

RURAL DEVELOPMENT COMMISSION



ANNUAL REPORT

FOR

YEAR ENDED

MARCH 31, 2007

Rural Development Commission **Annual Report for** **Year Ended March 31, 2007**

1. ESTABLISHMENT

The Rural Development Commission was established by the Rural Development Act 1995-12. The Act was proclaimed on February 28, 1996 and came into effect on March 1, 1996.

2. MEMBERS OF THE COMMISSION

The following members of the Commission were appointed by the Minister for a period of three years from July 1, 2006.

Mr. Tyrone Power	-	Chairman
Mr. Delisle Bradshaw	-	Deputy Chairman
Mr. Anthony Lynch	-	Member
Mr. Trevor Springer	-	Member
Sen. Patricia Parris	-	Member
Mr. John Still	-	Member
Mr. Calvin Harris	-	Member
The Chief Technical Officer, Ministry of Public Works & Transport or his nominee		

The Permanent Secretary, Ministry of Agriculture and Rural Development or his nominee

2.1 Sub Committees

The following sub-committees still exist as appointed on July 30, 2003:-

Management Committee

Mr. Delisle Bradshaw	-	Chairman
Mr. Trevor Springer	-	Member
Mr. Calvin Harris	-	Member
Mr. Anthony Lynch	-	Member

Tenders Committee

Mr. Tyrone Power	-	Chairman
Mr. Delisle Bradshaw	-	Member
Mr. Calvin Harris	-	Member
Mr. Frank Thornhill	-	Member
Mr. John Still	-	Member

Enterprise Development Committee

Sen. Patricia Parris	-	Chairman
Mr. Tyrone Power	-	Member
Mr. Barton Clarke	-	Member
Mr. Delisle Bradshaw	-	Member
Mr. Trevor Springer	-	Member

3. PROCEDURE

In order to carry out the functions under the Act, the officers of the Commission continue to conduct surveys in the rural areas including parts of St. Michael and Christ Church to collect data on:

- i the areas in need of street lights
- ii the households without water-borne toilet facilities
- iii persons who might need assistance to start or expand their businesses
- iv tenantry roads to be constructed or improved

4. FUNCTIONS OF THE RURAL DEVELOPMENT COMMISSION

The functions of the Rural Development Commission are confined to the designated rural areas of Barbados and are as follows:-

- (a) to facilitate road improvement and the lighting of streets in the rural districts of the island;
- (b) to provide housing and ancillary services including the installation of sanitary facilities in the rural areas;
- (c) to provide assistance to small farmers in areas of:-
 - i agricultural training and investments
 - ii equipment and machinery
 - iii production and marketing of agricultural products;
- (d) to allocate land under the control of government to persons desirous of farming;
- (e) to give assistance in the establishment and development of cottage industries in the rural areas;
- (f) to do such things as are necessary to effectively carry out the purpose of this Act.

5. STAFF MATTERS

5.1 Appointments - Temporary

The following temporary appointments were made during the period under review:-

NAME	POST	EFFECTIVE DATE
Mr. Neville Alleyne	Security Assistant	Feb 3 - Feb 18, 2007 Feb 27 - March 5, 2007
Ms. Sasha Browne	Clerical Officer	September 1, 2004 to date
Ms. Brenda Beckles	Clerical Officer	May 3, 2004 to date
Ms. Linda Kellman	Clerical Officer	June 2, 2003 to date
Ms. Patricia Nurse	Clerical Officer	April 14, 2003 to date
Ms. Cathy Belgrave	Maid	April 18 - April 27, 2006 May 18 - May 24, 2006 May 31 - June 6, 2006 August 21- August 25, 2006 Oct 23 - Nov 3, 2006 Jan 30 - Feb 9, 2007 Feb 12 - Feb 16, 2007 Feb 19 - Feb 23, 2007 Feb 26 - March 2, 2007 March 5 - 30, 2007
Ms. Kim Griffith	Clerical Officer	May 10, 2002 to date
Mr. Donvil Waithe	Security assistant	March 5 - March 18, 2006 April 3 -April 16, 2006 May 19 - May 29, 2006
Mr. Michael Vaughan	Messenger/Driver	Oct 17 - Oct 27, 2006
Mr. Anderson Mcclean	Technician 1 (ag)	March 9, 2006 to date
Ms. Michelle Walcott	Clerical Officer	Jan 11, 2002 to date

5.2 Work Experience Programme

NAME	POST	EFFECTIVE DATE
Ms. Ann-Marie Power	Clerical Officer	June 26 - August 31, 2004

5.3 Training/Seminar

SEMINAR/TRAINING	DATE	LOCATION	OFFICER/S
Best Practices in Credit	June 27, 2006	Southern Palms	Lydia Bishop, Alston Flemming
Accounting & Finance for Small Business	March 17, 2006	BIMAP	Lydia Bishop, Alston Flemming

5.4 Resignation

Name	Post	Date of Appointment	Date of Resignation
Kyron Baker (On contract from 1/10/2005 for two years)	Deputy Director	October 1, 2005	July 27, 2007

6. PROFESSIONAL SERVICES

The Commission still retains the services of Mr. Richard Lynch as external auditor and Mr. Philip Moseley, attorney-at-Law as legal advisor.

