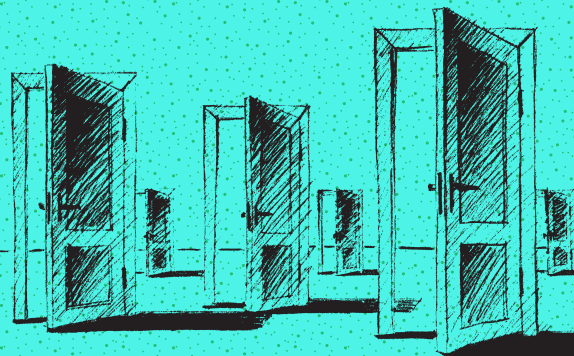
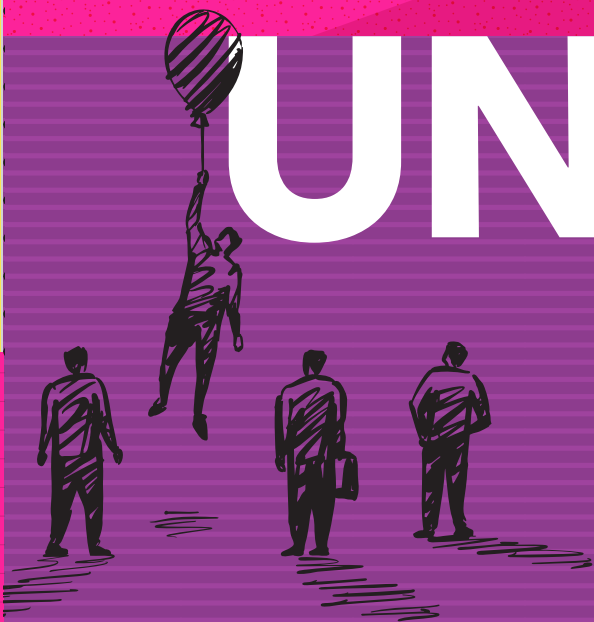


# UNLEASHING IDEAS INSPIRING ENTERPRISE



ANNUAL | 2016  
REPORT | 2017



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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

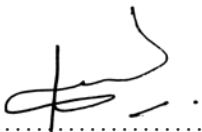
8th March, 2018

The Honourable Donville Inniss  
Minister 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 1st April, 2016 to 31st March, 2017.

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 2016/17 the Board of Directors were:

**Mr. Benson Straker** - Chairman

**Mr. Junior Allsopp** - Deputy Chairman

**Mr. Erskine Thompson**

**Mr. Paul E. Gibson**

**Mrs. Gail Niles**

**Mr. Adrian Padmore**

**Mr. Cedric Murrell**

**Mr. Dwaine Paul** - Representative of the Barbados Workers' Union

**Mr. Jason Sambrano** - Representative of the Barbados Manufacturers' Association

**Mr. Philmore Best** - 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 Establishment 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



Mr. Benson Straker  
**Chairman**



Mr. Junior Allsopp  
**Deputy Chairman**



Mr. Erskine Thompson



Mr. Paul E. Gibson



Ms. Gail Niles



Mr. Adrian Padmore



Mr. Cedric Murrell



Mr. Dwaine Paul



Mr. Jason Sambrano



Mr. Philmore Best  
**Permanent Secretary**

# EXECUTIVE MANAGEMENT 2016/2017

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 2016/17 were:

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

Chief Executive Officer

**Mrs. Marina Taitt, Dip. Management, M.Sc.**

Director, Export & 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, AIns. Pkg**

Manager, Design Services

(Retired January 3, 2017)

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

Manager, Export & Business Development

(Seconded to BADMC effective February 01, 2017)

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

Manager, Export & Business Development

**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

The BIDC's services are 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's 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 as 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 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.

## Staff Complement

During the period under review, 3 members of staff retired. At the end of the period under review, the BIDC had 77 employees.

## TRAINING & DEVELOPMENT

The BIDC's staff development initiatives includes a succession plan which offers staff an avenue to gain experience and showcase their potential through acting appointments. The opportunities to undertake additional responsibilities and duties also allow for a practical environment through which management can assess staff and provide required mentoring or specified training to enhance competence.

The BIDC this year supported the secondment of two officers. This request for secondment came at a very opportune time when the Corporation, in moving towards the development of its employees, has set as one of its deliverables the assignment of internships to the private sector and other agencies. This is with a view to facilitating the growth of its Business Development Officers by augmenting their business acumen and experience so that they may be able to offer a more effective service to the Corporation's clients and add value to the human resource assets of the Corporation.

Through the Performance Management System, there are on-going efforts to ensure that the appraisals are completed and submitted within the established time frame.

The Staff Development and Training Programme ensures that staff members are well prepared to accomplish organizational objectives within the challenge of a dynamic environment.

Training programmes attended during the period included:

- **Global Value Chain Industrial Policies: Enhancing SMEs Competitiveness in the Caribbean.**  
This five-day workshop facilitated by the faculty of the Duke University's Centre on Globalization, Governance and Competitiveness, was designed to support the initiative, "Small Business Development Center Model". It provided participants with insights into how to develop effective policies to increase Caribbean countries' competitiveness in these chains at the local, regional and global levels. The workshop incorporated tools to assess different opportunities for Caribbean firms and clusters by providing a framework through which these chains can be analyzed.
- **FITT Certificate in International Trade**  
The second Forum for International Trade Training session was facilitated and covered International Trade Management and International Marketing. Staff members who successfully completed these courses along with the previous two were awarded the FITT Certificate in International Trade.
- **Social Media for Business Development**  
This course ensured that participants understood the use of Social Media for Business Development. Participants learnt to develop a social media marketing plan as a part of the overall marketing strategy, determined how to manage the various platforms, and how to measure what is taking place.

Other training sessions attended by individual members of staff included:

- Sage Training Workshops
- Excel for Professionals Workshops
- Taking and Writing Effective Minutes
- Accredited Minute Taking Professional (AMTP)/Certified Minute Taker Designation
- Risk Management and International Control
- Event Management for Business Professionals
- International Business Workshop
- Training for Pension Plan Administrators – Workshop
- Impact Assessment and Evaluation
- BREIA International Conference and Exposition 2016
- Health & Safety Committee Member Certification training course
- BAOP Conference
- HRMAB Conference
- Sexual Harassment
- Social Media and the Employment Relationship
- Crisis Management: How to Utilize the Bankruptcy and Insolvency Act
- Severance Calculations
- Holiday with Pay Act
- Workshop - Intrapreneurship
- Promoting Positive Mental Health in the Barbadian Workplace
- Applied Business Modelling Techniques Training
- Workshop on Managing for Development Results

Three (3) members of staff were inducted into the membership of the Caribbean Association of Security Professionals after successfully completing the Industrial Security Operations level II training course. The officers received their Official Membership Certificates on November 18, 2016.

## **Human Resource Management System (HRMS)**

The Corporation commenced the implementation of a new Human Resource Management System (HRMS) which will house all employee information in one central online system. The HRMS will provide a means of acquiring, storing, analysing and retrieving/distributing information as required for all staff members efficiently and effectively.

With the new HRMS, a significant reduction in time to process transactions and time spent on administrative tasks will be realized. These will include:

- Elimination of data entry into multiple systems
- Decrease in data entry errors
- Automatic generation of reports
- Automated employee tracking, alerts, and notifications
- Elimination of the majority of HR-related paperwork as implementing an HRMS will help to significantly reduce the paperwork associated with HR tasks.

The HRMS can analyze the HR data to provide metrics (absenteeism etc.) and reports including:

- Skill Inventory;
- Performance Management;
- Career Planning

For some time now, the BIDC has been participating in the Barbados Community College's Division of Computer Studies work attachment programme. This programme is in partial fulfilment of the requirements of the award of the Associate Degree in Applied Sciences (Computer Studies major). During the attachment period which ran from January to April, 2017 the BIDC hosted one student in its IT department.

The BIDC has been offering The Kurleigh King Memorial Scholarship to students of the UWI Cave Hill Campus since the academic year 1999-2000. The two 2-year scholarships are open to nationals of Barbados who are entering the Level II programme of the B.Sc. in Computer Science, Economics or Management Studies. The two \$5000.00 awards are offered to students from a shortlist of qualifying applicants submitted to the BIDC by the university. These awards were presented to the recipients at the UWI on April 5, 2016. 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.

## **EMPLOYEE SAFETY AND HEALTH**

A contributory Health and Life Insurance plan was renewed for the financial year 2016-2017. The Corporation continues to assist in ensuring the wellness of its staff by contributing 50% of the total premium towards a Group Health and Life Insurance Plan. The Plan is reviewed and renewed every year. Additional employees have been added to the Plan during this financial year.

In an effort to ensure that staff members are receiving the best benefits available in the market, comparison surveys were conducted and the relevant discussions held with staff.

Ergonomic Assessments were conducted throughout the year by REA Envirohealth International, to be followed by sensitization training for all staff.

In order to ensure compliance with the Safety and Health at Work Act 2005, the Safety and Health Committee was certified by REA Envirohealth International in Health and Safety Committee Member Certification Training.

## **EMPLOYEE RELATIONS AND WELFARE**

Emphasis continues to be placed on improving staff relations and the quality of work life. Events held included:

- Continued use of the gym facilities at the Head Office.
- The annual activity of watching the "fore day morning bands".
- Breast Cancer walk/run in October 2016. Staff members were encouraged to walk in honour of a former colleague – Mrs. Judith Belle who passed away.
- Revision of the Corporation's Terms and Conditions of Service.
- Christmas Party and Awards Ceremony honouring fourteen (14) long service awardees.

As part of the activities to commemorate the 50th Anniversary of Independence of Barbados, the BIDC accepted the invitation of the Ministry of the Civil Service to participate in a human chain link activity around Barbados.

## **Philanthropic Activities**

The BIDC Staff provided monetary awards to students of staff members who completed the 2016 Barbados Secondary Schools Entrance Examination (the 11+ Exam). Members of staff made a contribution to this initiative and the total funds collected were equally matched by the BIDC. Five children benefitted from this activity.

Staff also gave donations to two (2) colleagues one of whose family lost their house and possessions to fire and the other, where a family member required urgent medical attention abroad.

The BIDC is on a journey to create an environment that encourages success. A critical component of creating this environment is building an organization where members of staff recognize BIDC as a great place to work which provides both challenges and recognition. Therefore, plans were advanced for an Employee Engagement survey to be conducted in the financial year 2017-18 with questions tailored to provide staff with the opportunity to rate many facets of the BIDC, assess what they value most in their employment and make positive suggestions for improvement. Focus will be placed on the areas that need most attention as indicated by the Survey as we strive to become an Employer of Choice.



