2.5% (real growth of 1.6%, plus a deflator of 0.9%), implying a further increase in the gross debt to GDP ratio.



CHAIRMAN'S REPORT

THE YEAR IN REVIEW

Following a review of our operations and an examination of our position and progress made over the last fiscal period, we concluded that a more potent strategy and a sharper focus were required if we are to maximize our value, and make a significant impact from our efforts to increase our contribution to the economic development of Barbados.

A decision was therefore made to refresh our operational design for greater efficiency and sustainability through more rationalized operations. Efforts were subsequently made to achieve a reduction in operating costs and increase access to revenue generating schemes.

The BIDC's purpose is to build a sustainable set of internationally competitive businesses that contribute to our nation's prosperity. Given the prevailing economic conditions however, it means the Corporation is now tasked to do significantly more with significantly less. The Corporation's finances are under significant strain. At the start of the financial year, BIDC was registering some \$11.2 million in outstanding rent receipts

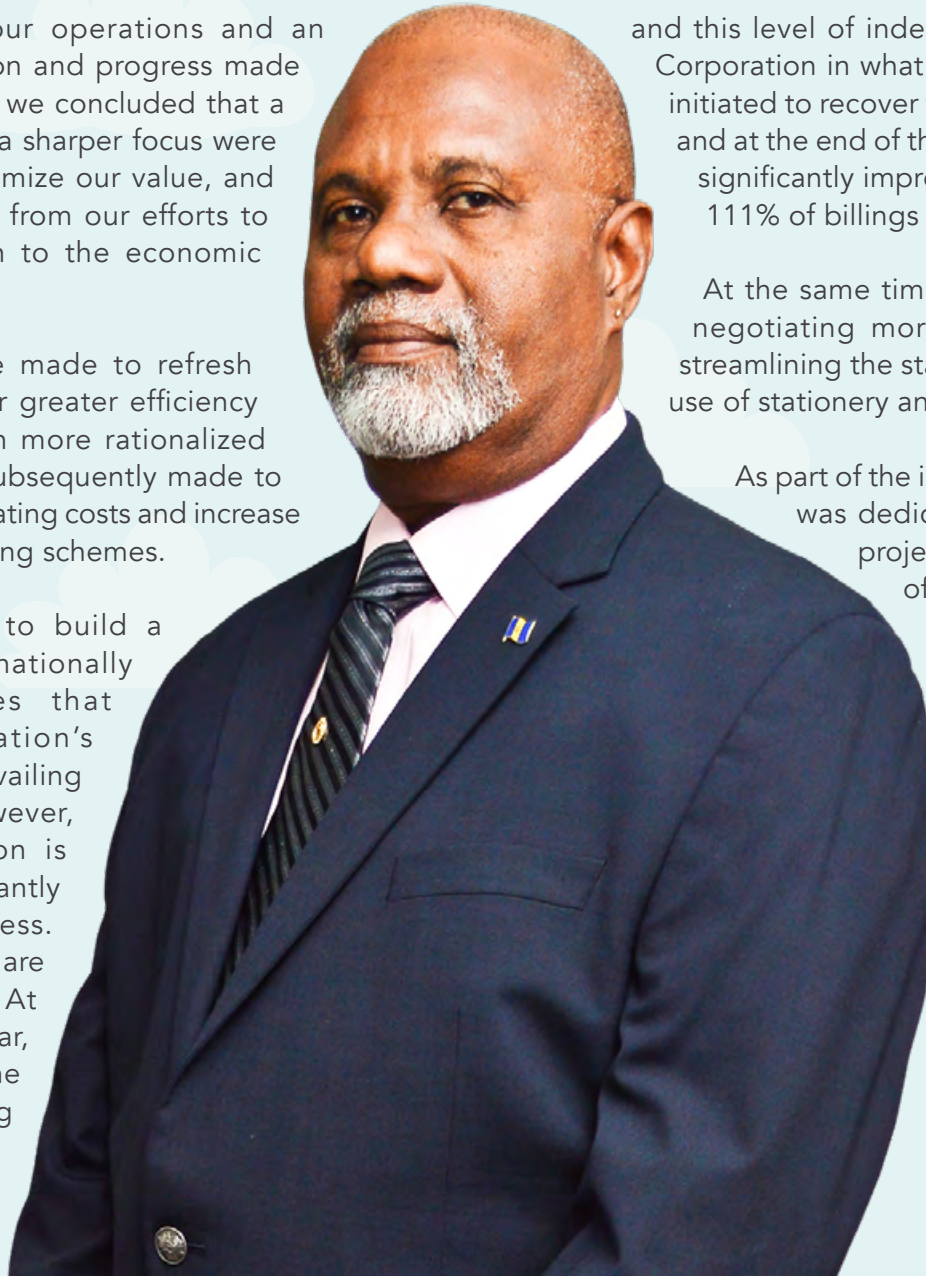
and this level of indebtedness has for a long time constrained the Corporation in what it could deliver. Urgent actions were therefore initiated to recover the monies owed. These efforts were rewarding and at the end of the financial year, the Corporation had registered significantly improved rent receipts with collections coming in at 111% of billings and totaling \$9.7 million.

At the same time, the Corporation sought to reduce costs by negotiating more favourable terms with suppliers/vendors; streamlining the staff complement, reducing energy use as well as use of stationery and office supplies.

As part of the initiatives to increase revenue streams, an officer was dedicated to seek out grant funding in support of project and programmes. This resulted in the receipt of approximately \$128 000 in grant funds during the period under review.

To further enhance financial performance, the Corporation also endeavoured to diversify its investment portfolio as a means of risks mitigating. The benefits of these 2015/16 initiatives are expected to be realised in future periods.

While efforts continued to be dedicated throughout the year to strengthening companies in our client portfolio, building a more diversified export market and product range and pushing entrepreneurial development, the results were not at the level



we would have anticipated. The relatively small number of business startups continues to be a bugbear, as well as the low level of funds disbursed under the Special Technical Assistance Programme (STAP). Despite the offering of a full suite of services to support entrepreneurial development, the Corporation has had only modest success in moving companies from idea to commercialization. This is largely as a result of the failure to attract high potential entrepreneurs with innovative ideas and sustainable new business ventures.

For the second year in a row, the Corporation registered a 60% falloff in STAP disbursements. From \$2.6 million in 2013/14, disbursements last year fell to \$1.02 million and this year totaled just \$420,620. More intensive client visitation and promotion of the STAP is essential if a higher level of utilization of the facility is to be achieved.

The Corporation was nevertheless able to achieve modest performance results with respect growth in exports under the market development programme; the number of new companies exporting and the number of companies trained in business development.


FUTURE PROSPECTS AND DIRECTION

It is recognized that staff engagement within the Corporation during the period under review was significantly impacted by the employee rationalization, which culminated in an impasse with the Union. These events precipitated some delay in project initiation and programme delivery. The year end results clearly suggest that for the organization to achieve a more satisfactory performance, staff engagement must improve dramatically. Priority must therefore be given to employee training and retraining to support enhanced service delivery, as well as the strategic realignment of resources to ensure that people with talent, passion and purpose are retained and rewarded.

Our aim, as always, is to be characterized as an efficient, integrated, business facilitation and support organisation, catering to the diverse and evolving needs of customers. This in itself will require some repositioning and changes in how we engage our clients.

As the Corporation prepares to enter its 60th year, high on the agenda will be performance improvement. Discussions have already begun with the International Trade Centre (ITC) to seek their support in developing a Performance Improvement Roadmap for the BIDC. This will not only support a renewed export thrust and a reinvigorated entrepreneurial development drive but will also position the BIDC to be a more results-oriented organization, delivering more relevant and effective services to all its constituents. The performance improvement push will extend to all aspects of the organisation examining governance and leadership, the allocation of resources, the streamlining of processes, enhanced product and service delivery and performance measurements to better gauge the BIDC's impact on the social and economic landscape. With respect to our financial performance, the BIDC, in addition to stricter receivables control, will be embarking on revenue earning initiatives one of which will be the disposal of non-performing assets. Enhanced property management will also be extended to include a new source of revenue generation from the rental of roof spaces to support the installation of solar photo voltaic panels by independent power producers.

Acknowledging the contributions of our partners through the years, the BIDC will of course continue to pursue strengthened relationships and increased collaboration with academia, Government, private enterprises and business support organisations, in promotion of enhanced business facilitation and competitiveness.



Mr. Benson Straker
Chairman

OUR ACHIEVEMENTS & OUTCOMES

CORPORATE STRATEGY

The BIDC's vision for the industrial sector is one of a sector that is enterprising and highly skilled, providing opportunities for wealth creation, job creation and economic growth.

One of the major outcomes which the Corporation hopes will be realized as a result of its efforts is the evolution of a new cadre of entrepreneurs who are ambitious, innovative and export-focused.

For the year 2015-2016, the BIDC established four overarching corporate goals and 43 corporate objectives with related milestones. Of the 10 objectives pursued under Goal 1, Establish a customer centric operating model, 2 objectives were achieved, 5 were in progress whilst 3 others required active attention. Under Goal 2 Improve financial and operational efficiencies of the BIDC, 2 objectives were achieved, 5 were on track with 4 outstanding. Under Goal 3 Enable a thriving and sustainable sector, 4 objectives were achieved, 5 were in progress and 2 behind schedule. Under Goal 4 Develop Internationally Competitive businesses, 2 objectives have been completed, 6 were in progress and 3 are yet to be started.

Though the economic environment in which the Corporation operated proved a major constraint to the results obtained, the modest performance recorded for the year may also be linked to a number of internal issues related primarily to staffing and corporate realignment during the first and second quarters. The number of activities not started and those that are in progress suggests that the corporation may have experienced some difficulty in initiating actions and bringing them to completion. On reflection it would also appear that the 43 objectives approved for the 2015-2016 Action Plan were overly ambitious for the organization.

CORPORATE GOALS

CRITICAL SUCCESS FACTORS

Availability of adequate funding for programmes/projects.
Timely approval of contracts and recommendations.
Performance of contractors in accordance with the terms of contracts.
Full collaboration of companies with BIDC in Developmental Programmes.
Adequate manpower resources to execute programmes/projects in a timely manner.
Effective cross linkages and collaboration of all agencies identified as strategic partners in the delivery of programmes of assistance.
Timeliness of Board approvals.
Minimization of unplanned activities/programmes.