7. CAPITAL WORKS PROGRAMME

7.1 Roads

During the period under review, 36 roads with cumulative length of 6,777 metres were approved for construction. The roads are expected to serve 589 persons. The roads are as follows:

Roads	Constituencies
Marley Vale, St. Philip	St. Philip - not started - land issues
Harper Valley	St. Thomas - In progress
South District	St. George - In progress
Frere Pilgrim	Ch. Ch. - In progress
Taylor's Gap	St. James - At tendering stage
Hoytes Village #3	St. James - In progress
Chapel Phase (1)	St. Philip (W) - In progress
Chapel Phase (2)	St. Philip (W) - At tendering stage

Endeavour	St. James - At tendering stage
Hillaby	St. Andrew - In progress
Cane Vale	Ch. Ch. - At tendering stage
Marchfield	St. Philip - completed
Bath Land	St. John - At tendering stage
Sargeant's Village	Ch. Ch. - At tendering stage
Breedy's 1, 2 & 3	Ch. Ch. - In progress
Bridgefield	St. Philip (W) - In progress

Coffee Gully	St. Joseph - At tendering stage
Drax Hall Hope	St. George - In progress
Frenches	St. George - In progress
Paradise Village	St. George - In progress
Upper Carlton	St. James - completed
Upper Mount Standfast	St. James - At tendering stage
Redmans Village	St. Thomas - In progress

Macaroni Village	St. George - In progress
Broomfield	St. Lucy - At tendering stage
Endeavour	St. James - At tendering stage
Browne's Gap, Harper Valley	St. George - In progress
Landsdown (Nr. The sea)	Ch. Ch. - In progress
Bournes Land	Ch. Ch. - In progress
South District	St. George - In progress
Rock Hall (Hopefield)	St. Philip - In progress
Goodland	Ch. Ch. - Completed
Mapp Hill	St. Michael - At planning stage
Doughlin's Road	St. James - At tendering stage

8 RURAL ENTERPRISE SHOWCASE

The aim of the showcases is to promote the rural entrepreneurs by providing them the opportunity to display their products and services.

During the period under review, two showcases were staged by the Commission as follows:

Date	Location
June 24, 2006	Princess Margaret Secondary School, St. Philip
October 14, 2006	Lester Vaughan School, St. Thomas

9. POVERTY ALLEVIATION

Under poverty alleviation, the Commission provided the following services:-

Christ Church (E)

PROJECT	NUMBER	COST
New House	3	\$149,349.00
House Repairs	2	\$58,000.00
Bath Facilities	-	-
Well	7	\$24,780.60
Tank	-	-
Electricity	3	\$9,300.00
Water	3	\$518.65
Ramp	-	-
L.P.O.	-	-
TOTAL		\$241,948.25

Christ Church (EC)

PROJECT	NUMBER	COST
New House	1	\$45,300.00
House Repairs	3	\$97,114.00
Bath Facilities	-	-
Well	1	\$2,945.00
Tank	-	-
Electricity	-	-
Water	1	\$350.00
Ramp	-	-
L.P.O.	-	-
TOTAL		\$145,709.00

Christ Church (S)

PROJECT	NUMBER	COST
New House	1	\$52,500.00
House Repairs	2	\$72,500.00
Bath Facilities	-	-
Well	1	\$2,945.00
Tank	-	-
Electricity	1	\$3,900.00
Water	1	\$350.00
Ramp	-	-
L.P.O.	1	\$23,076.76
TOTAL		\$155,271.76

Christ Church (W)

PROJECT	NUMBER	COST
New House	-	-
House Repairs	-	-
Bath Facilities	-	-
Well	-	-
Tank	-	-
Electricity	-	-
Water	-	-
Ramp	-	-
L.P.O.		
TOTAL		

Christ Church (WC)

PROJECT	NUMBER	COST
New House	1	\$49,300.00
House Repairs	1	\$33,000.00
Bath Facilities	-	-
Well	3	\$15,633.20
Tank	-	-
Electricity	1	\$3,900.00
Water	1	\$350.00
Ramp	-	-
L.P.O.	1	\$26,176.18
TOTAL		\$128,359.38

St. Andrew

PROJECT	NUMBER	COST
New House	3	\$141,450.00
House Repairs	1	\$27,000.00
Bath Facilities	-	-
Well	3	\$15,633.20
Tank	-	-
Electricity	1	\$3,900.00
Water	1	\$350.00
Ramp	-	-
L.P.O.	1	\$26,176.18
TOTAL		\$214,509.38

St. George (N)

PROJECT	NUMBER	COST
New House	-	-
House Repairs	3	\$62,270.39
Bath Facilities	1	\$18,000.00
Well	6	\$18,859.97
Tank	1	\$6,604.95
Electricity	3	\$11,300.00
Water	3	\$1,050.00
Ramp	-	-
L.P.O.	1	\$14,710.53
TOTAL		\$132,795.84

St. George (S)

PROJECT	NUMBER	COST
New House	2	\$100,000.00
House Repairs	6	\$117,675.00
Bath Facilities	-	-
Well	5	\$16,434.97
Tank	-	-
Electricity	5	\$18,100.00
Water	5	\$1,750.00
Ramp	-	-
L.P.O.		
TOTAL		\$253,959.97

St. James (C)

PROJECT	NUMBER	COST
New House	-	-
House Repairs	-	-
Bath Facilities	-	-
Well	4	\$12,572.00
Tank	1	\$4,500.00
Electricity	1	\$3,900.00
Water	1	\$350.00
Ramp	-	-
L.P.O.	-	-
TOTAL		\$21,322.00

St. James (N)

PROJECT	NUMBER	COST
New House	1	\$62,000.00
House Repairs	3	\$71,068.00
Bath Facilities	-	-
Well	4	\$22,776.75
Tank	2	\$8,561.75
Electricity	1	\$3,600.00
Water	1	\$350.00
Ramp	1	\$6,000.00
L.P.O.	-	-
TOTAL		\$174,356.50