# OPERATING ENVIRONMENT

## ECONOMIC CONDITIONS

### Barbados' International Ranking

Barbados' international ranking continued to worsen during the year under review. In March 2017, Moody's Investors Service, ("Moody's") downgraded Barbados' government bond and issuer ratings to Caa3 and maintained a stable outlook which differed from the negative outlook imposed by Standard and Poor's with its own downgrade.

Moody's decision to downgrade Barbados' issuer and bond ratings to Caa3 was driven by the following factors:

1. The continued increase in government debt and very limited prospects of fiscal reform.
2. In consequence, rising domestic and external financing pressures that are very likely to impair the government's ability to service its debt.

Concern was raised that the fiscal deficit remains large and credit risks have increased in Barbados despite the government's efforts to contain the fiscal deficit and alleviate pressures on foreign exchange reserves. The expectation remains for the rising debt burden to continue to do so in the short term and domestic and external liquidity pressures have increased.

The government debt burden reached 111% of GDP at the end of 2016, and the authorities have accumulated a large stock of arrears to the private sector and the National Insurance Scheme, estimated at a further 11% of GDP at end-FY2015/16. Large refinancing requirements and the high interest burden, which consumes around 27% of government revenues, pose increasingly severe credit risks.

According to the Central Bank of Barbados, the Barbados economy registered moderate growth during the first three months of 2017, due primarily to activity in the Tourism sector. However, delays to the start of anticipated investment projects hampered a more robust recovery and impacted the growth of international reserves during the quarter. Higher tourism earnings contributed to a modest increase in reserves and a slight improvement in the import reserve cover at the end of the review period. The other traded sectors made a modest contribution to growth during the first three months of 2017, with the Manufacturing and Agricultural sectors estimated to have trended upwards. Construction activity is estimated to have expanded by almost 2% during the first three months of 2017, influenced chiefly by the construction of various commercial projects, especially in the Tourism sector. There was also modest growth registered in Wholesale and Retail and Other Business and General Services.

The Barbados economy has made gains in addressing some of the macroeconomic imbalances faced in recent years. However, challenges remain and stabilisation now requires concerted attention to fiscal adjustment and the acceleration of project implementation.

Amidst the efforts of Government to cut expenditure, the BIDC has to stimulate local production and exports. Start-ups are critical if retrenched workers are going to avoid being a burden on the social welfare system of the country. New and expanded markets need to be identified, charted and penetrated to generate foreign exchange, strengthen foreign reserves and positively impact the level of employment. Thus, the BIDC needs to be an agent of growth in this challenging environment. However, the Corporation was faced with several requests for moratoria and rent relief

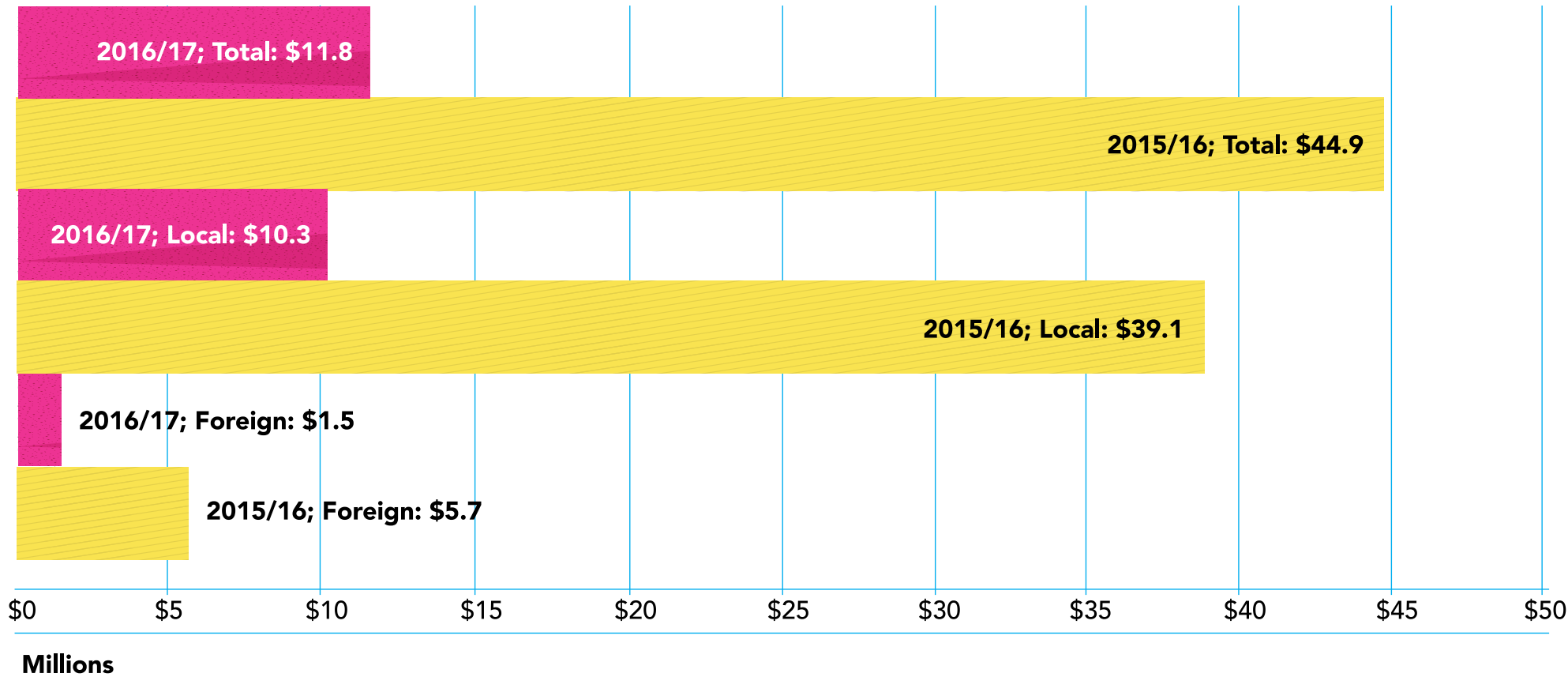
during the quarter under review. This has further impaired the collection of revenue that is critical for the execution of the BIDC's programmes.

According to the BIDC's quarterly Employment & Investment Survey, during the period April 2016 to March 2017, foreign investment in the manufacturing and related services sectors totaled \$1.5 million, with local investment tallying \$10.3 million. Total investment for this period was registered at \$11.8 million. This was \$33 million less than the previous period, April 2015 to

March 2016, where investment totaled \$44.9 million. January to March 2017 was the most active period for investment, with a total of \$5 million recorded for the quarter.

The Food, Beverages & Tobacco sub-sector recorded the largest share of investment with \$6 million. This accounted for 50.7% of the total investment for the period. Approximately \$1.5 million was invested in the Services sector with the Manufacturing sector accounting for the remaining \$10.3 million.

**DISTRIBUTION OF INVESTMENT - 2015/16 & 2016/17**



Source: Barbados Investment and Development Corporation

**COMPARATIVE SECTORAL DISTRIBUTION OF INVESTMENT FOR  
FISCAL YEARS 2015/16 AND 2016/17  
BDS\$**

SUBSECTOR	2015/16 <sup>R</sup>	2016/17	Net Change	% Change
Food, Beverages & Tobacco	27,373,803	6,018,739	-21,355,065	-78.0
Textiles, Apparel & Leather	122,906	245,000	122,094	99.3
Wood, Wooden Products & Fittings*	2,400,897	76,303	-2,324,594	-96.8
Paper Products & Printing	305,233	387,452	82,219	26.9
Chemicals & Chemical Products	395,094	269,790	-125,304	-31.7
Plastic Products	1,129,130	1,456,678	327,548	29.0
Non Metallic Mineral Products	8,312,634	850,345	-7,462,290	-89.8
Fabricated Metal Products	234,291	791,731	557,439	237.9
Precision Instruments*	0	0	0	
Electronic Components*	7,400	0	-7,400	-100.0
Handicraft	93,450	145,118	51,668	55.3
Other Manufacturing	5,150	39,270	34,120	662.5
<b>Sub-Total</b>	<b>40,379,989</b>	<b>10,280,424</b>	<b>-30,099,565</b>	<b>-74.5</b>
Information Services*	1,272,839	65,741	-1,207,098	-94.8
Other Services	2,620,227	1,475,219	-1,145,007	-43.7
<b>Sub-Total</b>	<b>3,893,066</b>	<b>1,540,960</b>	<b>-2,352,105</b>	<b>-60.4</b>
Small Businesses Not In Survey	<b>621,800</b>	<b>37,500</b>	<b>-584,300</b>	<b>-94.0</b>
<b>Total</b>	<b>44,894,855</b>	<b>11,858,884</b>	<b>-33,035,970</b>	<b>-73.6</b>

<sup>R</sup> Revised

\*It is believed under reporting of actual investment values in these sectors accounted for low levels reported

Source: Barbados Investment and Development Corporation

The Central Bank of Barbados has projected economic growth to range between 1.5% to 2% in 2017, mainly on the strength of tourism and new construction activity. There is limited scope for fiscal stimulus through a public sector investment programme, necessitating the execution of planned private sector investment projects to aid in reversing the slide in capital formation that has contributed to subdued economic activity in recent years. The bank expects the international reserves to stabilise during 2017, on the basis of the proceeds from the sale of Government assets, higher public sector project related inflows and the continued strengthening of the Tourism sector.

The prospects for the economy will be enhanced by continued diversification. The International Business and Financial Services Sector remains an important cog in fostering an improved outlook for international reserves. In addition, the continued growth of the alternative energy sector has the potential to cushion the impact of higher energy prices on the balance of payments, as Barbados continues to make progress in increasing the capacity of the renewable energy sector.

Global GDP growth is projected to pick up modestly to 3.3% in 2017 and around 3.5% in 2018, from just under 3% in 2016, boosted by fiscal initiatives in the major economies. Confidence has improved, but consumption, investment, trade and productivity are far from strong.

The volatility in key international markets merits careful observation by both the Government of Barbados and the productive sector. Already, measures being adopted by the new administration in the United States of America are generating some measure of concern on the global scene. The consequences of the exit of the United Kingdom from the European Union are far-reaching. The atmosphere in the Far East forces Barbados to be on the alert as it seeks to conduct business with key partners, namely China and Japan.

The BIDC remains committed to growing the productive sectors of Barbados and increasing exports in the medium term. Improved exports must be at the centre of Government's efforts to foster an improved outlook for international reserves. Additional resources will be allocated to the renewed Going Global initiative and to strengthening local companies to satisfy demand in new and existing markets. Markets are being engaged for inward and export missions and collaborations will be fostered with local stakeholders and foreign counterparts to ensure that local producers make the most of new and existing market opportunities.

