



Grenada Industrial
Development Corporation

2011

A N N U A L R E P O R T



Grenada Industrial
Development Corporation





Mandate

Stimulate, facilitate and encourage the establishment and development of Industry

Mission Statement

Effectively promote investment opportunities, be a catalyst for investment climate reform and provide professional investment and business support services to all entrepreneurs

Vision Statement

"To be a reliable, responsive, world class investment and business support organization making an increasing contribution to the economic and social development of Grenada"

Statutory Obligations

This report is prepared in accordance with the requirements of the Public Finance Management Act No 27 of 2007 Part X 11.

The Act requires statutory bodies to undertake the following:

1. Four months prior to the commencement of each financial year, submit a business plan containing the following:
 - a. A statement of objectives and priorities for the financial year and the following two years
 - b. A financial plan showing how resources will be allocated to meet the objectives and priorities for the financial year and pro-forma financial statements
 - c. Comparison of pro-forma financial statements with actual financial statements for the previous financial year
 - d. A statement of how the statutory body proposes to measure performance in carrying out its responsibilities during the financial year
2. Establish a mechanism for monitoring the implementation of the financial plan
3. Keep proper account of income, receipts and expenditure
4. Ensure that all moneys received are promptly and properly brought to account
5. All payments out of its money are correctly made and properly authorized
6. Adequate control is maintained over its property and over the incurring of liabilities

In compliance with the above GIDC produces monthly, quarterly and annual reports.



About the GIDC

GIDC is a statutory corporation established by the Government of Grenada on March 1, 1985, through an Act of Parliament (Act 2 of 1985) to stimulate, facilitate and encourage the establishment and development of industry.

The affairs of the Corporation are governed by a Board of Directors appointed by the Minister with responsibility for Industry. Members of the Board are appointed in accordance with the Act establishing the Corporation, from amongst persons who have qualifications or have had proven experience in matters relating to industry, commerce, finance, accounts, banking, economics, science, law, administration, agriculture or tourism. The Board of Directors consists of ten (10) members including a Chairman and a Deputy Chairman. Members of the Board hold office for a maximum period of three (3) years and are eligible for re appointment. The Chairman or in his absence the Deputy Chairman and two members form a quorum for the purpose of convening meetings.

GIDC main operations are carried out within a 9,600 sq. ft. building located in the Frequent Industrial Park. The core business processes include:

- a) To portray a professional and results oriented image of the Corporation and promote Grenada as a business friendly destination
- b) To promote the investment opportunities available in the country and generate new foreign and domestic investment projects
- c) To facilitate project establishment, retention and expansion and provide an efficient aftercare service
- d) To develop the capacity and competitiveness of local entrepreneurs
- e) To advocate for the creation of an enabling environment for private sector development

GIDC provides investors with expert advice; the latest trade and investment information on the country; professional, efficient, courteous, ethical and transparent services to start and operate a business in Grenada. GIDC also facilitates pre-investment site visits for foreign investors and provides small and medium enterprises with practical entrepreneurial/business skills training and hands-on assistance to develop business ideas, prepare and implement business plans, set up record keeping and other productivity systems.

GIDC's effectiveness is premised on the following impelling factors:

- 1. An enabling investment and business operating environment
- 2. Targeted market driven investment promotion
- 3. Speedy, efficient and superior customer care
- 4. Skilled and motivated staff
- 5. Learning organization culture

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Board of Directors

Mr. Henry Joseph	-	Chairman
Mr. Christopher De Riggs	-	Deputy Chairman
Mrs. Lucia Livingston-Andall	-	GCIC representative
Mrs. Sally Anne Baghwan Logie	-	Member (resigned)
Mr. Cyrus Griffith	-	Member
Mr. Ronald Harford	-	Member
Mr. George A. Menezes	-	Member
Mr. Clifford Robertson	-	Member (resigned)
Mrs. Sonia Roden	-	Member/General Manager
Mrs. Sharon Gilchrist	-	Secretary