St. John

PROJECT	NUMBER	COST
New House	2	\$97,500.00
House Repairs	6	\$162,000.00
Bath Facilities	-	-
Well	6	\$19,690.12
Tank	2	\$10,800.00
Electricity	3	\$10,800.00
Water	1	\$722.82
Ramp	1	\$7,000.00
L.P.O.	3	\$22,237.16
TOTAL		\$330,750.10

St. Joseph

PROJECT	NUMBER	COST
New House	6	\$274,600.00
House Repairs	7	\$195,687.33
Bath Facilities	-	-
Well	7	\$41,676.94
Tank	-	-
Electricity	7	\$26,700.00
Water	4	\$793.13
Ramp	1	\$6,100.00
L.P.O.	1	\$12,095.51
TOTAL		\$557,652.91

St. Lucy

PROJECT	NUMBER	COST
New House	-	-
House Repairs	-	-
Bath Facilities	-	-
Well	3	\$11,768.10
Tank	-	-
Electricity	-	-
Water	1	\$415.91
Ramp	-	-
L.P.O.	6	\$82,837.88
TOTAL		\$95,021.89

St. Michael (E)

PROJECT	NUMBER	COST
New House	-	-
House Repairs	1	\$34,389.00
Bath Facilities	-	-
Well	4	\$14,159.95
Tank	3	\$17,741.65
Electricity	1	\$3,900.00
Water	-	-
Ramp	-	-
L.P.O.	-	-
TOTAL		\$70,190.60

St. Michael (NE)

PROJECT	NUMBER	COST
New House	1	\$44,000.00
House Repairs	1	\$33,800.00
Bath Facilities	-	-
Well	4	\$14,004.93
Tank	-	-
Electricity	2	\$7,700.00
Water	-	-
Ramp	-	-
L.P.O.	-	-
TOTAL		\$99,504.93

St. Michael (SE)

PROJECT	NUMBER	COST
New House	1	\$38,200.00
House Repairs	2	\$48,691.00
Bath Facilities	-	-
Well	3	\$8,592.25
Tank	4	\$27,028.73
Electricity	1	\$4,000.00
Water	-	-
Ramp	-	-
L.P.O.	-	-
TOTAL		\$126,511.98

St. Thomas

PROJECT	NUMBER	COST
New House	4	\$209,500.00
House Repairs	3	\$76,700.00
Bath Facilities	-	-
Well	7	\$24,869.80
Tank	1	\$4,500.00
Electricity	1	\$3,900.00
Water	1	\$350.00
Ramp	-	-
L.P.O.	1	\$8,197.44
TOTAL		\$328,017.24

St. Peter

PROJECT	NUMBER	COST
New House	4	\$254,000.00
House Repairs	8	\$221,878.00
Bath Facilities	-	-
Well	8	\$31,291.38
Tank	2	\$13,400.00
Electricity	4	\$15,600.00
Water	-	-
Ramp	-	-
L.P.O.		-
TOTAL		\$536,169.38

St. Philip (N)

PROJECT	NUMBER	COST
New House	1	\$34,000.00
House Repairs	6	\$186,065.00
Bath Facilities	-	-
Well	10	\$38,808.34
Tank	-	-
Electricity	10	\$37,900.00
Water	2	\$924.09
Ramp	-	-
L.P.O.	4	\$21,685.60
TOTAL		\$319,383.03

St. Philip (S)

PROJECT	NUMBER	COST
New House	4	\$201,500.00
House Repairs	2	\$61,500.00
Bath Facilities	-	-
Well	12	\$42,336.60
Tank	-	-
Electricity	-	-
Water	1	\$384.48
Ramp	1	\$3,800.00
L.P.O.	5	\$42,557.99
TOTAL		\$352,079.07

St. Philip (W)

PROJECT	NUMBER	COST
New House	3	\$152,000.00
House Repairs	1	\$48,044.00
Bath Facilities	-	-
Well	10	\$31,626.00
Tank	2	\$9,418.31
Electricity	3	\$11,000.00
Water	1	\$210.80
Ramp	-	-
L.P.O.	1	\$6,564.42
TOTAL		\$258,863.53

10. RURAL ENTERPRISE LOANS

The objective of the loan is to reduce unemployment in the rural areas of Barbados through the development of a sustainable micro business sector, and also to reduce the level of import and generate foreign exchange when possible.

10.1 Qualifications for Loan

The appraisal process requires an evaluation of the personal qualities, qualification and credit worthiness of the prospective borrower.

The following are the specific elements to be evaluated in respect of the borrowers:

- Experience
- Formal Training/Knowledge
- Integrity/Ethics/attitude
- Management Skills
- Credit Report/History
- Management information/Reports

10.2 Loan Particulars

- Loan ceiling of \$50,000.00 for vegetable/food crop and livestock enterprises
- Interest rate 4% on reducing balance.
- Loan ceiling of \$25,000.00 for non-agricultural enterprises.