# CHAIRMAN'S REPORT

## THE YEAR IN REVIEW

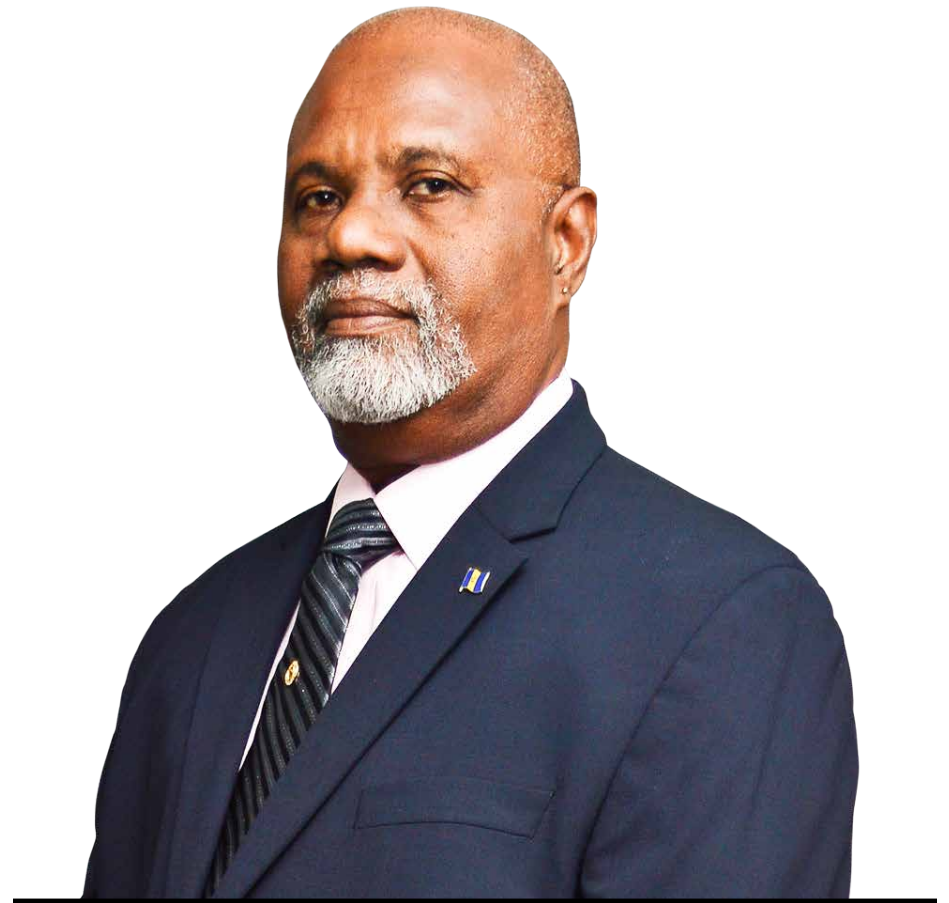
The BIDC celebrated its 60th year of operation during this fiscal period. Several activities were undertaken to commemorate this milestone. One of the highlights during the year was the hosting of the inaugural Innovate Barbados conference in October 2016. The conference generated discussion on issues relevant to the national effort to start up more innovative businesses and creating a culture in which innovation can thrive.

For the period 2016-2017, the BIDC's KPIs demonstrated some success in achieving the targets set. Four targets were achieved, with three of these surpassing the maximum values and one exceeding the minimum target. These positive results were noted in the number of new companies exporting, rent collections, the facilitation of new tenants and sector specific training executed.

Our efforts to support export growth have so far been highly rewarding given the preliminary results of the Going Global initiative. Exports totals 15 months into the programme have reached Bds\$638 million, more than the target export value over 18 months which was set at Bds\$609 million.

With respect to entrepreneurial development, our efforts brought encouraging results, with 20 startups registered in the Garment Manufacturing, Food and Beverages, ICT, Professional and other services sectors.

For the first time in three years, the Corporation registered an increase in STAP disbursements. With disbursements totaling Bds\$556,270 in 2015/16, the Corporation intensified its client visitation and promotion of the STAP, doubling disbursements to Bds\$910,858 at the end of March 2017.



Following a review of our operations and an examination of our position and progress made over the last fiscal period, there was some improvement in our financial position. During 2016-2017, the Corporation collected Bds\$10.2M in rent receipts compared to Bds\$9.1M during the 2015-2016 reporting period. Rent collections as a percentage of billings was registered at 107% over the last financial year. 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 \$1.1M in rental receipts. The Corporation has focused on communicating frequently with tenants to ensure

that rental accounts are kept in good standing and payment plan arrangements are honoured. Where possible the Corporation has also sought to recover its space from chronic defaulters through legal action.

As part of the initiatives to increase revenue streams, the pursuit of grant financing avenues yielded some Bds\$309 000 for the year 2016-2017. This is compared to Bds\$128 000 during the 2015-2016 year. Additionally, initiatives to mitigate interest rate risks through diversification of the investment portfolio were successful. Interest earned during 2016-2017 was registered at Bd\$1 194 564 compared to Bds\$837 474 in the previous year.

**FUTURE PROSPECTS AND DIRECTION**

The BIDC is better positioned than ever to lead the advances in industry that we all would like to see. We have the resources to drive new developments and solve problems, the power to drive new engines of economic growth, to kick-start new products and services and breathe new life into the economy.

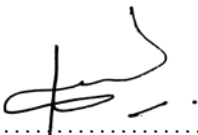
In the coming year, the BIDC has the opportunity to reach even more prospective investors and organizations. Last year, the Corporation initiated discussions with the International Trade Centre (ITC) to seek their support in developing a Performance Improvement Roadmap (PIRM). This was intended not only to support a renewed export thrust and a reinvigorated entrepreneurial development drive but also to position the BIDC to be a more results-oriented organization, delivering more relevant and effective services to all its constituents.

During a one-week intervention, June 6-10, 2016, an ITC advisor facilitated the identification of the priority outcomes required to improve the performance of the corporation. An overriding theme of One Team - One BIDC was agreed, as this points to an organisation that is focused on its goal and has restored trust and mutual respect.

The PIRM programme highlights BIDC’s commitment to improving its performance to create impact and addressing the current issues that exist inside the Corporation. It aims specifically to:

- Review and refresh BIDC’s strategic focus to enable stronger impact for clients and motivation for staff.
- Strengthen BIDC’s resource management and processes to ensure improved efficiency and to re-engage and support its workforce.
- Review and refresh BIDC’s service delivery so it is relevant, effective and creates positive impact for its clients.
- Strengthen BIDC’s capacity to measure its performance and results.

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.



.....  
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. It is the intention of the Corporation to facilitate the evolution of a new cadre of entrepreneurs who are ambitious, innovative and export-focused.

For the year 2016-2017, the BIDC established four overarching corporate goals and 27 corporate objectives with related milestones. The Corporation completed three of the six objectives being pursued under Goal 1, **Establish a customer centric operating model**, and remains actively engaged in the work of the other three. Under Goal 2, **Improve financial and operational efficiencies of the BIDC**, the BIDC has been ambitiously seeking to implement innovations to increase the benefits offered to its customers while simultaneously generating improvements in staff morale and engagement given its financial constraints. At the end of the quarter, all but one of the seven objectives under this goal were successfully completed. Under Goal 3, **Enable a thriving and sustainable export sector**, the Corporation committed much human and financial resources to growing local exports and empowering local producers to penetrate new markets while expanding in existing ones. All of the objectives under this goal have been successfully concluded. Under Goal 4, **Develop Internationally Competitive businesses**, the Corporation stepped up its efforts to bring local producers to the point where they may effectively compete with businesses in any market. At the end

of the quarter, three of the five objectives under this goal were successfully completed and work on the other two is ongoing. At the end of the fiscal year, the Corporation achieved its minimum targets in four KPIs and attained or exceeded the maximum target in three of these indicators.

Work on the PIRM initiatives was advanced through 14 teams formed to review and recommend improvements in areas of Strategy; Human Resources; Measurement; Processes; Structure; Client Management/Client Services; Common Purpose; Knowledge Management/Client Records; New Products/Client Needs/Segmentation; Income Generation; Communication; Governance; and Strategic Partnerships. Process maps for approximately 30 flows were prepared and are being reviewed internally to assess accuracy, consistency and efficiency. Suggestions for streamlining processes will be advanced for implementation to improve the quality of the experience gained by the Corporation's customers. It is intended that the outputs of these teams will serve to transform the BIDC into a consistently high performance organisation.

## CORPORATE GOALS

### GOALS

G1 - Establish a Customer Centric Operating Mode

### OBJECTIVES

- Brand management initiatives identified & implemented
- Higher customer satisfaction rating
- At least 2 initiatives from Staff Engagement programme implemented
- Staff trained in professional competencies
- BDOs assigned to private sector internships
- Customer segmentation policy

### GOALS

G2 - Improve Revenue Generation, and the Financial and Operational Efficiencies of the BIDC

### OBJECTIVES

- Increased revenue earnings
- Collection rate of at least 60%
- At least 90% usage of approved document management system
- Cost savings through implementation of at least 2 initiatives
- Funding facilities identified for institutional strengthening
- At least 1 source of external funding for projects
- Cross divisional teams deployed on at least 1 project

### GOALS

G3 - Enable a Thriving and Sustainable Export Sector

### OBJECTIVES

- At least 3 workshops to increase exports to Canada, US and Latin America
- At least 2 trade missions undertaken
- At least 2 research missions undertaken
- At least 2 sector specific trade shows attended
- Increased number of new exporting companies
- At least 3 stakeholder consultations
- At least 3 networking relationships with export stakeholders
- At least 3 stakeholder relationships established
- At least 5 export business connections

### GOALS

G4 - Develop Internationally Competitive Businesses

### OBJECTIVES

- At least 50 exporters facilitated with acquiring the requisite skills, knowledge and exposure in producing internationally competitive products/services
- At least 2 high value products or services exported
- Innovation Project executed
- At least 4 market intelligence reports disseminated
- At least 2 promotional events targeted at Diaspora network

## CRITICAL SUCCESS FACTORS

- A highly trained and energized staff.
- Financial soundness in terms of self-sufficiency and sustainability.
- Facilities with adequate resources that can drive and support innovation, production, research and development.
- Strategic direction that will position Barbados as a supplier of high quality goods and services.

## MEASURING OUR SUCCESS

Nine Key Performance Indicators (KPIs) were used to assess the BIDC's performance for the year. The annual indicators were intended to gauge the levels of the Corporation's customer satisfaction and employee engagement. The quarterly indicators measured the BIDC's effectiveness in assisting companies to start up, expand, export for the first time and grow their level of exports. They also assessed the Corporation's performance in attracting new tenants, collecting the rent and earning other forms of income.