GOALS & OBJECTIVES 2015-2016

GOAL #1 Customer Centric Operating Model

- An end to end customer experience mapped by April 2015
- At least 2 new initiatives implemented as part of the Corporation's customer relations management programme by Sept. 2015
- At least 12 brand sensitization initiatives facilitated by March 2016
- Standardized accounting procedures for interacting with internal and external customers developed and communicated by June 2015
- At least 2 new initiatives implemented as part of the corporation's Staff Engagement (SE) programme by Sept. 2015
- At least 30% of professional staff trained in business, accounting, research and export competency by March 2016
- Career Development Plan completed by Sept. 2015
- At least 8 BDOs assigned private sector internships by March 2016
- Customer segmentation policy implemented by June 2015
- The unemployment register reduced by at least 20 persons by March 2016 through collaboration with the National Employment Bureau

GOAL #2 Improve The Financial And Operational Efficiencies Of The Bidc

- Revenue earnings from selected services and rental facilities up by 20% by March 2016
- A collection rate of at least 55% achieved by March 2016
- At least 80% usage of an approved document management system achieved by September 2015
- At least 2 initiatives from a corporation-wide cost savings plan implemented by March 2016
- A continuous improvement (CI) plan with specific KPIs designed and implemented by April 2015
- At least 3 sources of external funding for projects identified and explored
- At least 50% of initiatives in Estate Management policy implemented by March 2015
- Cross functional teams deployed on at least 3 core corporate projects by Sept. 2015

GOALS & OBJECTIVES 2015-2016

GOAL #3 Enable A Thriving And Sustainable Export Sector

- At least 4 workshops aimed at increasing exports under CARICOM and EPA facilitated by March 2016
- At least 2 regional trade missions undertaken by March 2016
- At least 2 research missions undertaken by March 2016
- At least 5 sector based training programmes undertaken by March 2016
- Participation of exporters in at least 3 trade shows and conferences(USA,UK, China) by March 2016
- Technical expertise and funding for national Export Strategy (NES) secured by April 2015
- At least 3 stakeholder consultations facilitated by March 2016
- At least 3 networking relationships with export sector stakeholders developed by March 2016
- A programme for increased product penetration in mainstream international markets drafted by March 2016
- Relevant incentives for the development of MSMEs identified by April 2015
- At least 2 trade consultants secured for Caribbean region by March 2016

GOAL #4 Develop Internationally Competitive Businesses

- At least 25 exporters assisted with providing goods and services that meet international standards
- At least 2 new high value products or services exported by March 2016
- Sector strategy plans for all priority sectors completed by April 2015
- Revised Incubator model implemented by March 2016
- At least 1 cluster established and operational within a HACCP certified plant by March 2016
- Innovation strategy completed by June 2015
- All Project Documents Completed for all Priority projects by June 2015
- At least 4 market intelligence reports prepared and disseminated by March 2016
- At least 3 marketing tools for Network Barbados implemented by Sept. 2015
- A national import reduction programme for agriculture

MEASURING OUR SUCCESS

Board-approved Key Performance Indicators (KPIs) which measure the Corporation's key areas of operation, have been used to assess the BIDC's performance for the year. Two of these indicators measure the Corporation's performance in creating and growing businesses,

two on expanding exports and the number of exporters whilst one focuses on the Corporations' efforts to reduce its costs and two on efforts to reduce its dependence on government's subvention.

KEY PERFORMANCE INDICATORS FOR 2015-2016

INDICATOR		ANNUAL		QUARTERLY		APR 15 – MAR 16 ACTUAL
		MIN	MAX			
ASSESSED ANNUALLY						
1.	Customer Satisfaction Index	66	75	N/A	N/A	N/A
2.	Staff engagement	35%	45%	N/A	N/A	N/A
ASSESSED QUARTERLY						
3.	Number of companies moved from idea to start up	25	30	6	7	11
4.	Number of new exporting companies	4	8	1	2	16
5.	No of companies trained in export readiness	20	25	5	6	14
6.	No of companies trained in aspects of business development	10	15	2	3	78
7.	Increase in revenue earnings	8%	10%	8%	10%	25%
8.	Current rent collections as % of current billings	55%	60%	55%	60%	59%
9.	Growth in export sales under BIDC’s Market Development Programme	4%	6%	4%	6%	**7.9%

Note:

** Statistics for the Market Development Programme are available for Canada and the United States of America only. Statistics for the United Kingdom are still unavailable due to challenges arising from the implementation of the Barbados Revenue Authority.

A review of the BIDC's KPIs for 2015-2016, revealed some success in achieving the targets set. Five targets were achieved and surpassed: namely rent collections which exceeded the minimum target by 4%; the increase in revenue earnings which coming in at 25% was more than two times the maximum anticipated; growth in exports under the market development programme which exceeded the 6% growth target set by 1.9%; the number of new companies exporting and the number of companies trained in business development, more than five times the target set.

SUSTAINING AND CREATING JOBS

The BIDC, as part of its assessment, also keeps track of employment trends within the sectors served. At March 2016, there was a slight decline in employment within the companies surveyed through the quarterly Survey of Employment & Investment, when compared to March 2015. Total employment at March 2016 was 10,185 a decline of 1.3% against employment registered in the corresponding period in 2015. Employment in the Manufacturing Sector stood at 7,177 at March 2016, down from 7,294 recorded at March 2015. Jobs within the Services Sectors surveyed totaled 3,006 at March 2016, as compared to 2,028 jobs recorded for the corresponding 2015 period.

Total jobs created through the formation of new businesses or the expansion of existing ones during the period April 2015 to March 2016 were 689 or 13% less than in the previous period April 2014 to March 2015 when 792 jobs were created. The Food, Beverages & Tobacco sub-sector recorded the highest number of jobs created in the Manufacturing Sector, contributing 196 or 28.7% of total jobs created. In the Services Sector, the Accounting and International Financial Services sub-sector recorded 6.4% or 44 of jobs created in this period. The period January to March 2015 was the most productive, creating a total of 190 jobs.



EMPLOYMENT IN SUB-SECTORS SURVEYED BY BIDC AT MARCH 2015 AND MARCH 2016

SUBSECTOR	March 2015 ^R	March 2016	Net Change	% Change
Food, Beverages & Tobacco	3,275	3,255	-20	-0.61
Textiles, Apparel & Leather	433	431	-2	-0.46
Wood, Wooden Products & Fittings	233	210	-23	-9.87
Paper Products & Printing	670	648	-22	-3.28
Chemicals & Chemical Products	357	353	-4	-1.12
Plastic Products	175	172	-3	-1.71
Non Metallic Mineral Products	810	730	-80	-9.88
Fabricated Metal Products	695	722	27	3.88
Precision Instruments	252	252	0	0.00
Electronic Components	178	180	2	1.12
Handicraft	113	107	-6	-5.31
Other Manufacturing	103	117	14	13.59
Sub-Total	7,294	7,177	-117	-1.60
Information Services	894	877	-17	-1.90
Other Services	2,134	2,129	-5	-0.23
Sub-Total	3,028	3,006	-22	-0.73
Total Employed	10,322	10,185	-139	-1.35

^R - Revised

Source: Barbados Investment and Development Corporation

PROGRAMMES AND SERVICES TO SUPPORT SECTOR DEVELOPMENT

RESEARCH, DEVELOPMENT AND DESIGN

The role of the BIDC is principally to make a major contribution to the diversification and growth of the economy through new investment, increased exports and employment creation by fostering the development of competitive manufacturing, related services and small business enterprises. Finding and applying solutions that will aid in the further development of the industrial sector is also part of the BIDC's corporate goals.

Towards this objective, the organization seeks to engage in specific research activities that could stimulate new innovative products and processes, new sector development, and new market penetration. The BIDC also provides design advisory services that would assist clients in upgrading and improving existing product features and in fine-tuning new product development. These activities are facilitated through the Corporation's Research and Design Services Units.

Efforts were also made to deliver business intelligence to empower and better enable companies to capitalize on emerging opportunities. To this end sector profiles were written on activities and trends in the craft, apparel, food, beverages, paper, print and publishing sub sectors of manufacturing. In addition several internal and external requests for information were facilitated and research papers were prepared including reports on Opportunities in the Plus sized Apparel Sector, Enhancing Competitiveness in the sectors Served by BIDC, Enhancing Business Facilitation, and the Elimination of Barbados' Export Subsidy Programme To Be In Conformity With The World Trade Organisation (WTO) Agreement On Subsidies And Countervailing Measures.

During the year, applications for an extension of Fiscal Incentive benefits were assessed for 5 companies and one other company assessed for Approved Enterprise status by the Research Unit.



Miracle Balm Packaging Before Miracle Balm Packaging After



Miracle Balm New Logo



In a year in which innovative solutions was highly critical to the Corporation's operations and those of our clients, the Design Unit was called upon to deliver a range of design solutions for a variety of needs.

The range of interventions included design consultation and assistance, brand development, packaging and labeling, product development, advertising, graphic design, shop layout and signage, web presence, workshops and seminars.

Whether in search of new ideas for sharpening their corporate brand or enhancing their offering through improved packaging and labeling, the number of companies seeking design assistance continued to grow. As in past years, corporate identity continued to be the intervention of greatest need though we have seen an uptick in the number of clients requesting assistance in brand and product development services. The Unit provided assistance to companies across several sectors including fashion, food and condiments, publishing, health and fitness, apparel and accessories, food services, textiles, culture and craft.

A critical feature of the BIDC's assistance to new clients has been consultation to determine specific needs and how best these needs can be met by the BIDC team as a whole. This has served the design team well; helping to fine-tune and prioritize the services required for start-up or scale up. It also allows members of the Unit to identify design solutions that are strategically aligned with their clients' plans for the domestic market or going global.



Barbados at EXPOCOMER 2016

Indeed the Corporation's export marketing thrust has heightened the need for exporters to meet international standards not only in the quality of the product and service offered but also the packaging and presentation overall. This has increased the demand for packaging and labeling assistance. In support of the BIDC's Export Readiness

programme the design team participated in workshops and provided one on one coaching for prospective exporters. The expertise of the Design team was also very evident at the International trade Show EXPOCOMER in Panama in March 2016. The impressive booth design and thematic concept of "Opportunity, Vision and Determination" aptly communicated the approach the BIDC and by extension Barbados has towards its global presence.

Whether home or abroad the Design team is challenged to deliver high quality design solutions which can create value and make a stunning impact. The BIDC's participation at BMEX 2016 was no less a challenge to the team who set about to communicate the BIDC's message of unleashing ideas and inspiring enterprise through the Corporation's booth design and its small business pavilion.

All in-house advertising, signage and promotional media coordinated by the BIDC were also supported.

CORPORATE COMMUNICATIONS

Throughout the year, efforts were also made to enhance communications with all stakeholders through targeted promotions and knowledge sharing.