During the period under review, there were 159 applications and loans were provided as follows:-

CATEGORIES	NO. OF LOANS	AMOUNT \$
Livestock Production	21	168,616.04
Vegetable Production	9	93,455.75
Retailing	26	174,594.56
Fishing	6	130,239.43
Cosmetology	4	30,600.00
Dressmaking	2	12,500.00
Videography	1	2,276.03
Catering	1	5,000.00
Auto Body Repairs	1	5,000.00
Plant Production	1	15,000.00
Seasoning Production	1	5,000.00
Soft Furnishings	1	1,500.00
Publishing	1	8,193.13
Bar & Restaurant	1	25,000.00
Day Care Services	1	3,500.00
Debt Collection Services	1	5,000.00
Manufacturing	1	10,000.00
Entertainment	1	9,000.00
TOTAL	80	704,474.94

CONSTITUENCY	NO. OF LOANS	AMOUNT \$
St. Peter	4	15,035.00
St. James (N)	6	44,780.00
St. James (C)	2	10,000.00
St. Andrew	9	63,584.84
St. Joseph	4	20,710.39
St. George (N)	8	65,200.00
St. George (S)	3	21,600.00
St. Lucy	5	42,416.04
St. Philip (S)	7	51,868.88

St. Philip (N)	5	25,276.03
St. Philip (W)	2	19,000.00
St. John	3	19,500.00
Christ Church (S)	1	50,000.00
St. Thomas	5	83,239.43
Christ Church (EC)	4	36,500.00
Christ Church (WC)	2	54,000.00
Christ Church (E)	6	37,000.00
Christ Church (W)	1	5,000.00
St. Michael (E)	2	20,000.00
St. Michael (NE)	1	19,764.33
TOTAL		704,474.94

11. TRAINING OF SMALL ENTREPRENEURS

This training is being conducted through the Small Business Association. The aim of the training is to make prospective business persons aware of the business environment. Details are as follows:

Courses	No. Registered	No. Completed
Business Start-up	53	32
Record Management	95	48
Marketing	21	13
Customer Relations	36	30
Computer Awareness	38	28
Introduction to the Internet	34	21
Marketing Management	29	25
Preparing Business Plans	103	75
Construction Management	84	66
Basic Accounting	96	71
Managing your small Business	99	79
Customer Service	72	65
Handicraft	37	20
Catering	170	154
Dress Making	60	30
Care of the elderly	77	58
Business Law	89	57
Marketing Management	28	23

A total of 1221 persons registered and 895 completed the courses at a cost of \$42,000.00.

12. PROVISION OF STREET LIGHTS

For the Period April 1, 2006 to March 2007 a total of 533 streetlights were installed at locations across rural Barbados as follows:-

Constituencies	Street Lights
St. Andrew	27
St. Peter	21
St. James (N)	8
St. James (C)	20
St. George (N)	6
St. George (S)	11
St. John	27
St. Joseph	17
St. Lucy	92
St. Michael (SE)	
St. Michael (E)	6
St. Michael (NE)	15
St. Philip (N)	91
St. Philip (S)	84
St. Philip (W)	25
St. Thomas	22
Christ Church (E)	25
Christ Church (WC)	4
Christ Church (EC)	22
Christ Church (W)	1
Christ Church (S)	9
TOTAL	533

The lights were installed at a total cost of about \$74,620.00.

13. CEREMONIES

A graduation ceremony for the rural enterprise took place at St. George Secondary School on September 10, 2005. The Minister of Agriculture & Rural Development, the Hon. Erskine Griffith delivered the feature address.

The ceremony marking the opening of Proute Road, St. Joseph took place on October 17, 2005.

14. STAFF COMPLEMENT OF THE RURAL DEVELOPMENT COMMISSION

▶ Mr. Peter Scott	-	Director
▶ Mr. Sam Onyeche	-	Administrative Officer I
▶ Ms. Glenda Watson	-	Projects Officer (ag)
▶ Ms. Angela Sandiford	-	Senior Accountant
▶ Mr. Hallam Blackman	-	Senior Field Officer
▶ Mr. Lloyd Benn	-	Senior Field Officer
▶ Mr. Osmond Harewood	-	Senior Field Officer
▶ Mr. Andrew Glasgow	-	Field Officer
▶ Mr. Charles Skeete	-	Field Officer
▶ Mr. Rufus Watson	-	Field Officer
▶ Mr. McDonald Dimmott	-	Field Officer
▶ Ms. Lydia Bishop	-	Field Officer
▶ Mr. Dermot Parris	-	Field Officer
▶ Ms. Betty Gibbons	-	Field Officer
▶ Mr. David Benskin	-	Field Officer
▶ Ms. Ariel Thompson	-	Field Officer
▶ Mr. Alston Flemming	-	Loans Administrator
▶ Mr. Martin Gill	-	Technical Officer 1 (ag)
▶ Mr. Louiston Waterman	-	Technical Supervisor (ag)
▶ Mr. Clifford Cox	-	Technical Officer II
▶ Mr. Keith Alleyne	-	Technical Officer II (ag)
▶ Mr. David Sandiford	-	Welfare Officer
▶ Ms. Harriet Cox	-	Assistant Accountant
▶ Mrs. Sonja Devonish	-	Secretary (ag)
▶ Mrs. Marlene Russell	-	Clerk/Typist
▶ Mr. Gilbert Rock	-	Messenger/Driver
▶ Ms. Aldene Lynch	-	Messenger
▶ Ms. Deborah Tull	-	Maid
▶ Mr. Leroy Niles	-	Security Assistant
▶ Mr. Selwyn Drayton	-	Security Assistant
▶ Mrs. Allison Rock-Benskin	-	Clerical Officer
▶ Ms. Brenda Beckles	-	Clerical Officer
▶ Ms. Kim Griffith	-	Clerical Officer
▶ Ms. Linda Kellman	-	Clerical Officer
▶ Ms. Sasha Browne	-	Clerical Officer
▶ Mr. Anderson Mcclean	-	Technician
▶ Ms. Cathy Belgrave	-	Maid
▶ Ms. Michelle Walcott	-	Clerical Officer
▶ Ms. Patricia Nurse	-	Clerical Officer
▶ Mr. Gabriel Boyce	-	Technical Officer II