## KEY PERFORMANCE INDICATORS FOR 2016-2017

INDICATOR	Annual Target		Apr 2016 -Mar 2017
	Min	Max	Actual
<b>Assessed Annually</b>			
1. Customer Satisfaction Index **	66	75	N/A
2. Staff engagement **	35%	45%	N/A
<b>Assessed Quarterly</b>			
3. Number of companies moved from idea to start up	25	30	20
4. No. of sector specific training programmes executed	8	12	8
5. Growth in exports in selected markets *	4%	6%	-24.5%
6. No. of new companies facilitated in exporting	10	15	21
7. Increase in Revenue earnings	8%	10%	6%
8. Current Rent Collections as % of Current billings	60%	65%	69%
9. No. of new tenants facilitated	24	36	36

Note:

\*Measured by increased exports to markets targeted through BIDC promotional activities.

\*\*Survey results unavailable at year end.

For the period 2016-2017, the BIDC's KPIs demonstrated some success in achieving the targets set. Four targets were achieved, with three of these surpassing the maximum value set. Rent collections exceeded the minimum target by 9%. The number of new companies exporting was higher than the maximum level by 6 while the maximum level for the facilitation of new tenants was achieved.

## SUSTAINING AND CREATING JOBS

The BIDC, as part of its assessment, also keeps track of employment trends within the sectors served. At March 2017, there was a moderate increase in employment within the companies surveyed through the quarterly Survey of Employment & Investment, when compared to March 2016. Total employment at March 2017 was 10,406 an increase of 2.2% against employment registered in the corresponding period in 2016. Employment in the Manufacturing Sector stood at 7,075 at March 2017, down from 7,178 recorded at March 2016. Jobs within the Services Sectors surveyed totaled 3,331 at March 2017, compared to 3,005 jobs recorded at March 2016.

Total jobs created through the formation of new businesses or the expansion of existing ones during the period April 2016 to March 2017 were 957 or 37.3% more than in the previous period April 2015 to March 2016 when 697 jobs were created. The Food, Beverages & Tobacco sub-sector recorded the highest number of jobs created in the Manufacturing Sector, contributing 204 or 21.3% of total jobs created. In the Services Sector, the Information Services sub-sector recorded 44% or 421 of jobs created in this period. The period April to June 2016 was the most productive, creating a total of 554 jobs.

### EMPLOYMENT IN SUB-SECTORS SURVEYED BY BIDC AT MARCH 2016 AND MARCH 2017

SUBSECTOR	March 2016 <sup>R</sup>	March 2017	Net Change	% Change
Food, Beverages & Tobacco	3,258	3,217	-43	-1.26
Textiles, Apparel & Leather	431	429	-3	-0.46
Wood, Wooden Products & Fittings	210	222	10	5.71
Paper Products & Printing	648	625	-23	-3.55
Chemicals & Chemical Products	353	327	-26	-7.37
Plastic Products	172	182	10	5.81
Non Metallic Mineral Products	730	694	-36	-4.93
Fabricated Metal Products	722	712	-10	-1.39
Precision Instruments	252	276	24	9.52
Electronic Components	180	167	-13	-7.22
Handicraft	107	110	3	2.80
Other Manufacturing	115	114	-3	-0.87
<b>Sub-Total</b>	<b>7,178</b>	<b>7,075</b>	<b>-110</b>	<b>-1.60</b>
Information Services	871	1,259	388	44.55
Other Services	2,134	2,072	-62	-0.23
<b>Sub-Total</b>	<b>3,005</b>	<b>3,331</b>	<b>326</b>	<b>10.85</b>
<b>Total Employed</b>	<b>10,183</b>	<b>10,406</b>	<b>223</b>	<b>2.19</b>

<sup>R</sup> Revised | Source: Barbados Investment and Development Corporation

# PROGRAMMES AND SERVICES TO SUPPORT SECTOR DEVELOPMENT

## RESEARCH, DEVELOPMENT AND DESIGN

The role of the BDC 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 BDC'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 BDC 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 Research and Design units of the Corporation's Business Support Services Division.

Efforts were made throughout the year to deliver business intelligence to empower and better enable companies to capitalize on emerging opportunities. To this end sector profiles were published on activities and trends in the chemicals, apparel, food, beverages, paper, printing and publishing sub sectors of manufacturing. In addition some 173 internal and external requests for information were facilitated by the Research Unit and research papers were prepared including reports on sector development initiatives and fiscal incentives.

One of the major information sharing events undertaken was the Corporation's hosting of the Inaugural Innovate Barbados conference in October 2016. Some 183 persons took part in the conference, which reached well into the intended audience comprised of Entrepreneurs and Potential entrepreneurs, Researchers, Students, Innovators, Creative thinkers, Members of academia, Manufacturers and Services companies, Information communication technology professionals, Management consultants, Financing agencies, Government agencies and Business Support Organisations.

The post conference assessment indicated that the BDC succeeded in creating a high-end branded event which could become the Corporation's annual signature event. The conference was intended to:

- To promote innovation as a key mechanism for economic diversification and social transformation.
- To facilitate harmonization and alignment of the policy environment and entrepreneurial development.
- To deepen the start-up culture and promote dynamic funding and market entry/exports.
- To be a catalyst for innovative thinking across productive sectors in Barbados.

In-depth market research was conducted in Canada and the Dominican Republic to assess the opportunities for further market penetration.

During the year, applications for an extension of Fiscal Incentive benefits were assessed for 2 companies by the Research Unit.

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 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. Assistance was provided 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.

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 Shows EXPOCOMER in Panama in March 2017 and FIHAV, hosted in Cuba in November 2016. The impressive booth design and thematic concepts aptly communicated the approach the BIDC and by extension Barbados has taken towards its global presence.



One of the companies sponsored by BIDC for BMEX 2016 was Trekvoy, an animation company headed by Aisha King

At home, the design team was also instrumental in delivering high quality design solutions during Barbados' premiere trade show, BMEX 2016. The team assisted 5 companies by ensuring that their product and packaging designs 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 companies represented the new cadre of entrepreneurs the Corporation has been aiding in achieving sustainability, arriving at solutions and getting on the growth path. Visitors to the BIDC corporate booth therefore saw BIDC's services and programmes of assistance on show and were able to browse and take away information on the services offering. In addition to the multimedia showcase of the BIDC's services, entrepreneurs and would-be entrepreneurs especially gained some valuable insight and business development advice. In celebration of its 60th year in business this year, the story of how the BIDC has been shaping companies over the last 60 years and how it intends to carve the future in helping companies to achieve their goals was central to its display.

All in-house advertising, signage and promotional media coordinated by the BIDC throughout the period under review were also supported by the Design Unit.

## CORPORATE COMMUNICATIONS

Stakeholder engagement took on a special significance in 2016, as this year marked the 60th anniversary of the Corporation. Several activities were organized to mark this occasion.

The BIDC's promotional work throughout the year extended to the placement of newspaper ads, e-blasts, media releases and media invitations to events hosted to expose not only the work of the BIDC but also the companies and individuals involved. It also included organised media conferences and prepared speeches for the BIDC executive and Ministerial engagements.

The Corporation launched its social media campaign during the third quarter and is now connecting with its clients and the general public via Facebook and LinkedIn. G&A Communications was contracted to manage the BIDC's brand via social media. The over-arching goals of this campaign are to:

- Convert BIDC contacts to online followers on Facebook



CEO, Mrs. Sonja Trotman, Chairman, Mr. Benson Straker and Director Thompson chat during the 60th anniversary unveiling ceremony



Unveiling of mission by Chairman during the 60th anniversary celebrations

and connections on LinkedIn.

- Establish Facebook following of at least 3 000 friends by month 3 of the programme.
- Increase following by 10% quarter on quarter. This objective was surpassed with the page realizing a monthly growth rate of 18%).
- Establish LinkedIn followers of 300+ by Month 3 of the programme. The activities to achieve this objective are scheduled for the last quarter of the fiscal year.

- Achieve increase in engagement levels by 10% every quarter for the first year, measured by increase in comments and shares per post and by mentions linked directly to B IDC social media content. The objective was achieved, with an average engagement rate of 12% with a post average of 3%. This engagement rate exceeds the industry standard. High engagement rates mean that the B IDC is having conversations with its audience and our audience is having conversations with each other.

Key events promoted included workshops and training opportunities, as well as B IDC programmes of assistance. Based on the overall objectives of the Facebook page at the month of March 2017, it can be said that the page performed well. Facebook's penetration into Barbados as of June 2016 stood at 160,000 persons and the B IDC's post reach stood at 152,905 persons. The B IDC gained 431 new page fans during the last month of the fiscal period, bringing the total number of fans at the end of the review period to 2,311. There was a total of 4,160 interactions, i.e clicks and shares. The majority of page fans are aged in the 25-34 years group (35%) and are female (63%). This will significantly influence the Corporation's approach to its online offerings. On LinkedIn, B IDC gained 45 followers.

The B IDC continued its work to finalise the upgrade design for [www.bidc.org](http://www.bidc.org). The new website incorporating the Barbados Business Catalyst Hub will include elements for multimedia, and increased business intelligence dissemination. It should be launched at the start of the new financial year. During the period under review, some 45 online requests and queries were received via the website and 55 online applications were processed for operating space, incubator space, special technical assistance and new client registration.

## PROPERTY MANAGEMENT

The maintenance of the property portfolio continued to be dominated mainly by requests related to roof and plumbing

problems. Most of the Corporation's buildings were constructed in the 1970s and now require extensive upkeep. Continued corrective maintenance and scheduled maintenance contracts were issued to ensure that the buildings are adequately maintained.

## Capital Works

The Capital Works programme for the period April 2016 - March 2017 included one (1) renovation project and three (3) projects involving roof replacement at the Harbour, Wildey, and Six Roads Industrial Estates. The renovations to Building 6 at the Six Roads Industrial Estate continued during the reporting period. The renewal of the roof coverings at Buildings 6a & 6b was carried out in two phases. Phase 1 Building 6a has been completed and Phase 2, Building 6b reached 30% completion.

Following the invitations which were sent to companies who expressed an interest in the rental of roof space for installation of solar photo voltaic panels by Independent Power producers, the Board has approved the preparation of pre-contract documents for the rental of B IDC's roof space which will be used to generate power which is to be sold to the grid.

The Corporation currently has a total of 1,499,210.06 sq.ft of factory space of which 80% (1,200,106.06 sq.ft.) was occupied at the end of March 2017. The vacant unlettable space totals 115,431.00 sq.ft (8%) mainly concentrated at Harbour, Wildey, Pine and Grazettes Industrial Estates. There were 77 applications submitted for factory space which represents a demand totalling 179,679.66 sq.ft. A total of 123,191 sq.ft of space was allocated during the period. With the expected acquisition of Building 15 at the Wildey Industrial Estate the Corporation will increase its total factory space by 10,500 sq.ft. Space currently available for rental is 179,673.00 sq.ft.