BIDC's promotional work throughout the year extended to the placement of 15 newspaper ads and 3 e-blasts. There were 18 media releases issued, and media invitations to 4 events hosted to expose not only the work of BIDC but also the companies and individuals involved. Two media conferences were scheduled and 2 live outside broadcasts coordinated.

The corporate website was updated as one of the major communication channels with our publics. This however proved to be too burdensome and it was felt that our messaging was not reaching the intended audiences. A search was therefore initiated for resources to manage the Corporation's online resources and guide our entry into social media as we also sought to capture the attention of a younger clientele.

PROPERTY MANAGEMENT

With some \$11.26 million outstanding in rent receipts, and finances under severe strain, the BIDC this year initiated urgent actions to recover the multi-million dollar debt.

All BIDC tenants were advised that effective May 1, 2015, the Corporation will be enforcing stricter rent collection measures including the issuance of notices to quit and eviction of delinquent tenants and non-provision of maintenance and other services to tenants in arrears. The Corporation also sought to recover its properties through legal action against those tenants whose accounts have remained in arrears for inordinately long periods, despite every effort extended to collect on receivables. The BIDC also extended the option of a payment plan with agreed terms and conditions, to tenants in arrears, to assist in the settlement of debts outstanding.

Rental payments are critical to the BIDC's work in facilitating and supporting high potential new business ventures and new sector development as well as the Corporation's ability to institute higher levels of maintenance on its properties and execute its capital works projects to accommodate all active and future clients. The high level of indebtedness has therefore constrained the Corporation in what it can deliver.

As demand for operating space remains high, new control measures were introduced to better manage the rent receivable portfolio. The procedures now include:

- issuance of reminder letters if rent remains unpaid thirty (30) days after which it has become due,
- issuance of a Notice to Quit if rent remains unpaid forty-five (45) days after which it has become due,
- recovery of space including, where necessary, the use of court action brought by the Corporation's external Counsel.
- entering into a Payment Plan with the Corporation if rent remains unpaid over ninety (90) days past due in which case the tenant shall be classified as a chronic defaulter,

- meeting with the tenants with overdue accounts to determine their reasons for non-payment and to negotiate payment terms, after which a formal agreement will be implemented to reduce arrears.

Assignment of the co-ordination of rent collection tasks to one individual, along with monthly meetings of the Rent Arrears Committee has resulted in an increased collection of over \$1.9 million in rental receipts. Additionally, there is an increased focus on communicating frequently with tenants to ensure that rental accounts are kept in good standing and payment plan arrangements are honoured.

During 2015-2016, the Corporation collected \$9.7M in rent receipts. Rent collections as a percentage of billings was 111% over the period, which indicates that inroads were made in the collection of rental arrears owed by tenants.

Further enhancement of our estate management was achieved through the finalization of the Developmental versus Commercial Tenants Guidelines, which are now in effect to guide the space allocation process.

Capital Works

The 2015/16 Capital Works programme mirrored the programme of the previous year which focused on renovations and upgrades to existing properties. The Electrical Installation at Building #14-Willey achieved practical completion and all payments were made by June. The amount allocated to the Capital Works accounts for this project was \$137,000.00, while the Special Technical Assistance account covered the remaining project cost of \$133,000.00. The Tenant made payments to contractors and was reimbursed by BIDC.

In December 2015, the contract awarded for renovation Works at Bld # 13 Willey in the amount \$259,534.00 VAT Inclusive (internal renovations), and \$100,659.90 VAT Inclusive roof replacement, was terminated for non-performance.

Two Capital Works projects were approved for the Harbour Industrial



Wildey Industrial Park

Estate. In an effort to complete the repairs to the roofing membrane at Building # 6 Harbour a contract in the amount of \$236,136.34 VAT Inclusive was awarded. The start date of the project was originally scheduled for September 01, 2015, with a completion date of October 30, 2015, however the contractor experienced delays in procurement. The other project was to complete the Roof Replacement at Building #5 at a cost of \$179,964.18 VAT Inclusive.

At the Six Roads Estate, BIDC's Board approved the use of a BOT arrangement for the repairs required to Building # 6. This building has been in a state of deterioration for over twenty years. A baseline provisional sum of \$1,027,598.60 VAT Inclusive was used in BOT agreement with provision for the adjustment of the BOT renovation costs that would be of direct value to the Corporation, via interim construction assessments and a final audit of expenditure. BIDC's Board of Management approved a moratorium period of 6 months to get the project on the way. During the course of the proposed renovations, the client will be expected to rectify the above-mentioned damaged elements, as well as install new services to the building namely electrical and plumbing utilities.

The Corporation has continued to support the development of the solar industry in Barbados. Invitations have been sent to companies who expressed an interest in the rental of roof space for the installation of solar photo voltaic panels by independent power producers. The project is expected to be a new source of revenue generation for the Corporation in 2015/16. Roof replacement will be necessary at some locations and this will be determined through the analysis of the submissions received.

Another revenue earning initiative will be the disposal of non-performing assets.

The Corporation currently has a total of 1,624,036 sq.ft of factory space of which 75% (1,222,803.00 sq.ft.) was occupied at the end of March 2016. The interest in factory space continues to be steady and factory space is expected to increase with the addition of Building# 15 at the Wildey Industrial Estate, as part of an arrangement between the BIDC and Bank Holdings Ltd.

A total of 173,724 sq.ft of factory space is currently listed as vacant unlettable of which 78% is recommended for sale while the remaining 22 % has to be refurbished. The properties to be recommended for disposal are as follows; Building # 10 Wildey, Building # 3 Newton, Building # 13 Harbour, Lot 8 Grazettes.

Special Projects

Shared-use facility for the Condiments Sector of Barbados

This year, the BIDC was able to secure grant funding in the amount of US\$162,120 under the CSME Standby Facility for Capacity Building for a technical design study on the financial and operational requirements for the establishment of an energy-efficient shared use facility (SUF) for the Condiments Sub-sector. Keen corporate interest and enthusiasm for the project is based on the potential of the SUF to be a successful regional flagship model that has notable economic impact on Barbados' economy, and can therefore be a precedent for other similar operations throughout the region.

This project seeks to address the various structural problems that have plagued the sector over the years, impacting condiments exporters' ability to meet international food safety and quality standards that are increasingly being demanded. Besides the issue of international standards, some other articulated challenges have been the high cost of capital, high operating costs, operational and management capacity challenges, unavailability of competitively-priced raw materials, lack of economies of scale and inadequate machinery and equipment. The SUF will provide a much-needed platform for increased capacity to meet the required food safety and quality standards. It will also afford both existing and potential exporters, growth opportunities by means of moving new recipe ideas from formulation to commercialization.

Energy efficiency will be an integral part of the realization of the SUF in light of the currency of the green economy and the growing concern for alternative energy solutions with their attendant benefits.

BIDC's commitment to the Project extends to the identification and provision of suitable space in one of its industrial estates for the SUF, as well as responsibility to secure funding for the capital works required to outfit and set-up the space, based on the outcomes of the technical design study.

A realized energy-efficient SUF would no doubt have significant structural local impact for the sector and by extension, the economy of Barbados, by increasing the possibility for new entrants to the sector, new exporters, and increased foreign exchange earnings opportunities.

Furniture Cluster

The BIDC contracted the services of an international consultant to evaluate and assess a proposal for a furniture cluster and retail furniture and furnishings sales outlet to be located at the Spring Garden Industrial Estate, St. Michael. The consultant is expected to make recommendations on the most suitable model of a possible shared facility for the furniture sector which has considered market identification and access, product development, branding and retail

design, as well as organizational and infrastructural priorities for the cluster.

Over the course of the reporting period, the consultant visited the market and met with stakeholders in the furniture sector, including practitioners, retailers, architectural and interior designing firms as well as key persons in the hospitality sector. It is envisaged that the shared facility in its conceptual framework and operation, will allow the furniture sector to capitalize on deeper market linkages with the local hospitality sector where opportunities exist initially. It would also create greater capacity for furniture exports to the region and beyond, while raising the standard of production by increased design inputs and improved quality standards.

ENTREPRENEURIAL DEVELOPMENT

Getting it Right from the Start

The Export and Business Development Division was actively engaged in rendering assistance to the local micro small and medium sized enterprise sector during the period under review.

Through the year, some 11 start-ups and 24 expansions were registered, which provided employment for fifty persons. Some 134 new clients were facilitated for the review period amounting to a total of 771 existing businesses on BIDC's client list, during the period April 2015 to March 2016.

The 11 start-ups were registered in leather goods, food and beverages, gaming, consultancies, retail and other services sectors. Full-time employment was provided for 11 males and 7 females with part-time employment generated for 4 males and 3 females. Investments totaled \$1.03 million.

The impact of the company expansions was an increase in employment, sales, investments and new products. Full-time employment opportunities were generated for 4 males and 2 females, as well as part-time employment for 1 male and 4 females. Investments totaled

\$699, 863. Therefore investments from direct client interventions during the financial year totaled \$1.7 million.

The following training programmes were offered to 143 entrepreneurs during the year:

TRAINING COURSE	FACILITATOR	TARGET
Branding and Marketing for Fashion Designers	BIDC, Mr Carlo Beliti, internationally renowned Italian fashion consultant, Barbados Fashion Council and Ambassador Philips, Barbados Ambassador to Venezuela	Fashion Designers
Furniture Making: Manufacturing Standards and Introduction to Contemporary Designs	BIDC, Patty Johnson, furniture expert	Furniture Manufacturers
How to Make a Good & Lasting Impression: A Trade Show Preparation Workshop for BMEX Participants	BIDC	BMEX clients
Starting A Craft Business	BIDC	Parents and guardians of disabled students
Visual Merchandising Workshop	BIDC	Tenants of Pelican Centre
Youth Agri-Preneurship Program Business Plan Writing/Business Development workshop	BIDC	Agriculture Students (16-35 years)
Starting Your Business 101 - business development workshops for Artisans	BIDC	SMEs in Craft sector
Costing and Pricing for Artisans	BIDC	SMEs in Craft sector
Animations tools and techniques	BIDC, BIMAP	Animators
Introduction to Basic Costing		Fashion designers

The BIDC also facilitated the participation of clients in major local expositions. One such event was BMEX 2015, where the BIDC assisted seven emerging companies specializing in garment production; leather works; concrete products and construction services; nanny and care of the elderly services; wine production; the design and production of wooden craft and publishing. The BIDC sought to ensure that their product and packaging design as well as promotional materials were market ready and that their designated exhibition spaces were geared to give them stand-out-in the crowd status.