RURAL DEVELOPMENT COMMISSION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007

**RURAL DEVELOPMENT COMMISSION
FOR THE YEAR ENDED MARCH 31, 2007**

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PETER DOWNES
CHARTERED ACCOUNTANT
BELMONT ROAD
P.O. BOX 687
BRIDGETOWN
BARBADOS, WI

**AUDITOR'S REPORT
TO THE SHAREHOLDERS OF RURAL DEVELOPMENT COMMISSION**

I have audited the accompanying financial statements of Rural Development Commission which comprise the statement of financial position as of March 31, 2007 and the statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

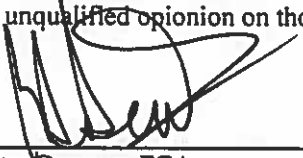
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly the financial position of Rural Development Commission as of March 31, 2007, 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.

Other Matter

The financial statements of the Commission for the year ended March 31, 2006 were audited by another firm who expressed an unqualified opinion on those statements on June 18, 2013


Peter Downes, FCA
Chartered Accountant
November 21, 2013

RURAL DEVELOPMENT COMMISSION
 STATEMENT OF FINANCIAL POSITION
 AS AT MARCH 31, 2007
 (amounts expressed in Barbados dollars)

ASSETS		2007	2006 (as restated note 12)
	NOTES	\$	\$
CURRENT ASSETS			
Cash and bank	3	16,138,568	15,180,447
Grants Receivable	4	2,414,345	2,260,931
Accounts receivable	5	560,320	470,076
Loans Receivable	6	<u>1,633,164</u>	<u>3,286,641</u>
TOTAL CURRENT ASSETS		20,746,397	21,198,095
PROPERTY, PLANT AND EQUIPMENT			
HOUSING PROJECTS	7	262,247	176,692
	8	<u>11,976,390</u>	<u>9,870,068</u>
		<u>32,985,034</u>	<u>31,244,855</u>
LIABILITIES AND GENERAL FUND			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	9	1,408,275	491,167
Current portion of loan payable	10	<u>89,590</u>	<u>72,263</u>
TOTAL CURRENT LIABILITIES		<u>1,497,865</u>	<u>563,430</u>
NON-CURRENT LIABILITIES			
Loan payable	10	<u>208,555</u>	<u>277,780</u>
TOTAL NON-CURRENT LIABILITIES		<u>208,555</u>	<u>277,780</u>
GENERAL FUND			
Balance		<u>31,278,614</u>	<u>30,403,645</u>
		<u>32,985,034</u>	<u>31,244,855</u>

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

Approved on 21st November, 2013 on behalf of the Members of the Commission

CHAIRMAN Richard B. ...

DIRECTOR ...

**RURAL DEVELOPMENT COMMISSION
 STATEMENT OF CHANGES IN GENERAL FUND
 FOR THE YEAR ENDED MARCH 31, 2007
 (amounts expressed in Barbados dollars)**

	<u>Notes</u>	<u>General Fund</u>
Balance March 31, 2005 as previously reported		19,002,135
Prior period adjustment	12	<u>8,216,085</u>
Balance March 31, 2005 as restated		27,218,220
Comprehensive income as restated		<u>3,185,425</u>
Balance March 31, 2006 as restated		30,403,645
Comprehensive income		<u>874,969</u>
Balance March 31, 2007		<u><u>31,278,614</u></u>

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

**RURAL DEVELOPMENT COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2007
(amounts expressed in Barbados dollars)**

	2007	2006 (as restated note 12)
	\$	\$
INCOME		
Grant income	14,781,759	13,819,878
Interest on loan	114,751	162,547
Interest on deposits	234,380	34,489
	<u>15,130,890</u>	<u>14,016,914</u>
Expenditure		
Administrative	2,785,037	2,468,739
Provision for loan impairment	644,733	35,467
Challenor School Grant	1,241,825	-
Rural Development / Structures	5,632,167	5,570,539
Poverty Alleviation	3,047,412	2,555,789
Concrete Roads	904,747	200,955
	<u>14,255,921</u>	<u>10,831,489</u>
Net income being comprehensive income	<u>874,969</u>	<u>3,185,425</u>

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

**RURAL DEVELOPMENT COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2007
(amounts expressed in Barbados dollars)**

	2007	2006 (as restated note 12)
	\$	\$
Cash flows from operating activities:		
Comprehensive income for the year	874,969	3,185,425
Items not requiring the use of funds		
Depreciation	52,730	53,286
Depreciation of housing projects	662,753	551,989
Provision for loan impairment	644,733	35,467
Challenor School grant	1,241,825	-
Interest expense	10,681	11,790
Interest income	<u>(349,131)</u>	<u>(197,036)</u>
	3,138,560	3,640,921
Changes in non-cash working capital balances		
Loans receivable	1,653,477	(142,253)
Accounts receivable	(90,244)	(124,251)
Accounts payable and accruals	917,108	91,101
Change in provision for doubtful loans	(644,733)	-
Challenor school grant	(1,241,825)	-
Grants Receivable	<u>(153,414)</u>	<u>(1,315,003)</u>
Cash flow from operations	<u>3,578,929</u>	<u>2,150,515</u>
Interest received	349,131	161,568
Interest paid	<u>(10,681)</u>	<u>(11,790)</u>
	<u>3,917,379</u>	<u>2,300,293</u>
Cash flows from investing activities:		
Purchase of fixed assets	(138,285)	(26,757)
Housing projects capital expenditure	<u>(2,769,075)</u>	<u>(2,205,971)</u>
Cash flow used in investing activities	<u>(2,907,360)</u>	<u>(2,232,728)</u>
Cash flows from financing activities:		
Repayment of long-term loans	<u>(51,898)</u>	<u>(67,668)</u>
Net cash used in financing activities	<u>(51,898)</u>	<u>(67,668)</u>
INCREASE (DECREASE) IN NET CASH	958,121	(103)
NET CASH - beginning of year	<u>15,180,447</u>	<u>15,180,550</u>
NET CASH - end of year	<u>16,138,568</u>	<u>15,180,447</u>
Represented by:		
Current accounts	11,056,273	10,312,504
Fixed deposits	<u>5,082,295</u>	<u>4,867,943</u>
	<u>16,138,568</u>	<u>15,180,447</u>