# SPECIAL SECTORAL DEVELOPMENT INITIATIVES/PROJECTS

## **Shared-use facility for the Condiments Sector of Barbados**

The consultancy for the Shared Use Facility (SUF) was completed and reports submitted to facilitate the commencement of Phase II of this project. Grant funding in the amount of US\$162,120 was secured under the CSME Standby Facility for Capacity Building for Phase I, a technical design study on the financial and operational requirements for the establishment of the SUF for the Condiments Sub-sector. The aim is to have a Hazard Analysis Critical Control Points (HACCP) certified plant, fully operational by March 2018.

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.

## **Furniture Cluster**

Over the course of the reporting period, work continued on the evaluation and assessment of a proposal for a furniture cluster and retail furniture and furnishings sales outlet to be located

at the Spring Garden Industrial Estate, St. Michael. A draft report was submitted by the consultant on the most suitable model of a possible shared facility for the furniture sector. The report has considered market identification and access, product development, branding and retail design, as well as organizational and infrastructural priorities for the cluster. 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 will 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.

## **BB Fashion Week**

The BIDC facilitated the hosting of BB Fashion Week, 2016 in November. Designers and other attendees gained critical knowledge in areas such as: Building your fashion brands; How to identify your markets; How to prepare for trade shows; Development of Men's Fashion; Mass Production; Packaging and Distribution and Market Research.

## **Assistance to Foreign Missions**

Provision was made to facilitate locally produced items to be sent to several overseas Missions in their preparation for the 50th Anniversary celebrations at various diplomatic offices. The items of preference included baked goods, alcoholic and non-alcoholic beverages, condiments and sauces. Several manufacturers either donated a portion of the items or provided them at reduced cost.



Food Safety Preventative Controls workshop participants

### **Food Company Audits**

Audits for the Condiments sector were conducted in June and July 2016. These audits were conducted to ascertain the manufacturing practices and gaps to be addressed by these companies in the quest to establish suitable food safety practices amongst producers. A food technologist and food safety expert was engaged by the BIDC to carry out these audits which enabled the principals of the companies to assess their company's status against best practice.

Training in Food Law was provided for two (2) Officers from the BIDC as well as for five (5) food manufacturers.

## **COMMUNITY OUTREACH INITIATIVES**

### **MOMPreneurship Programme**

The BIDC collaborated with the organisers of this outreach programme which targeted young unemployed mothers, in a rural community of Barbados, equipping them with knowledge on the

fundamentals of starting a business and utilizing their skills. Several workshops were conducted, and BIDC's Business Development Officers provided one-on-one advisory services to each of the young women in the programme. Limited funding was provided through the BIDC's Special Technical Assistance Programme, to assist with certain aspects of the Corporation's intervention.

## **ENTREPRENEURIAL DEVELOPMENT**

### **Getting it Right from the Start**

The BIDC remains aware of the prevailing economic environment in Barbados but is positive that Barbados can emerge from the slump through high quality products, increased efficiencies and exports. New businesses translate to increased job opportunities and expanded businesses have the potential to positively impact the level of exports and foreign exchange. During the period under review, the Export and Business Development Division intensified the Corporation's assistance to the local micro, small and medium sized enterprise sector.

The BIDC's commitment to improved client engagement and client contact continues to be borne out in the efforts of its business development officers. For the fiscal year 2016/17, the Corporation recorded 211 site visits, 877 follow-up meetings and 147 new client contacts, generating 20 startups and 147 expansions. The start-ups were registered in garment manufacturing, food and beverages, ICT, professional and other services sectors. The impact of the company expansions was an increase in employment, sales and investments, the latter totalled \$163,000.

As part of this engagement, the BIDD disbursed Bds \$0.9 million in grant funds under the Special Technical Assistance Programme (STAP) over the fiscal year 2016/17, an increase of 63.7% compared to the 2015/16 period. Of this total, marketing activities accounted for over Bds \$0.4 million or (50%) and professional services, Bds \$0.2 million (21.5%).

Through the Small Business Development Center Network a tier system was established which allows the BIDD to streamline its services to clients based on their position in the system. In particular, the type of training courses offered by the Corporation has been segmented according to tiers.



The future frontiers segment of the conference featured Bitt President Oliver Gale



CEO Trotman at the official start of Innovate Barbados 2016



Director Paul Gibson and Registrant David Camacho exchange greetings during the conference

## Training Workshops by Tier

Level	Category	eTraining
Tier I	Entrepreneurs/Pre-startups	How to Start a Business
Tier II	Entrepreneurs/Startups	How to Start a Business Business Plan I – narrative Business Plan II – financial projections
Tier III	Established MSMEs	Specialized and sector specific workshop
Tier IV	Established MSMEs	BIDC's Export Readiness Programme

The BIDC also facilitated the participation of clients in major local expositions. We sponsored the participation of four clients in the Barbados Horticultural Society Annual Garden and Flower Show 2017 over the period 28 – 29 January 2017. This provided an opportunity for the local artisans who displayed bags and accessories; basketry from indigenous fibres; plastic canvas craft; and jewellery.

During the month of February, the Corporation sponsored five (5) clients in participating at AGROFEST 2017. One client displayed bow ties, some of which were made of black belly sheep leather obtained from the BIDC. Reports from the clients indicated that they had a successful outcome.

Local market exposure was also organised for several clients engaged in the cultural industries through participation in the Girlfriends Expo in February, 2017.

As part of its facilitation, the BIDC sponsored the participation of several companies engaged in the production of confectionery, condiments, ice-cream, bottled water and animation at BMEX 2016. Five companies gained exposure to a large cross section of attendees who viewed and sampled the selection of products and

services on display. Furthermore, the Corporation, through its Buyer's Programme, sponsored the attendance of several overseas distributors at BMEX 2016. Buyers were provided the opportunity to interact with several of Barbados' prominent exporters. Local companies reported increased orders with at least two new export opportunities as a result of this event.

### Moving from Idea to Enterprise

As part of the Corporation's drive to help create and grow young businesses, the BIDC operates both the Innovation Support programme, and the Incubator programme that is 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 BIDC'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. These programmes will be reassessed in an effort to generate improved interest.

The BIDC has started working with the Copyright Society of Composers, Authors and Publishers (COSCAP) to develop a Music Incubator Programme, expected to be launched later this year.

## **EXPORT DEVELOPMENT AND PROMOTION**

### **In Pursuit Of Markets That Matter**

Having launched the Going Global Initiative in September 2015, the Corporation worked to grow Barbados' exports by 10% or Bds\$55 million during an 18-month period ending June 2017. The results of the efforts so far have been encouraging based on the growth projections established from Barbados' export performance in 2014 when exports totalled Bds\$554,605,874.

Exports at the end of 2015, did not exhibit any signs of expansion but rather declined sharply to Bds\$506,030,022. At the end of 2016, however, 12 months into the programme, there was some recovery, with exports registering at Bds\$524,085,223. For the first quarter of 2017 exports totalled Bds\$114,017,955, bringing exporting totals for the 15 month period to Bds\$638,103,178.

The target export value over 18 months was set at Bds\$609,605,874.

As part of the execution of the programme, stakeholder consultations were conducted during the year under review with Canadian exporters, condiments producers and the Barbados Chamber of Commerce and Industry. MOUs were signed with the Suriname Business Development Centre in January 2017 following a visit from a Suriname Trade delegation to Barbados in November 2016. Other MOUs are in advanced stages of preparation with exportTT, JAMPRO and ProDominicana in the Dominican Republic.

The export thrust featured 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 was 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 and Puerto Rico).

Two trade missions were organised during the review period, one to Cuba and one to Panama. The 5-day Cuba political/commercial trade mission led by the Honourable Minister of Industry, International Business, Commerce and Small Business Development, Donville Inniss included meetings with Cuban Government officials and suppliers in Cuba. The feedback was positive during the Business forum, where eight local companies met with the Cuban Chamber of Commerce and various Cuban distributors.

In Panama, the 5-day market visit by nine (9) Barbadian companies targeted the food, construction materials, automotive and printing sectors and served as a follow-up to the Expo Comer 2016 Trade Fair. The visit afforded the Barbadian producers greater contact with potential buyers.

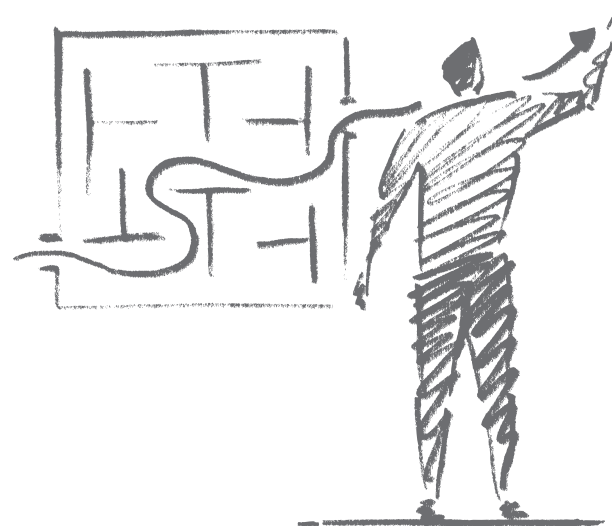
As part of the Export Readiness Programme 2016, companies were facilitated on a trade mission. This requirement was met for 6 of the graduating companies at the end of January 2017 when they travelled to Grenada and engaged market representatives and distributors. In general, there was strong interest expressed in that market for the products on display and some orders were received.

The other companies in the Export Readiness Programme 2016 were part of the mission to New York in February 2017.

Companies were able to cement existing relationships and/or further develop and drill down into market penetration opportunities for existing works. Meetings were meaningful and it is anticipated that real trade and development will be realized in the near future.

As has been the case for several years, Barbados' major export markets in 2016-2017 were CARICOM (50.6%), the USA (16.9%), Canada (3.4%) and EU (9.8%). These established markets together account for over 80% of Barbados' export trade. The BIDC intensified its efforts to utilise the markets with which it maintains agreements in an effort to expand both the product range and the number of destinations for Barbadian goods. In particular, the markets in Latin America and in the United States of America were of interest.

Barbados' exports for 2016/2017 showed a minor decline of 1.7% compared to exports in the previous year. From a total of \$516.3 million in 2015/2016, export sales fell to \$507.2 million. Declines were noted in all major markets, with the European Union being the exception. The biggest declines were recorded in shipments to CARICOM and the United States of America.