The BIDC, in collaboration with the National Cultural Foundation (NCF) and the Barbados Museum and Historical Society (BMHS), also hosted Crop Over Craft Works: Celebrating Barbadian Crafts and Culture, Innovation; Craft and Creativity, where just over 40 artisan businesses participated in the exhibition of traditional and contemporary craft and culinary delights.

Five companies were offered support for Agrofest 2016 where they got the opportunity to promote products including cassava flour, flavoured milk, healing balms and oils, pottery, handmade bags and accessories.

Another four companies were registered for the Barbados Horticultural Society Flower and Garden Show 2016, with offerings including jewellery and accessories, glassworks, visual art, books and wine. Clients reported significant benefits from the exposure and favourable public responses.

Moving from Idea to Enterprise

As part of the Corporation's drive to help create and grow young businesses, the BDC has programmes in place in the form of an Innovation Support programme, and an Incubator programme both residential and virtual for startup companies. The Incubator includes financial and technical assistance as well as training, the assignment of mentors and business coaching. Incubatees also have access to a suite of services offered through the BDC's Resource Centre.

The Innovation programme was recently upgraded to include: Business Development services, new Product Development and Intellectual Property (IP) Protection.

The uptake of offerings through these facilities has however been less than satisfactory. Just 14 companies have come forward with ideas worthy of acceptance into the Business Incubator and little traction was made in advancing companies through Innovation Support.

Integrating Art, Craft, Design and Technology

Artisanal development activities throughout the year extended to training workshops, product development, seminars and promotional activities and delivery of technical assistance. Workshops targeted persons wishing to learn new skills and/or augment existing skills as a means of either encouraging the start-up of small businesses or where practicable the strengthening and/or diversifying of existing businesses.

With respect to the fashion industry, the BDC in collaboration with the Barbados Fashion Council Inc., Ambassador Phillips of the Barbados Embassy, Venezuela, Deutsche Gesellschaft für Internationale

Zusammenarbeit (GIZ) GmbH, Barbados Office, the Ministry of Labour, BTMI and the Honorary Consulate of Italy, Barbados facilitated numerous fashion related events. These included a Training/ Developmental Workshop for designers/artisans with Italian fashion consultant Mr. Carlo Belliti, focusing on Branding and Marketing and a fashion conference for MSMEs entitled Employment and Sustainable Development In The Destination Wear Market. The events concluded with the hosting of the inaugural Ocean Runway, held November 5, 2015 at the Radisson Aquatic Hotel. This event was a Private Showcase (to Trade Only) featuring ten designers; five (5) from the region: St. Kitts, Tortola, St. Vincent, Anguilla and Venezuela. The focus was on the niche market for swimwear and related resort wear. Several buyers were in attendance.

The Corporation this year supported Barbados' participation in CARIFESTA XII, held August 19 to September 1, 2015 in Port au Prince, Haiti, through sponsorship of the Grand Market and Fashion segment. CARIFESTA featured 10 days of music, dance, performing arts, culinary arts, literature, and visual arts and crafts. Coordinated by the National Cultural Foundation (NCF), a 49 member contingent of artisans, performers and administrators showcased Barbados' offering of literary arts, jewellery, textiles and condiments. The experience in summary allowed for the fostering of business relations with partners in the region and allowed for observations on how regional craft products and raw materials compare to what is currently produced in Barbados. The observations highlighted the necessity of a craft sector audit, as well as implementation of product development programmes and continued business and skills training for artisans. This would support their competitiveness regionally and internationally.

The Leather Studio project, which was launched in November 2012, concluded in June 2015 with 9 participants, inclusive of 2 students from the Irving Wilson School. The project continued to realize its primary objective, which aimed to engender a cadre of highly skilled artisans in the production of quality leather craft products. This phase of the project was delivered by artisan/instructor Ms. Marva Maynard who was one of the artisans trained in the Colombia/Barbados Strengthening the Creative Sector initiative.

The 130 hours of training was divided into 2 modules. Emphasis was placed on the charting of process maps, assembly flow charts and the development of schematics for the production process to encourage division of labour in a manufacturing process. The training was geared towards moving the process from a sole artisan producing a single product at a time, to a manufacturing process with multiple stages along a production line. The emphasis was therefore on consistency, quality and efficiency of production.

The BIDC Award for Craft Excellence 2015 was this year presented to artisan Mr. Stephenson Carter of Craftworkx. For several years the BIDC has collaborated with the NCF in the promotion and development of crafts through annual exhibitions staged as a component of the National Independence Festival of Creative Arts (NIFCA) and the Crop Over Festival's Visual Arts exhibition. Awards for Crafts excellence are bestowed to artisans for their exceptional and skilled workmanship in their practiced crafts discipline. The awards programme, demonstrates the Corporations' commitment to the development of the Barbadian Craft Sector. It is an incentive, which contributes to influencing young entrepreneurs to improve their skills, starting businesses and retailing their products to the local and visitor markets. The BIDC Award for Craft Excellence is awarded annually to a top gold entry in the NIFCA Visual Arts Adult Professional category.

EXPORT DEVELOPMENT AND PROMOTION

The BIDC continued the efforts of the previous year aimed at bolstering flagging markets and identifying new opportunities for trade with very scarce financial resources available for large scale promotions, the Corporation concentrated its efforts on building capacity of major exporters, creating specific action plans for market entry and carving out new market spaces. This focused approach has become somewhat imperative given the new era of global trade with increasing regionalization, strong value and supply chains, non-tariff barriers and the use of information technology, and moreso digitization to drive trade.

In Pursuit Of Markets That Matter

As the BIDC reviewed the progress made in 2014/2015 and set its sight on the ever challenging goal of building a thriving and sustainable export sector, the full scope of what was before us in this new year was foremost on our mind. In September 2015, therefore the Corporation along with the strategic partners, launched the Going Global Initiative, intended to grow Barbados' exports by 10% or Bds\$55 million during an 18 month period ending March 2017.

The export thrust will feature a combination of export capacity building initiatives along with an increased focus on firm level interventions and supply side capabilities to enhance export competitiveness. The aim is to broaden the distribution of Barbadian products by keeping companies on top of emerging trends and opportunities through the offering of relevant business intelligence and market research, the creation of stronger commercial linkages, enhanced availability of products, a wider base of products and in-market promotional events.

The programme also included the pursuit of very specific market opportunities in targeted markets (CARICOM, Canada, New York tri state area, the UK, Cuba, Panama, Costa Rica, Puerto Rico, Haiti and Africa).

One of the first markets explored for penetration was Cuba. During the period November 2-7, 2015, the BIDC undertook market research and participated in the Feria Internacional de La Habana (FIHAV), Cuba's primary trade and investment fair. The BIDC sought to achieve a number of objectives whilst on the ground in Cuba, including investigating the market potential of Barbadian goods and service there, observing Cuba's economy at work, and engaging key personnel instrumental in securing future commercial opportunities for Barbadian business. The market potential supported further market exploration and the coordination of a trade mission planned for next year.

The second major undertaking was a trade mission to CARICOM. Fourteen Barbadian manufacturing and services companies participated in the mission to St. Lucia, Grenada and Guyana from January 24th to 31st 2016. Led by Minister of Industry, The Hon. Donville Inniss, the Mission targeted sectors holding potential for Barbadian exporters include: food & beverages; windows and doors, therapeutic medication, printed labels, and business consultancy in specialized areas inclusive of ICT and educational services. The Mission also provided the opportunity for promoting the services of the health and wellness sector, particularly the Queen Elizabeth Hospital which has identified a number of niche services, particularly its eye care services, neurosurgical and cardiac services which could be exported within this target market. The Health and Wellness sector has been tapped as one of the priority areas for growth in Barbados and the BDC has been exploring avenues to enhance trade in this non-traditional sector.

The mission sought to help participating firms and trade associations gain market insights, make industry contacts, solidify business strategies, and advance specific projects. At the end of the review period, participating manufacturers and service providers had secured contracts and expressions of interest. One highlight of the mission was the signing of a Memorandum of Understanding between BDC and counterpart trade promotion agencies in St. Lucia and Grenada, geared towards enhanced collaboration and cooperation in the development of business linkages and the advancement of trade between the countries.

Next stop was Panama, where the BDC led a team of four manufacturing firms to participate in EXPOCOMER, Panama's biggest trade fair, held March 9th to 12th, 2016. The fair, considered one of the main avenues for entry into Panama and the wider Latin American region, is open to buyers, distributors and the general public and showcases an extensive range of food and consumer goods. Participating companies attracted the attention of distributors interested in marketing Barbadian goods in the region.

During 2015-2016 our major markets continued to be CARICOM (50%), the USA (17.6%), Canada (3.5%) and EU (8.6%). These established

markets together account for over 80% of Barbados' export trade. Not content to have such a high concentration of our country's export trade in these stalwart but increasingly volatile markets the BDC has focused its attention on other markets with potential for Barbadian companies. This radius of export potential extends beyond the traditional markets to include Latin America - on the radar for a few years but with limited returns despite trade agreements with Colombia and Costa Rica.



BDC's Caricom Trade Mission table of speakers

Barbados' exports for 2015/2016 showed a notable decline of 6% against exports in the previous year. From the tally of \$550.4 million in 2014/2015 export sales fell to \$516.2 million. Declines were noted in all major markets, the exception being the Dominican Republic. The biggest fall offs were registered in shipments to CARICOM and the EU.