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

**RURAL DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(expressed in Barbados dollars)**

1. INCORPORATION AND PRINCIPAL ACTIVITY

The Commission was incorporated on August 21st 1995 under the Rural Development Commission Act 1995-12. Its principal activity is to improve the quality of life of persons living in rural communities in Barbados.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME's) applicable in Barbados, which comprise standards and interpretations approved by the International Accounting Standards Board. The financial statements have been prepared on a historical costs basis in Barbados dollars and no account has been taken of the effect of inflation. The financial statements in prior years were prepared under International Financial Reporting Standards and there were no adjustments required as a result of the change to IFRS for SME's.

(b) Plant and Equipment

Plant and Equipment are recorded at cost. Depreciation is provided on the straight line basis at rates designed to write off the cost of the asset concerned over the period of the estimated useful life. The principal rates used for this purpose are:

Plant and Office Equipment - 10%

Furniture & Fittings - 10%

Motor Vehicles - 20%

(c) Housing projects

Plant and Equipment are recorded at cost or valuation. Depreciation is provided on the straight line basis at rates designed to write off the cost of the asset concerned over the period of the estimated useful life. The principal rates used for this purpose are:

Poverty Alleviation Housing 25 years

Welfare Housing 15 years

(d) Revenue recognition

Revenue is recognised when the revenue amount can be reliably measured and it is probable that the future economic benefits will flow to the Commission and the criteria set out below are met:

(i) Grant Income: This is income from the Government of Barbados, granted from the annual appropriation of expenses to run government programmes. Revenue is recognised on an accrual basis to the extent that the agency is able to legally draw on the appropriation before it has expired at the end of the financial year which is co-terminus with that of the Barbados Government.

(ii) Interest income is recognised on loans receivable on an accrual basis at their effective interest rate. Interest is recognised on all loans that are classified as active and collectible. When a loan is reclassified in arrears, interest is no longer accrued. Any interest deemed uncollectible is also not recognised. Interest on deposits are recognized on an accrual basis.

**RURAL DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(amounts expressed in Barbados dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES CONT'D

(e) Accounts receivable

Staff receivables are made on the basis of normal credit terms, and the receivables bear no interest. At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable.

(f) Loans receivable

Loans receivable are financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans receivable are carried at amortised cost using the effective interest method less any allowance for impairment.

(g) Accounts payable and accrued expenses

Trade payables are obligations on the basis of normal credit terms. Trade payables denominated in foreign currency are translated into Barbados dollars using the exchange rate at the reporting date.

(h) Taxation

The Commission is a statutory Corporation of the Barbados Government and as such is not subject to income or corporation tax.

(i) Interest expense

All borrowing costs are recognized in the profit and loss in the period in which they are incurred.

3. CASH AND BANK

	2007	2006
	\$	\$
Cash	50,959	23,188
Capital account	3,915,290	4,936,353
Recurrent account	1,215,683	1,373,356
Enterprise and development fund accounts	5,491,566	3,708,607
Car loan account	382,775	271,000
	<u>11,056,273</u>	<u>10,312,504</u>
Fixed deposits	5,082,295	4,867,943
	<u>16,138,568</u>	<u>15,180,447</u>

The Commission maintains various bank accounts which are used to fund various aspects of its operations. Funds held in the enterprise and development fund accounts are used to fund loans under the Rural Enterprise and the Livestock Development Funds. All principal and interest repayments are deposited to these funds. Funds received from the Barbados Government to fund capital expenditure and operating expenses are deposited to the Capital account and the recurrent account respectively.

All fixed deposits are due in less than one year. The deposits pay interest at between 3.0% and 5.65%.

**RURAL DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(amounts expressed in Barbados dollars)**

4. GRANTS RECEIVABLE

	2007	2006
	\$	\$
Ministry of Agriculture	2,414,345	760,931
Ministry of Social Transformation	-	1,500,000
	<u>2,414,345</u>	<u>2,260,931</u>

5. ACCOUNTS RECEIVABLE

	2007	2006
	\$	\$
Staff receivables	379,653	423,544
Other receivables	114,063	-
Fixed deposits interest receivable	59,975	39,903
Prepaid rent	6,629	6,629
	<u>560,320</u>	<u>470,076</u>

6. LOANS RECEIVABLE

	Challenor School	Rural Enterprise Fund	Livestock Development Fund	Bathroom Facilities	Total
	\$	\$	\$	\$	\$
Principal as at March 31, 2007	1,217,541	2,067,761	521,875	913	3,808,090
Interest receivable as at March 31, 2007	24,284	28,120	6,704	-	59,108
Impairment provision as at March 31, 2007		(794,954)	(197,204)	(51)	(992,209)
Grant conversion	(1,241,825)	-	-	-	(1,241,825)
Net book value as at March 31, 2007	<u>-</u>	<u>1,300,927</u>	<u>331,375</u>	<u>862</u>	<u>1,633,164</u>
Principal as at March 31, 2006	1,019,009	2,008,816	490,186	901	3,518,912
Interest receivable as at March 31, 2006	20,324	76,926	17,849	106	115,205
Impairment provision as at March 31, 2006	-	(292,831)	(54,594)	(51)	(347,476)
Net book value as at March 31, 2006	<u>1,039,333</u>	<u>1,792,911</u>	<u>453,441</u>	<u>956</u>	<u>3,286,641</u>

Loans

The Commission extends loans to residents in rural areas under the Rural Enterprise Fund (REF) to assist in the development of small and medium-sized businesses. The maximum amount disbursed under this program is \$40,000 with a maximum repayment period of six (6) years. Interest is payable on these loans at a fixed rate of 4%.