## DOMESTIC EXPORTS TO MAJOR MARKETS BY VALUE AND PERCENTAGE SHARE

Fiscal Year 2016/17 Compared With 2015/16

MARKETS	2015/16 \$ BDS	% Share	2016/17 \$ BDS	% Share
CARICOM	260,588,858	50.48	256,612,248	50.59
USA	91,264,063	17.68	85,578,333	16.87
Canada	18,109,550	3.51	17,358,446	3.42
EU	44,445,694	8.61	49,532,158	9.76
Dominican Republic	4,414,790	0.86	4,122,199	0.81
Other	97,437,597	18.87	94,043,458	18.54
<b>TOTAL</b>	<b>516,260,552</b>	<b>100.00</b>	<b>507,246,842</b>	<b>100.00</b>

Source: Barbados Statistical Service

Barbados' exports to CARICOM declined by 1.5%, moving from \$260.6 million to \$256.6 million. The biggest sales were lost to Guyana which showed a decline of \$5.5 million, moving from \$49.8 million to \$44.4 million. There was also a notable decline of \$3.1 million in the Jamaican market, with exports going from \$37.0 million to \$33.8 million.

## DOMESTIC EXPORTS TO CARICOM BY MARKETS

Fiscal Year 2016/17 Compared With 2015/16

CARICOM MARKETS	2015/16 \$ BDS	2016/17 \$ BDS	% Change
ANTIGUA	16,663,015	14,704,124	-11.76
BELIZE	3,386,303	2,957,273	-12.67
DOMINICA	7,260,084	6,194,571	-14.68
GRENADA	15,351,777	16,700,477	8.79
GUYANA	49,842,922	44,367,697	-10.98
JAMAICA	36,972,834	33,829,763	-8.50
MONTSERRAT	346,103	872,742	152.16
ST. KITTS/NEVIS	12,756,532	12,453,884	-2.37
ST. LUCIA	28,490,848	29,089,854	2.10
ST.VINCENT	19,693,536	22,037,951	11.90
SURINAME	5,756,893	7,970,337	38.45
TRINIDAD & TOB.	64,068,011	65,433,575	2.13
<b>TOTAL</b>	<b>260,588,858</b>	<b>256,612,248</b>	<b>-1.53</b>

Source: Barbados Statistical Service

Manufactured Goods Classified Chiefly by Material, Food & Live Animals, and Chemicals remained the top export categories to the region despite moderate declines, with shipments at \$62.4 million, \$57.5 million and \$55.5 million respectively.

## DOMESTIC EXPORTS TO CARICOM (BY SITC SECTION)

Fiscal Year 2016/17 Compared With 2015/16

SECTION	2015/16 \$ BDS	2016/17 \$ BDS	% Change
Food and Live Animals	59,011,037	57,468,531	-2.61
Beverages and Tobacco	8,505,494	9,536,348	12.12
Crude Materials Inedible Except Fuels	1,796,508	835,478	-53.49
Minerals, Fuels, Lubricants & Rel. Mat.	24,378,734	22,896,613	-6.08
Animals & Vegetable Oils & Fats	4,154,217	3,629,081	-12.64
Chemicals	60,474,491	55,515,720	-8.20
Manufactured Gds. Classified by Material	62,690,005	62,363,511	-0.52
Machinery & Transport Equipment	5,678,910	10,724,636	88.85
Miscellaneous Manufactured Articles	31,665,198	31,975,175	0.98
Miscellaneous Transactions & Commodities	2,234,264	1,667,155	-25.38
<b>TOTAL</b>	<b>260,588,858</b>	<b>256,612,248</b>	<b>-1.53</b>

Source: Barbados Statistical Service

### Through Trade Counseling

The BIDC's clients range from startups to seasoned exporters and require different types of support. Through its team of Business Development Officers, Certification Officers, Design Advisors and Research Officers, the BIDC worked with clients, both individually and collectively, to provide the necessary trade counseling on matters involving export documentation, quality standards, business opportunities, supply chains and potential distributors.

### Through Capacity Building

Twelve companies enrolled in the Export Readiness Programme (ERP) during the first quarter of the year under review and ten graduated from the programme in November 2016.

As part of the ERP, participating companies developed their Export Marketing Plans and were prepared for a pitching session at the culmination of the 'classroom' sessions which allowed them to demonstrate their understanding of the principles taught, and how they would use them to sell their product/service to potential clients.

During the fourth quarter, three (3) workshops were held with the aim of increasing exports to Canada, USA and Latin America. These included:

- Good Manufacturing Practices (GMPs) – the Corporation facilitated a one-day introductory workshop entitled "Good Manufacturing Practices" (GMPs) during the month of January 2017. Implementation of GMPs provides manufacturers with an added impetus for penetration into larger retail outlets

and the export market, thereby increasing revenue. It is for this reason that the BIDC embarked on the training of local food processors.

- **Food Safety Preventative Controls Alliance – Part I** - this course was held in March 2017. Such training towards certification for “Preventive Controls Qualified Individual”(PCQI) is in keeping with the requirements set out in the Food Safety Modernization Act (FSMA) which was enacted in the United States of America (USA) in 2011. This legislation aims to ensure that the US food supply is safe and, in so doing, it seeks to prevent any possible contamination thereof. To this end, all food manufacturers exporting to the USA, will be required to have a trained resource person (PCQI), who can oversee the implementation of the facility’s food safety plan. On successful completion, participants were awarded a Certificate of Training which is issued by the United States Department of Agriculture (USDA). Additionally, they received the official FSPCA PCQI Certificate issued by the Association of Food and Drug Officials (AFDO).
- **Crowd Funding for the Creatives** - This sought to transfer ‘actionable’ knowledge and skills to enable ‘creatives’ in the video and film sectors, musicians and entertainers, to plan, manage and successfully launch crowd-funding campaigns that could have a high probability of being funded. It empowered participants to make use of email, social media and online communities to generate interest and support for their businesses.

In alignment with its key performance indicators, the BIDC sought to increase the number of new exporters by between 10 and 15 at the end of March 2017. At the end of the period, some 21 new export companies were registered.

As part of its effort to promote competitiveness through education & training, the BIDC organised several workshops. These included a jewellery workshop which catered to 20 participants of the Schools Entrepreneurship Programme- Girls Industrial School. The Corporation also organised a Furniture Skills Upgrade Programme targeting furniture manufacturers in order to facilitate skills upgrade and improved competencies for the sector. 52 persons participated.

### **Through Certification of Exports**

For the year ended March 2017, some 148 companies and individuals accessed BIDC’s certification service. Some 7,570 documents were certified for 44 countries. Of these some 45 shipments were certified to 17 countries with which Barbados does not have a trade agreement.

Total certified exports under Barbados’ trade agreements reached \$324.8 million representing a 3.4% overall increase in certified exports value compared to \$312.9 million in the previous year. Certified exports declined under four of the nine agreements, with the largest decreases in the GSP and CBI agreements where exports fell by \$2.4 million each.

## Certified Exports by Agreement: 2015/16 and 2016/17

Scheme	2015/2016	2016/2017	Change	% Chg.
C.B.I	\$54,337,769	\$51,959,595	(\$2,378,174)	-4.38
CARIBCAN	\$13,548,401	\$14,399,133	\$850,733	6.28
CARICOM	\$234,982,054	\$236,994,059	\$2,012,005	0.86
CARICOM/COLOMBIA	\$170,320	\$172,910	\$2,590	1.52
CARICOM/CUBA	\$0	\$12,747,895	\$12,747,895	
CARICOM/DOMINICAN REP.	\$4,038,257	\$3,644,882	(\$393,374)	-9.74
CARICOM/VENEZUELA	\$139,335	\$275,791	\$136,457	97.93
CARICOM/COSTA RICA	\$48,501	\$2,153	(\$46,347)	-95.56
GSP	\$3,884,649	\$1,500,069	(\$2,384,580)	-61.38
OTHER	\$1,730,757	\$3,072,541	\$1,341,784	77.53
<b>TOTAL</b>	<b>\$312,880,041</b>	<b>\$324,769,029</b>	<b>\$11,888,988</b>	<b>3.80</b>

Source: BIDC's Certification Database

Certified exports to CARICOM grew by \$2 million due principally to improved sales to Trinidad and Tobago, St. Vincent and the Grenadines, St. Lucia, Grenada, Suriname and Jamaica. Strong performances were noted in crude oil, chemicals, prefabricated buildings, food and beverages.

## CARICOM Certified Export Statistics – 2015/16 and 2016/17

	2015/16	2016/17	Change	% Change
Guyana	\$48,474,322	\$41,011,710	(\$7,462,612)	-15.39
Jamaica	\$33,581,939	\$34,397,976	\$816,037	2.43
Suriname	\$5,964,366	\$7,120,967	\$1,156,601	19.39
Trinidad & Tobago	\$58,658,884	\$63,468,934	\$4,810,050	8.20
Antigua & Barbuda	\$14,127,726	\$12,065,160	(\$2,062,566)	-14.60
Anguilla	\$1,338,781	\$1,933,461	\$594,680	44.42
Belize	\$2,934,554	\$2,530,647	(\$403,908)	-13.76
Dominica	\$5,262,037	\$4,931,423	(\$330,614)	-6.28
Grenada	\$11,749,167	\$13,151,842	\$1,402,676	11.94
St Kitts and Nevis	\$11,877,757	\$11,730,586	(\$147,171)	-1.24
St Lucia	\$25,219,932	\$26,682,915	\$1,462,983	5.80
Montserrat	\$272,387	\$776,898	\$504,510	185.22
St Vincent & The Grenadines	\$15,520,200	\$17,191,539	\$1,671,339	10.77
<b>CARICOM TOTAL</b>	<b>\$234,982,054</b>	<b>\$236,994,059</b>	<b>\$2,012,005</b>	<b>0.86</b>
MDC's TOTAL	\$146,679,512	\$145,999,587	(\$679,924)	-0.46
LDC's TOTAL	\$88,302,542	\$90,994,472	\$2,691,930	3.05

Source: BIDC's Certification Database

## Through Marketing

The BIDC is acutely aware that the local market is not sufficient to accommodate local producers and endeavours, on a continuous basis, to expose Barbadian manufacturers to overseas markets through trade shows and expos. This year, the BIDC concentrated on the markets in the United States of America and Latin America, giving particular attention to Atlanta, Havana, Costa Rica and Panama.

The BIDC co-sponsored the Barbados Comes to Atlanta 2016 event, taking full advantage of the opportunity to promote the services of the BIDC and the products of Barbados. Barbadian products and services were on sale and display in the BIDC's booth at the "Bridgetown Market". All activities were well attended, with several persons expressing great interest in Barbados and its offerings over the five day period. One USA-based distributor was able to gain a new retailer in the Atlanta area. Additionally, one local confectionery company now exports its products to the USA.