DOMESTIC EXPORTS TO MAJOR MARKETS BY VALUE AND PERCENTAGE SHARE
Fiscal Year 2015/16 Compared With 2014/15

MARKETS	2014-2015 BDS \$	% SHARE	2015-2016 BDS \$	% CHANGE
CARICOM	277,377,600	50.39	260,588,858	50.48
USA	95,174,355	17.29	91,264,063	17.68
Canada	19,660,240	3.57	18,109,550	3.51
EU	54,079,242	9.82	44,445,694	8.61
Dominican Republic	3,824,196	0.69	4,414,790	0.86
Other	100,311,484	18.22	97,437,597	18.87
TOTAL	550,427,117	100.00	516,260,552	100.00

Source: Barbados Statistical Service

DOMESTIC EXPORTS TO CARICOM BY MARKETS
Fiscal Year 2015/16 Compared With 2014/15

CARICOM MARKETS	2014-2015 BDS \$	2015-2016 BDS \$	% CHANGE
ANTIGUA	18,255,674	16,663,015	-8.72
BELIZE	2,615,772	3,386,303	29.46
DOMINICA	6,175,959	7,260,084	17.55
GRENADA	17,426,959	15,351,777	-11.91
GUYANA	47,516,316	49,842,922	4.90
JAMAICA	30,512,834	36,972,834	21.17
MONTSERRAT	479,496	346,103	-27.82
ST. KITTS/NEVIS	9,671,525	12,756,532	31.90
ST. LUCIA	28,993,598	28,490,848	-1.73
ST.VINCENT	18,778,159	19,693,536	4.87
SURINAME	5,030,611	5,756,893	14.44
TRINIDAD & TOB.	91,920,697	64,068,011	-30.30
TOTAL	277,377,600	260,588,858	-6.05

DOMESTIC EXPORTS TO CARICOM (BY SITC SECTION)
Fiscal Year 2015/16 Compared With 2014/15

SECTION	2014-2015 BDS \$	2015-2016 BDS \$	% CHANGE
Food And Live Animals	58,345,987	59,011,037	1.14
Beverages And Tobacco	8,833,928	8,505,494	-3.72
Crude Materials Inedible Except Fuels	3,799,252	1,796,508	-52.71
Minerals, Fuels, Lubricants & Rel. Mat.	46,138,262	24,378,734	-47.16
Animals & Vegetable Oils & Fats	4,325,918	4,154,217	-3.97
Chemicals	57,611,000	60,474,491	4.97
Manufactured Gds. Classified by Material	64,254,938	62,690,005	-2.44
Machinery & Transport Equipment	5,863,807	5,678,910	-3.15
Miscellaneous Manufactured Articles	26,410,858	31,665,198	19.89
Miscellaneous Transactions & Commodities	1,793,650	2,234,264	24.57
TOTAL	233,457,338	231,259,127	-0.94

Source: Barbados Statistical Service

Barbados' exports to CARICOM declined by 6% moving from \$277.6 million to \$260.5 million. The biggest sales were lost to Trinidad and Tobago which showed a 30% decline from a market value of \$91.9 million to \$64 million. Chemicals remained one of the top exports to the region with shipments at \$60 million with Food and Live Animals following closely with a value of \$59 million.

Through Trade Counseling

Through its team of Business Development Officers, Certification Officers, Design Advisors, and Research Officers, the BIDC has been working with clients to provide adequate trade counseling on

matters involving export documentation, quality standards, business opportunities, supply chains and potential distributors.

Through Capacity Building

During the year, 15 companies drawn from the food and beverages, crafts, printing, textiles, furniture, health and wellness and technical services sectors, were registered in the Export Readiness Training programme.

The Programme, scheduled to run from until August 31, 2016, is designed to empower high potential export companies with the

knowledge, skills and capabilities that will prepare them to expand into regional and international markets, and is geared towards both manufacturers and service providers.

The training will consist of five broad components including leadership; business development; specialized export training; mentorship development of an export marketing plan; and a practicum pitching session. At the end of the six month training course, participants will get an opportunity to translate what they learned in the class room into a real world export marketing opportunity through participation in a regional trade mission.

The overall thrust of the Programme, which has been ongoing in collaboration with ACTIONCoach, is to grow Barbadian exports by increasing the number of companies which are actually exporting. This year, the BIDC is also partnering with the Office of Trade Negotiations to deliver training on the trade environment in which Barbadian exporters work. This segment will cover trade agreements and regional institutions governing trade, with special emphasis on how these facilities could be leveraged.

BIDC personnel who work directly with exporting firms will also benefit from this year's programme. ActionCoach has organized a special business coaching segment for BIDC Business Development Officers to enhance their professional business advisory skills.

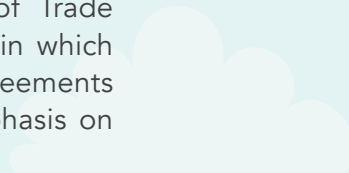
Outside of the programme, the BIDC endeavoured to increase the number of new exporters by 8 at the end of March 2016. At the end of the period, some 16 new export companies were registered.

Through Certification of Exports

For the year ended March 2016 some 149 companies and individuals accessed BIDC's certification service. Some 7 676 documents were certified for 38 countries. Of these some 31 shipments were certified to other countries which Barbados does not have a trade agreement.

Total certified exports under Barbados' trade agreements amounted

to \$312.8 million representing a 5.5% overall decrease in certified exports value at \$331.1 million in the previous year. Exports under all agreements declined, with the decrease in CARICOM exports amounting to a \$9.5 million falloff, accounting for more than half of the total decline. The biggest declines in CARICOM sales were noted in oil, non-metallic mineral products, prefabricated buildings, chemicals, food and beverages. CBI exports accounted for 24% of the overall decline, followed by CARIBCAN at 12%.



CARICOM CERTIFIED EXPORT STATISTICS – 2014/15 AND 2015/16

Country	2014/15	2015/16	Change	%	Mar 2015	Mar 2014	Change	% Change
Guyana	45,450,612	48,474,322	3,023,710	6.7	2,653,205	3,803,571	1,150,366	43.4
Jamaica	28,258,859	33,581,939	5,323,080	18.8	2,824,327	4,430,485	1,606,158	56.9
Suriname	5,200,629	5,964,366	763,737	14.7	657,896	1,072,490	414,594	63.0
Trinidad and Tobago	44,226,167	36,334,728	(7,891,439)	(17.0)	2,671,993	2,713,609	41,616	1.0
Antigua and Barbuda	13,187,305	14,127,726	940,421	7.1	1,389,867	1,792,644	402,777	29.0
Anguilla	1,597,785	1,338,781	(259,004)	(16.2)	198,037	148,007	(50,030)	(25.3)
Belize	2,244,024	2,934,554	690,530	30.8	370,041	401,762	31,720	8.6
Dominica	5,238,129	5,262,037	23,908	0.5	488,467	486,841	(1,626)	(0.3)
Grenada	14,148,777	11,749,167	(2,399,610)	(17.0)	1,147,819	1,486,736	338,916	29.5
Saint Kitts and Nevis	8,147,855	11,877,757	3,729,902	45.8	723,756	556,350	(167,406)	(23.1)
Saint Lucia	24,059,161	25,219,932	1,160,771	4.8	2,621,594	1,858,604	(762,989)	(29.1)
Montserrat	470,001	272,387	(197,614)	(42.0)	1,358	51,719	50,361	3708.5
Saint Vincent and The Grenadines	15,004,415	15,520,200	515,785	3.4	1,617,446	1,312,826	(304,620)	(18.8)
CARICOM TOTALS	207,233,720	212,657,896	5,424,176	2.0	17,365,806	20,115,643	2,749,837	15.0
LDC's TOTALS	84,097,452	88,302,541	4,205,089	5.0	8,558,385	8,095,488	(462,897)	(5.4)

Source: BIDC Certification Database

CERTIFIED EXPORTS BY AGREEMENT: 2014/15 AND 2015/16

Scheme	Apr 2014 - Mar 2015	Apr 2015 - Mar 2016	% Change
C.B.I	\$58,751,644.13	\$54,337,768.60	-7.51
CARIBCAN	\$15,684,376.92	\$13,548,400.63	-13.62
CARICOM	\$244,518,829.67	\$234,982,053.77	-3.90
CARICOM/COLOMBIA	\$181,526.76	\$170,320.00	-6.17
CARICOM/DOMINICAN REPUBLIC	\$3,447,489.58	\$4,038,256.72	17.14
CARICOM/VENEZUELA	\$343,124.02	\$139,334.72	-59.39
CARICOM/COSTA RICA	\$40,069.42	\$48,500.84	21.04
GSP	\$5,695,672.27	\$3,884,648.78	-31.80
OTHER	\$2,481,784.35	\$1,730,756.71	-30.26
TOTAL	\$331,144,517.12	\$312,880,040.77	-5.52

Source: BIDD Certification Database

The BIDD is one of several government agencies participating in the Barbados Competitiveness Programme (BCP), a jointly-financed programme of the Government of Barbados and the Inter-American Development Bank. This US\$11.8 million programme is aimed at improving Barbados' competitiveness by means of addressing the key bottlenecks that affect the efficient movement of goods in Barbados, and supporting other trade and investment promotion activities that are aimed at promoting export development and increasing private investment.

As it relates to improving trade logistics and trade facilitation in particular, the establishment of an Electronic Single Window (ESW) is a key component. The ESW is designed to create a platform to facilitate the electronic submission of standardized international trade and transport-related documents to a single point. This will have significant implications for business persons transacting business with several government agencies in Barbados in order to, for example, obtain an import license, a permit, a certificate or other relevant document to import or export products. For exporters, this means that their

interface with agencies such as the BIDD as it relates to certificates of origin, will be by electronic means.

Some of the benefits of the ESW include:

- The ability of an exporter to:
- create and submit online Licences, Permits, Certificates of Origin and other document (LPCO) applications;
- ask questions online to clarify the nature of the subject goods;
- verify the status of their applications;
- quickly resolve errors in applications;
- edit previously created applications; and
- obtain immediate on-line notification when the application is approved
- print extra copies of the certificates, as required, once the application is approved.

Integration into the international trading environment that is moving towards electronic platforms for trade transactions - the ESW provides an electronic verification tool that will provide a foreign regulatory

officer with a fast and secure method of authenticating a document issued by the BIDC.

As the Corporation moves towards electronic processing of export documents, there will be a series of stakeholder forums, training and public relations activities to educate and empower exporters and other stakeholders on what to expect and how to use this ESW facility, which is expected to be fully on stream in 2017.

Through Marketing

Through trade show and expos, the BIDC seeks to identify minable opportunities for Barbadian companies. This year, the BIDC shifted from intensive in market promotions to strategic linkages, shoring up distributions channels and ferreting out profitable niches for Barbadian companies. Even where it was not possible to have a person on the ground, the BIDC sought to secure exhibition spaces to showcase the best of Barbados:

Trade Show	Location	Targeted Industry	Objective/Outcome
Kingston Jamaica	Jamaica	Animation	Promote development of local animation industry through collaboration
Go Caribbean 2015 Expo	New York, USA	Manufacturing and Services	Promote trade and investment opportunities for the local services sector.
5th Caribbean Outsourcing and Offshoring summit (Outsource 2LAC)	Guadalajara, Mexico	Information and Communication Technologies	Secure business to business meetings and observe trends in global outsourcing and uncover novel approaches to investment like crowd funding and crowd sourcing
Barbados House	Scotland	Food and Beverages	Build brand awareness of Barbadian rum, food, through entertainment.
International Fashion Showcase, 2016	UK	Textile and apparel	Promote development of local fashion industry through collaboration
Expo Milano	Italy	Food, beverages and Cultural Industries	Demonstrate linkages between agriculture and food, promote Barbadian cuisine, food and beverages, Barbados' tourism brand, and our cultural productions such as Crop Over
A little bit of Bim	Coventry, UK	Food and Beverages	Promote brand awareness of Barbadian food and beverages through tastings
Foodies Festival	Harrogate, London, Edinburgh, UK	Food and Beverages	Promote brand awareness of Barbadian food and beverages through tastings

Showcasing the Best of Barbados

Here at home, to coincide with the start of the winter tourist season 2016, the BIDC hosted two Barbados Uh Come From marketplace events along the stretch of the heavily traversed ground leading from the Bridgetown Port to the Pelican Craft Centre.