The Commission extends loans to residents in rural areas under the Livestock Development Fund to assist in the development of livestock farming and orchard operations. The maximum amount disbursed under this program is \$50,000 with a maximum repayment period of six (6) years. Interest is also payable on these loans at a fixed rate of 4%.

Grant conversion

The loan to the Challenor School was issued in 2001 under the REF. The loan was funded by way of a grant to the Commission for on lending from the Social Transformation Fund. The funds were used to build a craft facility at the School and it was expected that this facility would have generated sufficient income to repay the loan. The clients of the school have not achieved this objective and the Ministry of Finance has approved the conversion of this loan to a full grant to the school.

**RURAL DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(amounts expressed in Barbados dollars)**

5. LOANS RECEIVABLE- CONT'D

Provision for impairment

Prior to the current financial year, the Commission assessed the provision for loan impairment at 5% of the loan amounts disbursed during the financial year. During fiscal year 2007, the Commission reviewed its impairment policy since more than 60% of the combined loan portfolios were considered to be non-performing.

Under the new policy, loans are assigned ratings of between 1 to 7 with a rating of 1 being considered a superior credit risk. No provision is made for loans which have been assigned a rating of 1 or 2. A provision ranging from 5% to 100% is assigned to loans which are rated between 3 and 7.

7. PROPERTY, PLANT AND EQUIPMENT

	Plant & Office Equipment	Furniture & Fixtures	Motor Vehicles	Total
	\$	\$	\$	\$
COST				
Balance - 31-Mar-06	322,108	98,431	98,158	518,697
Additions	68,958	69,327	-	138,285
Balance - 31-Mar-07	391,066	167,758	98,158	656,982
ACCUMULATED DEPRECIATION				
Balance - 31-Mar-06	198,783	78,760	64,462	342,005
Charge for the year	28,637	12,861	11,232	52,730
Balance - 31-Mar-07	227,420	91,621	75,694	394,735
Net Book Value-31-Mar-06	123,325	19,671	33,696	176,692
Net Book Value-31-Mar-07	163,646	76,137	22,464	262,247

8. HOUSING PROJECTS

	Poverty Alleviation	Welfare Housing	Total
	\$	\$	\$
COST OR VALUATION			
Balance - 31-Mar-06 as restated	7,167,890	3,979,105	11,146,995
Additions	2,769,075	-	2,769,075
Balance - 31-Mar-07	9,936,965	3,979,105	13,916,070
DEPRECIATION & AMORTIZATION			
Balance - 31-Mar-06 as restated	746,381	530,546	1,276,927
Charge for the year	397,479	265,274	662,753
Balance - 31-Mar-07	1,143,860	795,820	1,939,680
Net Book Value-31-Mar-06	6,421,509	3,448,559	9,870,068
Net Book Value-31-Mar-07	8,793,105	3,183,285	11,976,390

**RURAL DEVELOPMENT COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2007
 (amounts expressed in Barbados dollars)**

8. HOUSING PROJECTS - CONT'D

Poverty Alleviation Housing

Under section 4 and section 13 of the Rural Development Commission Act 1995, the Commission is responsible for repairing or replacing houses of persons eligible for assistance under the requirements of the Act.

Under the program, the applicant is granted rent free occupancy for the remainder of their natural life or for a period of not less than 10 years. During this period, the Commission is responsible for all costs of ownership of the home, including maintenance and insurance. If the occupant becomes in fundamental breach of any of the term of the agreement or the original occupant dies, the estate or the occupant (as the case may be) must repay the capital sum expended on the building plus interest at a rate of nine percent per annum.

Welfare Housing

In fiscal 2001, the Cabinet of Barbados decided that welfare housing which was provided by the National Assistance Board should be transferred to the Commission and the Urban Development Commission to rationalize the provision of welfare housing in the island. The houses are the property of the Government of Barbados and are vested in the Commission. The Commission has the ownership and risks associated with these buildings. The assets were transferred to the Commission at fair values determined by the Commission's Technical Department.

9. ACCOUNTS PAYABLE

	2007	2006
	\$	\$
Trade payables and accrued liabilities	120,678	137,463
Staff liabilities	22,796	23,671
Accrued expenses, road & housing	1,204,098	285,967
Loan recovery expenses payable	60,703	44,066
	<u>1,408,275</u>	<u>491,167</u>

10. LOAN PAYABLE

	2007	2006
	\$	\$
Loan payable	298,145	350,043
Current portion	(89,590)	(72,263)
	<u>208,555</u>	<u>277,780</u>

**RURAL DEVELOPMENT COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2007
 (amounts expressed in Barbados dollars)**

10. LOAN PAYABLE - CONT'D

The loan to the Commission was approved on November 1, 2002 and disbursed in Jan 2003 by the Agricultural Development Fund which is administered by the Enterprise Growth Fund Limited. The loan is for a period of 7 years and amortized in blended payments of interest and principal of \$19,864.36 per quarter with first repayment on November 1, 2005. Interest on the loan is 3% per annum. The loan is secured by the assignment of interest and principal on the performing loans of the Rural Enterprise Fund. The loan was fully repaid on schedule on November 15, 2010.