Barbados was ably represented at FIHAV 2016, held from 31st October - 4th November 2016, through the participation of four companies facilitated by the BIDC. FIHAV is a multi-sector trade fair held annually in Havana, Cuba, and provides the opportunity for companies from across the globe to exhibit a range of products and services. Chairman of the BIDC, Mr. Benson Straker, headed the Barbados delegation to Cuba which included representatives from WIBISCO, Roberts Manufacturing Co. Ltd., Good Times Snacks and TORQUE-EPCM.

The 2017 Outsource2LAC Summit was held on March 15 and 16, 2017 in San Jose, Costa Rica, organised by the Integration and Trade Sector of the Inter-American Development Bank (IDB). The Corporation partnered with the IDB to sponsor the attendance and participation of four (4) services sector SMEs in the Summit and tradeshow which saw participation by more than 500 national and international services sector companies, including representatives

of large service supplier companies from India, the Philippines, the United States of America and Europe. Participants also had the opportunity to connect with risk capital representatives who were interested in investing in projects and in business transactions offering innovative value propositions.

Caribbean and Latin American companies in general, but Barbadian companies in particular, critically need to expand into new markets with their established and exportable products and services. The BIDC's participation and that of industry representatives allowed for exposure, business and networking activities. The Corporation was able to present Barbados as a desirable location to do business, promote service exports and investment opportunities, facilitate Business to Business meetings, conduct market research, garner marketing intelligence and establish partnerships. Benefits also included exposure to market penetration strategies and networking opportunities to garner buyers/investors' interest. Two Barbadian companies were able to secure leads and have increased their business network.

The Region was well represented at the ExpoComer Trade Fair 2017, with participation by the larger Latin American countries, namely Argentina, Brazil, Chile and Colombia, and the Caribbean islands of Barbados, Cuba, Trinidad and Tobago and Jamaica. Asia had a significant presence in China, Taiwan, Korea and India accounting for the occupation of the upper floors of the Fair. Significant opportunities for networking were realised as ExpoComer plays a key role as an ideal meeting point for businesses from some thirty-odd countries around the world to explore business opportunities, introduce new products and services to markets for the Region. The 4 Barbadian companies reported significant interest in their products and are pursuing distribution opportunities in Panama.

The BIDC was represented at the IDB sponsored Japan-LAC Business Summit coordinated by the Japanese Government and the Japan External Trade Organisation (JETRO). This afforded

the Corporation the opportunity to meet with officials at JETRO and learn about the organization and their business model as well as visit some distribution companies. It was also possible to network with CARICOM colleagues in trade facilitation, and learn about the trade regimes of Latin American countries, which were previously unfamiliar.

### **Through Market Intelligence**

During the year under review, the BIDC advanced its efforts to gather information for the purpose of making business decisions. In order to ensure that Barbadian companies are adequately informed of the goings-on in their markets and with their competitors and customers, the Corporation carried out both desk research and in-market research, widely distributed to empower businesses to conduct accurate and confident decision-making in determining strategy in areas such as market opportunity, market penetration strategy, and market development.

Two overseas market research projects were executed during the year. The first was to Toronto and Montreal in Canada in July 2016. The research conducted indicates that the Canadian market is vibrant and that there exists considerable demand for Barbadian goods in both cities visited. Market development activity should be focused on intensified promotional activity to (1) increase product awareness within the Barbadian diaspora for new and non-traditional exports, (2) further penetrate the wider Caribbean diaspora market, and (3) gradually tap into the mainstream Canadian market.

The second market research visit was made to the Dominican Republic in November 2016, aimed at identifying opportunities for increased trade and investment between Barbados and the Dominican Republic. Meetings were held with the Chambers of Commerce in the two major cities of Santo Domingo and Santiago, the agencies responsible for product standards and intellectual property registration, the Ministry of Trade, business support organisations including the Caribbean Export

Development Agency, the counterpart BIDC agency Centre for Export and Investment Promotion of the Dominican Republic (CEI-RD), the Dominican Exporter Association (ADOEXPO) and the Industry Association of the Other Region (AIREN). Visits also extended to supermarkets and hardware stores. The visit yielded export opportunities for sausages, bacon and meat preparations; sweetened and unsweetened biscuits; animal and vegetable oils and fats; pepper sauce; Portland cement; paints and varnishes; washing and cleaning preparations given their eligibility for MFN treatment under the provisions within the CARICOM/Dominican Republic Trade Agreement. In the area of services, export opportunities exist in the field of Education.

### **TECHNICAL ASSISTANCE**

The Corporation's Special Technical Assistance Programme (STAP) remained the key source of financial assistance to clients during the year under review. At the end of March 2017, the Corporation disbursed \$0.9 million in grant funds under the STAP for the development and promotion of local businesses, with \$0.2 million used to procure professional services for the companies and in excess of \$0.4 million for marketing. Disbursements for 2016/17 were 63.7% more than those for the previous year, which were registered at \$0.6 million.

Some 23 companies and 3 individuals received assistance which represents 30.7% and 8% of total disbursements respectively. The majority of funds disbursed were for sector initiatives which accounted for 58.8% of total payments under the STAP. Businesses in the Other Services sector received 62.6% of disbursements while those operating within the Food, Beverages and Tobacco, Textiles and Apparel, Other Manufacturing and Advertising & Public Relations Services also gained substantial benefit.

Requests for marketing was the single largest segment of demand, attracting 50% of funds disbursed this year.

Support was also offered to fund professional services (21.5%), equipment, systems and process upgrades (5.4%), product design (5.4%), the enhancement programmes for craft development as well as programmes of the Barbados Manufacturers Association (BMA) (5.5%), international standards certification (4.3%), the promotion of the Pelican Craft Centre (4.2%) and training to support productivity improvement (3.3%). Disbursements for 2016/17 brought the total value of assistance provided by the fund since inception in 2001 to \$47 million.

## STRATEGIC PARTNERSHIPS

The BIDC acknowledges the importance of strategic partnerships in the development of industry in Barbados and continued to engage key stakeholders during the year under review. Several collaborative efforts in key areas of export development, enterprise development, innovation, research and business intelligence and product development 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, CDB, IDB
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 Cultural Industries Development Authority, Barbados Institute of Management & Productivity, Youth Entrepreneurship Scheme
Government	Ministry of Industry, International Business, Commerce and Small Business Development' Ministries of Foreign Affairs & Foreign Trade, Agriculture, Food & Fisheries, Central Bank of Barbados

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

FINANCIAL STATEMENTS  
March 31, 2017

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Barbados Investment and Development Corporation

### Opinion

We have audited the consolidated financial statements of Barbados Investment and Development Corporation ("the Group"), which comprise the consolidated statement of financial position as at March 31, 2017, the consolidated statement of comprehensive loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs").

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Barbados Investment and Development Corporation Annual Report ("the Annual Report"), but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

### Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS for SMEs, 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.

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

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

### Auditors' responsibilities for the audit of the consolidated financial statements

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

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:


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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### Other matter

This report is made solely to the Group, as a body. Our audit work has been undertaken so that we might state to the Group those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Board of Directors as a body, for our audit work, for this report, or for the opinion we have formed.



October 4, 2017

# Consolidated Statement of Financial Position

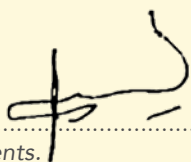
As at March 31, 2017

(Expressed in Barbados dollars)

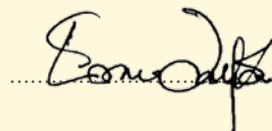
	2017 \$	2016 \$
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (note 3)	6,717,528	5,876,436
Term deposits (note 3)	601,601	562,645
Accounts receivable (note 4)	7,991,967	7,069,727
Investments	15,640	15,640
Staff loans (note 5)	41,719	82,727
Prepaid expenses	12,135	9,533
	<b>15,380,590</b>	<b>13,616,708</b>
<b>Non-current Assets</b>		
Staff loans (note 5)	73,858	135,097
Sinking fund investment (note 6)	25,808,033	22,362,423
Property and equipment (note 7)	72,888,835	76,538,198
	<b>98,770,726</b>	<b>99,035,718</b>
<b>Total Assets</b>	<b>114,151,316</b>	<b>112,652,426</b>
<b>Liabilities and Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	20,791,528	17,492,240
<b>Long Term Liabilities</b>		
Long term debt (note 8)	38,849,965	38,902,836
<b>Total Liabilities</b>	<b>59,641,493</b>	<b>56,395,076</b>
<b>Equity</b>		
Capital contributed by Government of Barbados (note 10)	7,504,087	7,504,087
Investment revaluation reserve	-	9,183
Sinking fund (note 6)	25,808,033	22,362,423
Special technical assistance fund (note 9)	4,571,148	3,209,844
Minority interest	4,892	4,079
Accumulated excess of revenue over expenditure	16,621,663	23,167,734
<b>Total Shareholder's Equity</b>	<b>54,509,823</b>	<b>56,257,350</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>114,151,316</b>	<b>112,652,426</b>

Approved on behalf of the Board:

See accompanying notes to the financial statements.



Director



Director

# Consolidated Statement of Comprehensive Loss

As at March 31, 2017

(Expressed in Barbados dollars)

	2017 \$	2016 \$
<b>Revenue</b>		
Factory space rental	9,341,127	8,947,516
Other income (note 11)	1,743,949	1,229,900
	11,085,076	10,177,416
Revenue grants from Government of Barbados (note 12)	12,611,448	12,869,152
(Loss)/gain on disposal of property and equipment	(6,032)	365
<b>Total Revenue</b>	23,690,492	23,046,933
<b>Expenditure</b>		
Bad debts	341,051	444,902
Administration (note 13)	8,738,059	9,484,818
Industrial estates (note 14)	8,975,900	8,245,499
Interest expense	2,625,064	2,628,460
Industrial and training grants	830,254	711,044
Depreciation (note 7)	3,927,691	4,944,759
	25,438,019	26,459,482
<b>Excess of expenditure over revenue, being comprehensive loss for the year</b>	(1,747,527)	(3,412,549)
<b>Attributable to:</b>		
Equity holders of the Parent	(1,748,340)	(3,412,549)
Minority interest	813	-
	(1,747,527)	(3,412,549)

See accompanying notes to the financial statements.