The events, held in partnership with the Barbados Manufacturers Association and the Barbados Tourism Marketing Inc, were intended to promote and generate sales of locally produced goods, while at the same time bringing more activity to Pelican – the home of arts and craft in Barbados. Moderate success was achieved in this endeavor.



Live Broadcast from Barbados Uh Come From Marketplace



Through Market Intelligence

Market entry strategies are built on critical data and market information. In support of new market exploration, in-depth research was done for Colombia following that undertaken in Cuba. The aim of the research was to gain a better understanding of the market niches, opportunities and peculiarities, in an effort to prepare a concise market strategy and action plan for the market.

A market visit to the USA market was also organized from September 29th until October 9th where three market tours were conducted, each aimed at gathering information on the status of the market with respect to Barbadian products as well as investigating the potential avenues for Barbadian products into the Whole Foods niche. The information gathered will be used to craft a way forward for increased exports to the USA.

TECHNICAL ASSISTANCE

Financial support to local businesses continued during the fiscal year through the Corporation's Special Technical Assistance Programme (STAP).

During the year ended March 2016, the Corporation disbursed \$0.4 million in grant funds under the Special Technical Assistance Programme for the development and promotion of local businesses, with just over \$140,000 used to procure professional services for the companies and in excess of \$190,000 for marketing. Disbursements this year were 60.7% down from disbursements in the previous year, which were registered at \$1.02 million.

Seventeen companies and 3 individuals received assistance, the majority operating within the Food, Beverages and Tobacco, Paper Products and Printing, Textiles and Apparel, Film, Information, Communication and Technology and Other Services sectors.

Requests for marketing was the single largest segment of demand, attracting 45.8% of funds disbursed this year. Support was also offered

to fund professional services (33.9%), equipment, systems and process upgrades (19.5%), training to support productivity improvement (5.8%), the enhancement programmes for craft development as well as programmes of the Barbados Manufacturers Association (BMA) (3.9%). Disbursements this year brought the total value of assistance provided by the fund since inception in 2001 to \$46.8 million.



STRATEGIC PARTNERSHIPS

The BIDC continued to involve relevant umbrella organizations and industry partners in various promotional and developmental initiatives either through joint staging of events or through consultations. Several collaborative efforts in key areas of export development, enterprise

development, innovation, research and business intelligence and product development were undertaken.

Through the year, numerous initiatives were undertaken in the following areas:

AREA OF COOPERATION	STRATEGIC PARTNERS
Agro-processing	Barbados Agricultural Development and Marketing Corporation
Innovation through Science & Technology	University of the West Indies, National Council for Science and Technology
Manufacturing	Barbados Manufacturers Association Barbados National Standards Institute
Renewable Energy	Producers, Barbados National Oil Company Limited, Barbados Renewable Energy Association
Access to funds for SMEs	Funding Agencies
Trade Development and Promotion	Caribbean Export and Development Agency
Business Support	Small Business Association, Barbados Manufacturers' Association, Barbados Chamber of Commerce, Barbados Entrepreneurship Foundation, Barbados Hotel & Tourism Association, Barbados Coalition of Services Industries, Barbados Institute of Management & Productivity
Government	Ministry of Industry, International Business, Commerce and Small Business Development' Ministries of Foreign Affairs & Foreign Trade, Agriculture, Food & Fisheries



Consolidated Financial Statements of
**BARBADOS INVESTMENT AND
DEVELOPMENT CORPORATION**

FINANCIAL STATEMENTS
March 31, 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The Barbados Investment and Development Corporation

We have audited the accompanying consolidated financial statements of the Barbados Investment and Development Corporation ("the Corporation"), which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statement of comprehensive loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Barbados Investment Development Corporation as at March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.



March 7, 2017

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Member of Deloitte Touche Tohmatsu Limited

Consolidated Statement of Financial Position

As at March 31, 2016

(Expressed in Barbados dollars)

	31/03/2016	Restated 31/03/2015
Assets		
Current Assets	\$	\$
Cash and cash equivalents (note 3)	5,876,436	6,153,515
Term deposits (note 3)	562,645	554,759
Accounts receivable (note 4)	7,069,727	5,037,225
Investments	15,640	15,640
Staff loans (note 5)	82,727	78,431
Prepaid expenses	9,533	97,920
	13,616,708	11,937,490
Non-current Assets		
Staff loans (note 5)	135,097	153,170
Sinking fund investment (note 6)	22,362,423	19,254,174
Property and equipment (note 7)	76,538,198	81,224,720
	99,035,718	100,632,064
Total Assets	112,652,426	112,569,554
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	17,492,240	13,947,340
Long Term Liabilities		
Long term debt (note 8)	38,902,836	38,952,315
Total Liabilities	56,395,076	52,899,655
Equity		
Capital contributed by Government of Barbados (note 10)	7,504,087	7,504,087
Investment revaluation reserve	9,183	9,183
Sinking fund (note 6)	22,362,423	19,254,174
Special technical assistance fund (note 9)	3,209,844	1,631,522
Minority interest	4,079	4,079
Accumulated excess of revenue over expenditure	23,167,734	31,266,854
Total Shareholder's Equity	56,257,350	59,669,899
Total Liabilities and Shareholder's Equity	112,652,426	112,569,554

Approved on behalf of the Board:

See accompanying notes to the financial statements.

Director

Director

Consolidated Statement of Comprehensive Loss

For the year ended March 31, 2016

(Expressed in Barbados dollars)

	2016 \$	Restated 2015 \$
Revenue		
Factory space rental	8,947,516	8,608,981
Retail gross Profit	-	40,155
Other income (note 11)	1,229,900	1,422,806
	10,177,416	10,071,942
Revenue grants from Government of Barbados (note 12)	12,869,152	12,873,331
Gain on disposal of property and equipment	365	-
Total Revenue	23,046,933	22,945,273
Expenditure		
Bad debts	444,902	1,169,848
Administration (note 13)	9,484,818	9,292,805
Industrial estates (note 14)	8,245,499	8,410,153
Interest expense	2,628,460	2,631,638
Industrial and training grants	711,044	1,724,025
Loss on asset impairment (note 15)	-	111,491
Depreciation (note 7)	4,944,759	4,101,869
	26,459,482	27,441,829
Excess of expenditure over revenue being comprehensive loss for the year	(3,412,549)	(4,496,556)

See accompanying notes to the financial statements.

Consolidated Statement of Changes In Equity

For the year ended March 31, 2016

(Expressed in Barbados dollars)

	Capital Contribution by Government of Barbados	Fair Value Reserve	Special Technical Assistance (STA) Fund	Sinking Fund	Minority Interest	Accumulated Excess of Revenue over Expenditure	Total
	\$	\$	\$	\$	\$	\$	\$
Balance - March 31, 2014 (as previously reported)	7,504,087	9,183	3,856,411	16,130,665	-	42,184,494	69,684,840
Prior period adjustment (Note 20)	-	-	-	-	-	(5,518,385)	(5,518,385)
Balance - March 31, 2014 (as restated)	7,504,087	9,183	3,856,411	16,130,665	-	36,666,109	64,166,455
Excess of expenditure over revenue for the year	-	-	-	-	4,079	(4,496,556)	(4,492,477)
Appropriation to special technical assistance fund	-	-	(2,224,889)	-	-	2,224,889	-
Appropriation from sinking fund (note 6)	-	-	-	2,277,150	-	(2,277,150)	-
Interest earned on amounts invested (note 6)	-	-	-	846,359	-	(846,359)	-
Amount transferred to retained earnings	-	-	-	-	-	(4,079)	(4,079)
Balance - March 31, 2015 (as restated)	7,504,087	9,183	1,631,522	19,254,174	4,079	31,266,854	59,669,899
Excess of expenditure over revenue for the year	-	-	-	-	-	(3,412,549)	(3,412,549)
Appropriation to special technical assistance fund	-	-	1,578,322	-	-	(1,578,322)	-
Appropriation to sinking fund (note 6)	-	-	-	2,277,150	-	(2,277,150)	-
Interest earned on amounts invested (note 6)	-	-	-	831,099	-	(831,099)	-
Balance - March 31, 2016	7,504,087	9,183	3,209,844	22,362,423	4,079	23,167,734	56,257,350

See accompanying notes to the financial statements.

Consolidated Statement of Cash Flows

For the year ended March 31, 2016

(Expressed in Barbados dollars)

	2016	2015 Restated
Cash flows from operating activities		
Excess of expenditure over revenue for the year	(3,412,549)	(4,496,556)
Adjustments for:		
Depreciation	4,944,759	4,101,869
Loss on asset impairment	-	111,491
Gain on disposal of plant and equipment	(365)	-
Interest income	(837,474)	(872,660)
Term Deposits	(7,887)	-
Interest expense	2,628,460	2,631,638
Operating excess of revenue over expenditure before working capital changes	3,314,944	1,475,782
(Increase) Decrease in accounts receivable	(2,032,501)	2,630,169
Decrease in inventory	-	46,651
Decrease in staff loans	13,777	152,073
Decrease in prepaid expenses	88,444	31,435
Increase in accounts payable and accrued liabilities	3,544,900	1,280,204
Net cash generated from operations	4,929,564	5,616,314
Cash flows from investing activities		
Purchase of Sinking Fund Investments - net	(3,108,249)	(3,123,509)
Additions to development projects - net	(205,089)	(612,548)
Additions to property, plant and equipment	(53,953)	(71,620)
Interest received	838,585	872,660
Net cash used in investing activities	(2,528,706)	(2,935,017)
Cash flows from financing activities		
Interest paid	(2,677,937)	(2,677,937)
Net cash used in financing activities	(2,677,937)	(2,677,937)
Net (decrease) increase in cash and cash equivalents	(277,079)	3,360
Cash and cash equivalents - beginning of year	6,153,515	6,150,155
Cash and cash equivalents - end of year (note 3)	5,876,436	6,153,515

See accompanying notes to the financial statements

Notes to Consolidated Financial Statements

March 31, 2016

(Expressed in Barbados dollars)

1. Establishment, principal activity and principal place of business

The Corporation was established under the Barbados Investment and Development Corporation Act 1992-30 for the purpose of developing Barbados' industrial, off-shore financial, export and other related activities.