11. CONCRETE ROADS

The Commission is mandated under its terms of reference to construct roads and associated facilities in rural areas. Once construction is completed, the Ministry of Transport and Works is responsible for any maintenance and repairs to these roads.

12. PRIOR PERIOD ADJUSTMENTS

Prior to 2007, the Commission incorrectly recorded capital expenditure on new houses totalling \$7,167,890 as an expense rather than as an asset. Also, houses transferred by the National Assistance Board to the Commission with a value of \$3,979,105 were not recorded by the Commission. As a result of these adjustments, housing projects and the General Fund as at March 31, 2006 have been increased by \$9,870,068 which represents the capital expenditure incurred and the value of the houses transferred net of accumulated depreciation at that date. Of this amount, \$1,653,983 relates to 2006 and have been recorded in the Statement of Comprehensive Income for that year.

The amount of \$8,216,085 relates to the period prior to April 1, 2005 and housing projects and the General Fund has been increased by this amount at March 31, 2005 as disclosed below:

	Poverty Alleviation Housing \$	Welfare Housing \$	Total \$
Initial costs / value of assets transferred	4,961,919	3,979,105	8,941,024
Accumulated depreciation	(459,665)	(265,274)	(724,939)
	<u>4,502,254</u>	<u>3,713,831</u>	<u>8,216,085</u>

13. FINANCIAL INSTRUMENTS

Financial instruments consist of cash, loans receivable, accounts receivable and prepaid expenses, accounts payable and loans payable. The Commission lends to individuals on an unsecured basis and hence is potentially exposed when the borrower defaults on their requirement to repay their debts to the Commission.

Interest rate risk

Except for the interest rate risk disclosed in note 7, there is no other exposure to interest rate risk.

**RURAL DEVELOPMENT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(amounts expressed in Barbados dollars)**

13. FINANCIAL INSTRUMENTS - CONT'D

Credit risk

Credit risk arises from the possibility that counter-parties may default in their obligations to the Commission. The maximum credit risk exposure of financial assets recognised in the balance sheet is represented by the carrying amounts of the financial assets. The Company has a concentration of credit risk as it relates to its major clients.

Fair value

Fair value amounts represents the approximate value at which financial instruments could be exchanged in current transactions between willing parties. The fair values of financial instruments are considered to approximate their book values.

Capital risk management

The Company manages its capital to safeguard its ability to continue as a going concern, to provide returns to its stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Commission adjusts the timing to payment of trade payables, increasing or decreasing its debt obligations or undertaking capital expenditure projects.

**RURAL DEVELOPMENT COMMISSION
 SCHEDULE OF ADMINISTRATIVE EXPENSES
 FOR THE YEAR ENDED MARCH 31, 2007
 (amounts expressed in Barbados dollars)**

	2007 \$	2006 \$
Salaries and wages	1,644,866	1,580,725
Legal and professional fees	251,773	78,956
Rent	196,095	167,145
Travel	188,998	182,997
National insurance	123,374	113,598
Repairs and maintenance	79,369	73,169
Postage, stationery and office supplies	57,246	33,467
Depreciation	52,730	53,286
Contingencies and other expenses	46,812	32,056
Utilities	43,685	22,191
Telephone/fax	29,455	32,690
Board fees	22,646	21,812
Ceremonies	20,175	15,582
Loan interest	10,681	11,790
Debt collection	9,004	8,900
Insurance	8,514	2,920
Hospitality	7,672	7,900
Entertainment	6,304	6,826
Advertising	4,083	10,821
Training seminars	3,315	5,625
Bank charges	1,386	1,930
Library	810	807
Protective clothing	-	3,546
Bad debt recovered	(23,956)	-
	<u>2,785,037</u>	<u>2,468,739</u>

**RURAL DEVELOPMENT COMMISSION
 SCHEDULE OF POVERTY ALLEVIATION EXPENDITURE
 FOR THE YEAR ENDED MARCH 31, 2007
 (amounts expressed in Barbados dollars)**

	2007 \$	2006 \$
House Repairs	1,936,565	1,340,974
Housing projects depreciation	662,753	551,989
Wells	271,493	397,377
Insurance	59,984	49,084
Miscellaneous Project	55,676	9,276
Bathroom Facilities	40,700	15,650
Installation of Electricity/Water	18,621	191,439
Rental Land - Poverty	1,620	-
	<u>3,047,412</u>	<u>2,555,789</u>

**RURAL DEVELOPMENT COMMISSION
CORPORATE INFORMATION**

REGISTERED OFFICE

Omni Corporate Centre
Speightstown
St. Peter

MEMBERS OF COMMISSION

Mr. Tyrone Power- Chairman
Mr. Delisle Bradshaw- Deputy Chairman
Mr. Calvin Harris
Mr. Anthony Lynch
Senator Patricia Parris
Mr. Trevor Springer
Mr. John Still
Mr. Frank Thornhill
Mr. Barton Clarke- Representative for the
Permanent Secretary, Ministry of Agriculture

CORPORATE SECRETARY

Mr. Samuel Oneyche

AUDITOR

Mr. Peter Downes

BANKER

Republic Bank Limited
(Formerly Barbados National Bank)
Speightstown
St. Peter

ATTORNEY-AT-LAW

Mr. Philip Moseley