# Consolidated Statement of Changes In Equity

As at March 31, 2017

(Expressed in Barbados dollars)

Capital	contributed by Government of Barbados \$	Technical Fair value reserve \$	Special Assistance (STA) Fund \$	Sinking fund \$	Accumulated Minority interest \$	excess of revenue over expenditure \$	Total \$
Balance - March 31, 2015	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 from 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
Reclassification of fair value reserve	-	(9,183)	-	-	-	9,183	-
Excess of expenditure over revenue for the year	-	-	-	-	813	(1,748,340)	(1,747,527)
Appropriation to special technical assistance fund	-	-	1,361,304	-	-	(1,361,304)	-
Appropriation to sinking fund (note 6)	-	-	-	2,277,150	-	(2,277,150)	-
Interest earned on amounts invested (note 6)	-	-	-	1,168,460	-	(1,168,460)	-
Balance - March 31, 2017	7,504,087	-	4,571,148	25,808,033	4,892	16,621,663	54,509,823

# Consolidated Statement of Cash Flows

For the year ended March 31, 2017

(expressed in Barbados dollars)

	2017 \$	2016 \$
<b>Cash flows from operating activities</b>		
Excess of expenditure over revenue for the year	(1,747,527)	(3,412,549)
Adjustments for:		
Depreciation	3,927,691	4,944,759
Loss (gain) on disposal of property and equipment	6,032	(365)
Interest income	(1,194,564)	(837,474)
Term deposits	(14,935)	(7,887)
Interest expense	2,625,064	2,628,460
<b>Adjusted excess of revenue over expenditure before working capital changes</b>	3,601,761	3,314,944
Increase in accounts receivable	(922,240)	(2,032,501)
Decrease in staff loans	102,247	13,777
(Increase) decrease in prepaid expenses	(2,602)	88,444
Increase in accounts payable and accrued liabilities	3,299,288	3,544,900
<b>Net cash from operating activities</b>	6,078,454	4,929,564
<b>Cash flows used in investing activities</b>		
Purchase of sinking fund investments	(3,445,610)	(3,108,249)
Additions to development projects	(252,030)	(205,089)
Additions to property and equipment	(33,550)	(53,953)
Interest received	1,171,765	838,585
<b>Net cash used in investing activities</b>	(2,559,425)	(2,528,706)
<b>Cash flows used in financing activities</b>		
Interest paid	(2,677,937)	(2,677,937)
<b>Net cash used in financing activities</b>	(2,677,937)	(2,677,937)
<b>Net increase (decrease) in cash and cash equivalents</b>	841,092	(277,079)
<b>Cash and cash equivalents - beginning of year</b>	5,876,436	6,153,515
<b>Cash and cash equivalents - end of year (note 3)</b>	6,717,528	5,876,436

See accompanying notes to the financial statements

# Notes to Consolidated Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

## 1. Establishment, principal activity and principal place of business

Barbados Investment and Development Corporation (the "Corporation" or "BIDC") 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 (BEPIC) 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 sole shareholder is the Government of 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. It is 87.96% owned by the Corporation and ceased operations on October 31, 2016. The principal activity of this subsidiary 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 a 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.

BIDC is a statutory organization which is reliant on subventions from the government to assist the funding of its operations and these consolidated 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. The Board of Directors have no reason to believe that the current level of subventions will not continue 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 "Group"), 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, 2017. 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 Group's functional currency.

All financial information presented in Barbados dollars has been rounded to the nearest dollar.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

## 2. Significant accounting policies (continued)

### c) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are 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 judgments 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 15 and 17. 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 Group's activities. Sales are presented, net of value-added tax, and discounts. The Group 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 Group'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 Group has transferred to the buyer the significant risks and rewards of ownership of the goods
- the Group 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 Group; 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 Group 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.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2017  
(expressed in Barbados dollars)

## 2. Significant accounting policies (continued)

### f) Revenue recognition

#### 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.

### 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 Group. 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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of comprehensive loss 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 consolidated statement of comprehensive loss.

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.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2017  
(expressed in Barbados dollars)

## 2. Significant accounting policies (continued)

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

### 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 Group'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.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

## 2. Significant accounting policies (continued)

### **o) Financial instruments** (continued)

- i. Financial assets  
The Group'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 Group'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 Group is exempt from payment of all taxes on income.

## 3. Cash, cash equivalents and term deposits

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

	2017 \$	2016 \$
Cash and bank balances	6,226,095	5,385,003
Cash equivalents	491,433	491,433
	<u>6,717,528</u>	<u>5,876,436</u>

Term deposits with original maturity dates greater than 90 days but less than one year, total \$601,601 (2016: \$562,645).

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

- One current account and one term deposit together amounting to \$4,571,148 (2016: \$3,209,844) have been restricted to provide special technical assistance to the manufacturing sector (note 9). 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 \$1,020,718 (2016: \$1,268,789) 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 \$498,280 (2016: \$401,216) 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 from 0% - 4.75% (2016: 0% - 4.75%) per annum.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

## 4. Accounts receivable

	2017 \$	2016 \$
Tenants rent receivable	3,600,753	4,655,057
Other	7,993,439	7,124,736
	11,594,192	11,779,793
Less: Allowance for doubtful accounts	(3,602,225)	(4,710,066)
Accounts receivable - net	7,991,967	7,069,727

## 5. Staff Loans

	2017 \$	2016 \$
Emergency Loans < 1 year	4,339	4,878
Vehicle Loans < 1 year	37,380	77,849
Vehicle Loans > 1 year	73,858	135,097
Total Staff Loans	115,577	217,824

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.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

## 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 \$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:

	2017 \$	2016 \$
Balance at beginning of year	22,362,423	19,254,174
Appropriation to sinking fund	2,277,150	2,277,150
Interest earned on amounts invested	1,168,460	831,099
Balance at end of year	25,808,033	22,362,423

### Represented by:

	2017 \$	2016 \$
(a) Investment in term deposits	8,029,234	11,362,423
(b) Central Bank treasury note	11,000,000	11,000,000
(c) Investment in bonds	6,778,799	-
	25,808,033	22,362,423

- (a) The term deposits earned interest at various rates of 2.00% to 3.00% per annum during the year (2016: 2.00% to 3.00% per annum).
- (b) The treasury note bears interest of 6.38% 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.
- (c) The bond investment bears interest of 7.50% per annum, and after an initial moratorium on interest repayment, will begin to pay interest and principal repayment monthly from June 2017. The bond investment will be fully repaid by December 31, 2021.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2017  
(expressed in Barbados dollars)

## 7. Property and equipment

	Development projects \$	Buildings \$	Furniture Equipment and vehicles \$	Total \$
<b>Cost</b>				
Balance at March 31, 2016	161,406,072	2,704,247	3,410,442	167,520,761
Additions	252,030	-	33,550	285,580
Transfers	-	-	-	-
Work-in-progress	-	-	-	-
Disposals	-	-	(113,431)	(113,431)
<b>Balance at March 31st, 2017</b>	<b>161,658,102</b>	<b>2,704,247</b>	<b>3,330,561</b>	<b>167,692,910</b>
<b>Accumulated Depreciation</b>				
<b>Balance at March 31, 2016</b>	86,205,687	1,824,334	2,952,542	90,982,563
Charge for the year	3,736,144	67,609	123,938	3,927,691
Transfers during the year	-	-	-	-
Disposals during the year	-	-	(106,179)	(106,179)
<b>Balance at March 31st, 2017</b>	<b>89,941,831</b>	<b>1,891,943</b>	<b>2,970,301</b>	<b>94,804,075</b>
<b>Net Book Value</b>				
At March 2016	75,200,385	879,913	457,900	76,538,198
At March 2017	71,716,271	812,304	360,260	72,888,835

# Notes to Consolidated Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

## 8. Long-term debt

	2017 \$	2016 \$
RBC Royal Bank (Barbados) Ltd. \$38Million Bond	38,849,965	38,902,836

On March 29, 2007, B IDC 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)

	2017 \$	2016 \$
Balance at beginning of year	3,209,844	1,631,522
STA receipts	2,272,162	2,136,357
STA expenditure – business development activity	(910,858)	(558,035)
Balance at end of year (represented by cash at bank per note 3)	4,571,148	3,209,844

## 10. Capital contributed by Government of Barbados

	2017 \$	2016 \$
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.

## 11. Other income

	2017 \$	2016 \$
Documentation fees	112,532	116,274
Interest	1,194,564	837,474
Grant funding	309,156	128,033
Sale of craft supplies	-	8,163
Rental income – training room	6,054	14,536
Miscellaneous	121,643	125,420
	1,743,949	1,229,900

# Notes to Consolidated Financial Statements

For the year ended March 31, 2017

(expressed in Barbados dollars)

## 12. Revenue grants

	2017 \$	2016 \$
Revenue grant from Government during the year	10,361,448	10,619,152
Revenue grant from Government for STA (note 9)	2,250,000	2,250,000
	<u>12,611,448</u>	<u>12,869,152</u>

The difference of \$22,162 between the STA receipts reported in note 9 and the revenue grant from Government for STA represents funds received from government in the current period, for previous periods. In 2016, the difference of \$113,643 represented funds receivable from government for the year.

## 13. Administration expenses

	2017 \$	2016 \$
Staff	6,418,592	7,504,391
Premises	633,079	503,387
Office	265,624	313,352
Operational	652,247	638,751
Promotional	751,294	510,498
Miscellaneous	17,223	14,439
	<u>8,738,059</u>	<u>9,484,818</u>

## 14. Industrial estate expenses

	2017 \$	2016 \$
Property management	636,169	1,902,617
Contract building maintenance	7,805,816	5,611,257
Staff	533,915	731,625
	<u>8,975,900</u>	<u>8,245,499</u>

# Notes to Consolidated Financial Statements

For the year ended March 31, 2017  
(expressed in Barbados dollars)

## 15. Pension scheme

BIDC has established a non-contributory pension scheme for certain of its employees with Sagikor Life Inc. It is a fully insured purchased annuity pension scheme which was underfunded as at March 31, 2017 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.

## 16. Related party balances and transactions

Other than amounts disclosed in notes 10 and 12, the following are further balances and transactions with related parties:

	2017 \$	2016 \$
Directors	33,480	29,800
Senior Management	592,311	600,581

## 17. Contingent liabilities and commitments

(a) Two personal injury claims have been filed against the Corporation. The outcomes of these claims are uncertain.

(b) During 2004, 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.

(c) 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 judgment is currently being awaited.

# Notes to Consolidated Financial Statements

For the year ended March 31, 2017  
(expressed in Barbados dollars)

## 18. Operating leases

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

	2017 \$	2016 \$
Less than one year	10,848,489	10,916,302
Between one and five years	44,695,774	44,975,164
	<hr/> 55,544,263	<hr/> 55,891,466

## 19. Sale of property

BIDC is in the process of selling four separate properties which are expected to generate approximately \$8 million in revenue for the Corporation at the following locations:

- Newton Business Park
- Lot 1, Spring Garden Industrial Estate
- Lots 1 & 6, Pine Industrial Estate
- Building 3, Newton Industrial Park

The selling prices for the above properties are all in excess of the current book values for these premises.

## 20. Approval of financial statements

These consolidated financial statements were approved by the Board of Directors and authorized for issue on September 20, 2017.





Barbados Investment and Development Corporation  
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