With effect from December 1, 1992, the assets and liabilities of the former Barbados Industrial Development Corporation and the former Barbados Export Promotion Corporation (BEPC) were transferred to the Barbados Investment and Development Corporation (BIDC).

The Corporation's principal place of business is located at Princess Alice Highway, St. Michael, Barbados.

The subsidiaries are Islandcrafts (Barbados) Limited and Newton Business Park Project Company Limited (NBPPCL). Islandcrafts (Barbados) Limited was incorporated under the Companies Act of Barbados on September 03, 1998, and commenced operation on April 19, 1999. The Company was closed on October 31, 2016. The principal activity of the Company was the sale and marketing of indigenous handicraft items. The regulatory wind-up process for this subsidiary has been initiated.

NBPPCL was incorporated on June 12, 2001 as the Special Purpose Vehicle Company established under a Build Own Transfer (BOT) arrangement set up to carry out construction works at the Newton Business Park Project – Phase 1. It is a wholly owned subsidiary of Barbados Investment and Development Corporation. The regulatory wind-up process for this subsidiary has been initiated.

These financial statements were approved by the Board of Directors on November 16, 2016.

BIDC is a statutory organization which is reliant on subventions from the government to assist the funding of its operations and these financial statements have been prepared on the going concern basis in the expectation that adequate funding will continue to be provided for the foreseeable future.

2. Significant accounting policies

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

a) Basis of preparation

The consolidated financial statements of Barbados Investment and Development Corporation, (the Corporation), have been prepared on the historical cost basis in keeping with local statutory requirements and in accordance with the requirements of the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board.

b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and those of its wholly owned subsidiaries, IslandCrafts (Barbados) Inc. and Newton Business Park Project Company Limited for the year ended March 31, 2016. Subsidiaries are all entities (including special entities) over which the group has the power to govern in the financial and operating policies so as to obtain benefits from its activities. Inter-company transactions, balances and unrealised gains on transactions with subsidiaries, which are related parties, are eliminated in full.

c) Foreign Currency Translation Functional and presentation currency

These consolidated financial statements are prepared in Barbados dollars, which is the Corporation's functional currency. All financial information presented in Barbados dollars has been rounded to the nearest dollar. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Notes to Consolidated Financial Statements

March 31, 2016

(Expressed in Barbados dollars)

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

d) Use of estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS for SMEs requires management to make subjective estimates, assumptions and judgements that affect the reported amount of assets, liabilities, net income and related disclosures. Estimates made by management are based on historical experience and other assumptions that are believed to be reasonable.

Key sources of estimation uncertainty include: determination of fair value of financial instruments, the impairment of accounts receivables, property and equipment and development projects, and litigation provisions. Further, sources of estimation uncertainty relating to pensions have been disclosed in notes 16 and 18. Accordingly, actual results may differ from these and other estimates thereby impacting our future consolidated financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

e) Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost. For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held at call with other banks with original maturities of ninety days or less.

f) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Corporation's activities. Sales are presented, net of value-added tax, and discounts. The Corporation recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Corporation's activities are met as follows:

i. Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods
- the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

ii. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Corporation and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

iii. Dividend income

Dividend income is recognised when the right to receive payment is established.

iv. Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Notes to Consolidated Financial Statements

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g) *Property and equipment and development projects*

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Development projects are investment properties principally comprising office and factory buildings, held for rental yields and are not occupied by the Corporation. Development projects are stated at historical cost less accumulated depreciation and impairment losses. Such an investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Subsequent costs for property and equipment and development projects are included in the asset's carrying amount 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 comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on the remaining property and equipment and development projects is provided on the straight line method at rates which are calculated to write the assets off over their expected useful lives as follows:

- | | |
|---------------------------|-----------------|
| • Buildings | 2.5% per annum |
| • Furniture and fittings | 10% per annum |
| • Computer hardware | 33.3% per annum |
| • Computer software | 100% per annum |
| • Machinery and equipment | 10% per annum |
| • Vehicles | 20% per annum |

Depreciation methods, useful lives and residual values are reviewed and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. (Note 2(j))

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

Costs incurred which are directly attributable to capital projects are categorised as construction in progress and capitalised. If it is determined that capitalised costs are no longer justifiable, the related costs are written off and charged to the statement of income.

Construction in progress is not depreciated until the asset has been completed and brought into operational activity. None of the property and equipment and development projects are currently pledged as security. Assets taken over from the former BIDC and the former BEPC are being depreciated over their remaining useful lives.

h) *Government grants*

Government grants are generally not recognised until there is reasonable assurance that the Corporation will comply with the conditions attaching to them and that the grants will be received. Specifically, government grants whose primary condition is that the Corporation should purchase, construct or otherwise acquire non-current assets are recognised once all related performance conditions are met.

Government grants are received as follows:

- A grant that does not impose specified future performance conditions on the recipient is recognised in income when the grant proceeds are receivable
- A grant that imposes specified future performance conditions on the recipients is recognised in income only when the performance conditions are met.
- Grants received before the revenue recognition criteria is satisfied are recognised as a liability.

Notes to Consolidated Financial Statements

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(Expressed in Barbados dollars)

i) Pension scheme

The Corporation operates a fully insured purchased annuity pension scheme for certain of its employees. The scheme takes the form of a defined contribution pension scheme. Pension costs are accounted for on the basis of contributions payable in the year. Contributions payable by the corporation are recognised in the consolidated statement of comprehensive loss in the period due.

j) Impairment

The carrying amounts of the Corporation's assets are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of comprehensive loss.

k) Accounts receivable

Trade receivables are carried at original invoice amount less an estimate for doubtful receivables based on a review of all outstanding amounts at the year end. The provision for doubtful receivables is based on the specific identification of doubtful receivables. Additions to the provision are charged to current operations. As receivables become uncollectible, they are written off against the provision.

l) Employee benefits

Employee entitlements to annual leave, gratuities and sick pay are recognised when they accrue to employees. A provision is made for the estimated liability for these entitlements as a result of services rendered by employees up to the reporting date. Other entitlements such as salaries and national insurance scheme contributions are recognised as a liability when earned by employees, net of payments made, and charged as an expense.

m) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities principally comprise amounts outstanding for trade purchases and ongoing costs. These are non-interest bearing with the exception of amounts due in respect of land tax.

n) 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 are charged to the consolidated statement of comprehensive loss on a straight-line basis over the period of the lease.

o) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

- i. Financial assets
The Corporation's financial assets are classified as basic financial instruments and comprise cash and cash equivalents, term deposits, accounts receivable, investments and staff loans.
- ii. Financial liabilities
The Corporation's financial liabilities are classified as other financial liabilities and are measured at amortised cost using the effective interest method. At the reporting date, the following items were included in other financial liabilities: accounts payable and accrued liabilities; and long term debt.

p) Taxation

Under the Barbados Investment and Development Corporation Act, the Corporation is exempt from payment of all taxes on income.

Notes to Consolidated Financial Statements

March 31, 2016

(Expressed in Barbados dollars)

3. Cash, cash equivalents and term deposits

For the purposes of the statement of cash flows, cash and cash equivalents comprise:

	2016 \$	2015 \$
Cash and bank balances	5,385,003	5,662,082
Cash equivalents	491,433	491,433
	<u>5,876,436</u>	<u>6,153,515</u>

Term deposits with maturity dates greater than 90 days but less than one year, total \$562,645 (2015: \$554,759).

The following restrictions have been placed on certain bank and term deposit accounts:

- One current account and one term deposit together amounting to \$3,209,844 (2015: \$1,631,522) have been restricted to provide special technical assistance to the manufacturing sector. These funds have been allocated to the Corporation to provide business development and technical support to the manufacturing, export, craft and small business sector once certain criteria are met.
- One of the current accounts amounting to \$1,268,789 (2015: \$1,494,359) has been restricted to capital projects. Funds raised through the sale of buildings and lands are generally reinvested into capital assets.
- The vehicle loan revolving account amounting to \$401,216 (2015: \$350,814) has been restricted to car loans. These amounts enable access to vehicle loans to qualifying employees meeting certain criteria. (See note 5)

The short term deposits earn interest at rates varying 0% - 4.75% (2015: 2.5% - 4.75%) per annum.

4. Accounts receivable

	2016 \$	2015 \$
Tenants rent receivable	4,655,057	4,882,241
Other	7,124,736	5,271,404
	11,779,793	10,153,645
Less: Allowance for doubtful accounts	<u>(4,710,066)</u>	<u>(5,116,420)</u>
	<u>7,069,727</u>	<u>5,037,225</u>

Notes to Consolidated Financial Statements

March 31, 2016

(Expressed in Barbados dollars)

5. Staff Loans

	2016 \$	2015 \$
Emergency Loans < 1 year	4,878	4,145
Vehicle Loans < 1 year	77,849	74,286
Vehicle Loans > 1 year	135,097	153,170
Total Staff Loans	217,824	231,601

A staff member who is experiencing severe financial difficulties may request an unsecured emergency loan. An emergency loan granted to a staff member shall not exceed \$2,000 or 50% of the officer's monthly salary or total wages whichever is lesser; and be repaid within a period of nine (9) months at an interest rate of 6% per annum on the reducing balance. Repayment is made via deductions from the staff member's salary or wages.

Subject to the availability of funds, travelling officers may be granted an interest free loan up to a maximum of \$50,000 for the purchase of a vehicle. Title to said vehicle is retained by the Corporation until the outstanding loan amount is repaid in full. Such loans are repayable within seven years for a new vehicle and five years for a second-hand or reconditioned vehicle, or such lesser period as may be approved. Repayment is made via deductions from the staff member's salary or wages.

6. Sinking fund investment

In April 2009, the Corporation set up a sinking fund by monthly appropriations from its resources to provide for the repayment of the principal on the RBC Royal Bank (Barbados) Ltd (formerly RBTT) \$38 million loan (US\$19 million) in the year 2022. (See note 8).

The balance in the sinking fund account is made up as follows:

	2016 \$	2015 \$
Balance at beginning of year	19,254,174	16,130,665
Appropriation to Sinking Fund	2,277,150	2,277,150
Interest earned on amounts invested	831,099	846,359
Balance at end of year	22,362,423	19,254,174

Represented by:

	2016 \$	2015 \$
(a) Investment in Term Deposits	11,362,423	8,254,174
(b) Central Bank Treasury Note	11,000,000	11,000,000
	22,362,423	19,254,174

Notes to Consolidated Financial Statements

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(Expressed in Barbados dollars)

- (a) The term deposits earned interest at various rates of 2.00% to 3.00% per annum during the year (2015: 2.50% to 3.00% per annum).
 (b) The Treasury Note bears interest of six and three eight dollars per centum per annum and is paid in half yearly installments on February 28 and August 31 of each year. The Note is redeemable on August 31, 2019.

7. Property and equipment

	Development projects \$	Buildings \$	Furniture, equipment and vehicles \$	Total \$
Cost				
Balance at April 1, 2015	166,719,368	2,703,272	3,358,269	172,780,909
Asset impairment (note 20)	(5,518,385)	-	-	(5,518,385)
Balance as at April 1, 2015 (restated)	161,200,983	2,703,272	3,358,269	167,262,524
Additions during the year	205,089	975	52,978	259,042
Disposal	-	-	(805)	(805)
Balance at March 31, 2016	161,406,072	2,704,247	3,410,442	167,520,761
Accumulated Depreciation				
Balance at April 1, 2015	81,912,419	1,341,862	2,783,523	86,037,804
Charge for the year	4,293,268	482,472	169,019	4,944,759
Balance at March 31, 2016	86,205,687	1,824,334	2,952,542	90,982,563
Net Book Value				
At beginning of year (restated)	79,288,564	1,361,410	574,746	81,224,720
At end of year	75,200,385	879,913	457,900	76,538,198

Notes to Consolidated Financial Statements

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(Expressed in Barbados dollars)

8. Long-term debt

	2016 \$	2015 \$
RBTT \$38M Bond	38,902,836	38,952,315

RBTT \$38M Bond

On March 29, 2007 the Corporation entered into a US\$19,000,000 non-callable, fixed rate bond to assist with its capital works programme. This bond matures on March 29, 2022, and bears an interest rate of 6.85% per annum. Semi-annual payments of US\$660,345 are made in September and March and there is a moratorium on the principal repayments until year 2022; a sinking fund has been set up from April 16, 2007 to facilitate full repayment in 2022. This bond is guaranteed by the Government of Barbados.

9. Special Technical Assistance Fund (STA)

	2016 \$	2015 \$
Balance at beginning of year	1,631,522	3,856,411
STA Receipts (note 12)	2,250,000	2,250,000
STA Expenditure - Recurrent Activity	-	(3,255,039)
STA Expenditure – Business Development Activity	(671,678)	(1,223,378)
Interest Income Received	-	3,528
Balance at end of year	3,209,844	1,631,522
Represented by:		
Cash at bank (note 3)	3,209,844	1,631,522

10. Capital contributed by Government of Barbados

	2016 \$	2015 \$
Balance at beginning and end of year	7,504,087	7,504,087

The balance represents capital appropriations from Government for the purchase of land vested in the Corporation by the Government.

Notes to Consolidated Financial Statements

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(Expressed in Barbados dollars)

11. Other income

	2016 \$	2015 \$
Documentation fees	116,274	113,440
Interest	837,474	872,660
Grant Funding	128,033	-
Sale of craft supplies	8,163	47,332
Rental income – training room	14,536	26,692
Proceeds from insurance claim	-	287,500
Miscellaneous	125,420	75,182
	<u>1,229,900</u>	<u>1,422,806</u>

12. Revenue grants

	2016 \$	2015 \$
Revenue grant from Government during the year	10,619,152	10,623,331
Revenue grant from Government for STA (note 9)	<u>2,250,000</u>	<u>2,250,000</u>
	<u>12,869,152</u>	<u>12,873,331</u>

13. Administration expenses

	2016 \$	2015 \$
Staff	7,504,391	7,608,532
Premises	503,387	731,419
Office	313,352	376,448
Operational	638,751	280,586
Promotional	510,498	261,129
Miscellaneous	14,439	34,691
	<u>9,484,818</u>	<u>9,292,805</u>

Notes to Consolidated Financial Statements

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14. Industrial estate expenses

	2016 \$	2015 \$
Property management	1,902,617	1,551,429
Contract building maintenance	5,611,257	6,134,809
Staff	731,625	723,915
	<u>8,245,499</u>	<u>8,410,153</u>

15. Loss on Asset Impairment

The carrying values of the Corporation's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such impairment exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of the asset exceeds its recoverable amount. Thus, an impairment loss was recognised in respect of Building#13 Newton in the prior year as follows:

	2016 \$	2015 \$
Carrying value	-	111,491
Recoverable amount	<u>-</u>	<u>-</u>
Impairment loss	<u>-</u>	<u>111,491</u>

Prior period adjustments were required in relation to losses on asset impairment: these have been detailed in note 20.

16. Pension scheme

The Corporation has established a non-contributory pension scheme for certain of its employees with Sagicor Life Inc. (formerly Life of Barbados Limited). It is a fully insured purchased annuity pension scheme which was underfunded as at March 31, 2016 by approximately \$2.8Million based on actuarial recalculations. Plans to wind up the plan have been initiated, in an effort to comply with governmental directives that officers who joined statutory corporations after the stipulated date, should not receive two pensions.

The plan has been accounted for as a defined contribution plan because benefits due to employees would have been secured by the prior payment of premiums and the fact that the insurer has sole responsibility for paying the benefits.

Notes to Consolidated Financial Statements

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(Expressed in Barbados dollars)

17. Related party balances and transactions

Key management personnel compensation paid during the year was as follows:

	2016 \$	2015 \$
Directors	29,800	36,400
Senior Management	600,581	924,719

18. Contingent liabilities and commitments

(a) A personal injury claim has been filed against the organization by a third party. The outcome of this claim is uncertain.

(b) An endorsement of writ of summons was filed on June 25, 2009 by a third party. The BIDC is awaiting the plaintiff's statement of claim.

(c) During 2004, the BIDC entered into an implementation agreement with Newton Business Park Project Company Limited and Hafeez Karamath Construction Limited (the contractor) to develop 6.5 acres of BIDC lands at Newton, Christ Church for the purposes of a business park. Under the terms of the Agreement, BIDC leased the land to Newton Business Park Project Company Limited for a term of 20 years. Newton Business Park Project Company Limited shall construct the business park and sub-lease it back to the BIDC for a term of 20 years less one day.

(d) The Board at its meeting of May 20, 2015 agreed to invoke its discretion under Section 8 (1) of the Statutory Boards (Pensions) Act, Cap. 384 by requiring officers in its service who would have attained the age of 60 years, on or before August 31, 2015, to retire as at September 30, 2015.

On July 20, 2015, Mr. Gregory Nicholls on behalf of seven (7) of the staff members recently retired from the BIDC, filed Applications for: (a) an Interim Injunction to restrain BIDC from effecting the retirement of the claimants and that they be allowed to continue in the employment of the service of the BIDC and (b) Judicial Review. The hearing of the application for the Interim Injunction was set for July 28, 2015.

On July 21, 2015, the BIDC filed an Application for a Declaration that BIDC has a discretion under Section 8 (1) of Cap. 384. A Certificate of Urgency was also filed by the BIDC on that date. The hearing for BIDC's application was also set for July 28, 2015.

The Court dealt with Case Management issues relating to the Applications of both parties on July 28, 2015. The Parties returned to Court on August 12, 2015, at which time the judge queried whether the parties (BIDC and the employees' attorney) could come to some agreement in order to avoid the hearing of the injunction and go directly to the judicial review application. In response, the BIDC presented a proposal to the employees' representative, to extend the retirement date until December 31, 2015 and continue salary payments to the workers until that date. The proposal was accepted and the injunction was therefore discontinued upon this agreement. The Judicial Review Hearing commenced on December 16, 2015 and concluded in March 2016. The judgement is currently being awaited.

(e) A contingent liability arises in relation to the potential underfunding of the Sagicor Life Inc. pension plan which management intends to wind up; further detail has been disclosed in note 16.

Notes to Consolidated Financial Statements

March 31, 2016

(Expressed in Barbados dollars)

19. Operating leases

The Corporation leases out its property under operating leases. The future minimum lease income under non-cancellable leases are as follows:

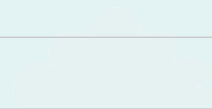
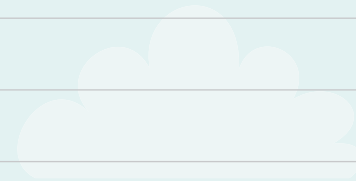
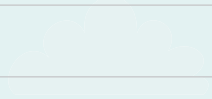
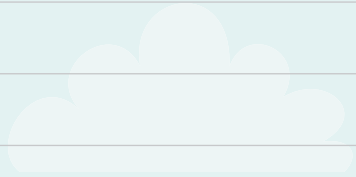
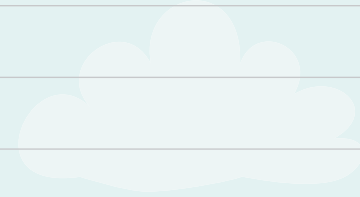
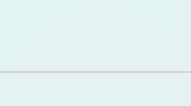
	2016 \$	2015 \$
Less than one year	10,916,302	9,606,540
Between one and five years	44,975,164	39,578,944
	<u>55,891,466</u>	<u>49,185,484</u>

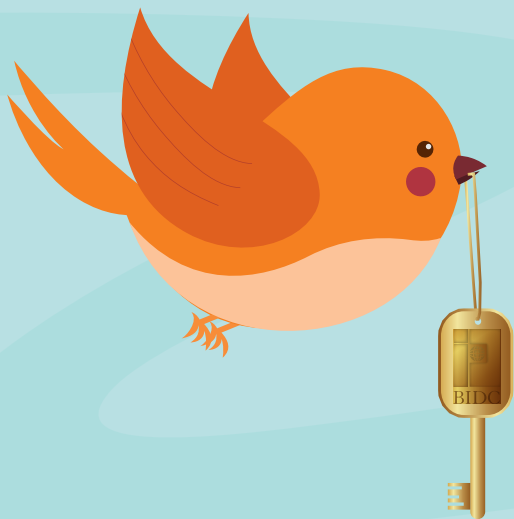
20. Prior period adjustment

During the current year, the company has rectified prior period errors relating to impairment of the recorded development properties. As a result, the comparative figures in these financial statements have been adjusted retrospectively as follows:

	As Previously Reported \$	Effect of prior period adjustment \$	As restated \$
As at March 31, 2014			
Property and equipment	90,272,297	(5,518,385)	84,753,912
Accumulated excess of revenue over expenditure	42,184,494	(5,518,385)	36,666,109
As at March 31, 2015			
Property and equipment	86,743,105	(5,518,385)	81,224,720
Accumulated excess of revenue over expenditure	36,785,239	(5,518,385)	31,266,854

Notes





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