Registered Office

Frequente Industrial Park, Grand Anse, St George's

Bankers

First Caribbean International Bank Limited
Church Street, St George's

Solicitors

Grant Joseph & Co
Lucas Street St George's

Seon & Associates
Lucas Street, St George's

Joseph & Joseph
Lucas Street St George's

Auditor

W. R. Agostini & Co
Chartered Certified Accountants
Archibald Avenue, St George's

Management



Sonia Roden
General Manager



Ronald Theodore
Investment Promotion Manager



Khesha Mitchell
Business Development Manager



Sharon Penny
Finance & Admin Manager



Whyme Cox
Facilities Manager

Investment Promotion Department



Adisa Alexis
Investment Promotion Officer



Sheryl Anne Sylvester
Investment Promotion Officer



Cathy Ann Pierre
Investment Promotion Officer



Najuma Francis
Investment Promotion Officer



Janelle Collins
Investment Promotion Assistant

Business Development Department



Jeanelle Murray-Noel
Business Development Officer



Kwesi Roberts
Business Development Officer



Natalie Ruffin
Business Development Officer



KentVictor
Business Development Officer



Nathale Clarke -Lewis
Business Development Officer



Katelyn Brathwaite
Business Development Assistant



Beverly Alexander
Business Development Assistant

Finance and Administration Department



Veronica Andrew
Assistant Accountant



Jacinta Lewis
Administrative Assistant



Renata Blair
Customer Service Representative



Tracey Howell
Registry Clerk



Aphra Charles
Registry Clerk



Jacintha Livingston
Office Attendant



Raymond Joseph
Driver

Industrial Facilities



Clifford Lalsee
Facilities Supervisor



Chairman's Statement

The global recession continued to impact negatively on efforts to attract private capital investment. Foreign capital flows were reduced from EC\$171 million in 2010 to EC\$110 million in 2011.

In a small country as Grenada, burdened by debt and with a small savings ratio, increasing investment flows is critical to reducing poverty and stimulating growth. Although our rankings for ease of doing business is ahead of many countries in the Caribbean and GIDC has been doing an excellent job in responding to investors, we have not been turning these institutional strengths into practical, tangible results and we need to fix that. Our performance in attracting investment demonstrates that we have not been doing as well as we should.

Within this context, work in 2011 focused on the preparation of a National Investment Promotion Strategy to facilitate targeted market driven investment promotion. As part of a World Bank funded project, Grenada, for the first time developed a comprehensive investment generation strategy. This strategy has as its basis the economic development strategy articulated in the budget presentation in 2010, the central elements of which is to move the country from a two-pillar economy, tourism and agriculture, to a five-pillar economy focusing on the five transformational sectors - Tourism and Hospitality; Health, Education and Wellness Services; Agribusiness; Information and Communication Technology and Energy Development. The strategy also seeks to balance the economics of investment with the social and cultural aspirations of the people of Grenada. It is related to international and local market realities and ensures that there is optimal allocation of scarce national resources.



In developing the strategy a number of potential



challenges were identified. The key ones include:

- a) Inappropriate mindset characterized by a high level of ambivalence toward investment in several sectors of the society, lack of awareness of the benefits of investment, inappropriate management orientation, inappropriate work attitude and lack of confidence in the governance processes in the country
- a) Weak business enabling environment characterized by high transaction and hassle cost and weaknesses in monitoring and evaluation, public-private dialogue, business advocacy, business inspections and weak small business support system
- b) Weak investment facilitating system characterized by institutional weakness in key agencies, weak networking throughout the system, inadequate focus on investment generation by key agencies in the system, too much discretion, lack of transparency and inappropriate model of investment concessions
- c) Inadequate mining of available talents and negative views in the system to many of the groups which can contribute to economic growth and development
- d) Human capital pool that lack breadth and depth and not sufficiently integrated into the needs of the economy

We are further challenged by the fact that we have a small country with a small population. As a result, investors cannot be offered a ready market for goods and services that might be produced in Grenada. We also have limited natural resources – the beauty of our islands, the seas, our soil and our people. Accordingly, we must work hard to enhance and even create the attractiveness of Grenada, Carriacou and Petite Martinique to investors, international

as well as domestic. Two important ways to do this is to make sure that the business enabling environment and the investment generation system are working efficiently and working well.

Specific areas of focus should include the policy, legal and regulatory framework; external trade policy; governance and institutions; physical security; the social and cultural context of business; macroeconomic policies; access of firms to financial and business services; and the availability of physical and social infrastructure services. Processes that facilitates an investor to enter Grenada for the purpose of conducting business, to register and establish a business, to secure permits and approvals necessary for running a business, to access any incentives and concessions that could facilitate a business, to secure accommodation for the operating of a business, to secure the appropriate number and range of skills for operating a business also needs special attention.

In this regard, GIDC has been charged with the responsibility to work with the relevant government and private sector agencies and institutions, particularly the Office for Private Sector Development to address the weaknesses within the business enabling environment and make Grenada an attractive place for doing business.

As Chairman of GIDC, I take this opportunity on behalf of the Board of Directors, Management and Staff, to give my commitment to ensure the continuous improvement of our internal processes and improvements; to be more diligent in listening to concerns from investors and stakeholders about the work we do and how it affects their operations; to be more open to addressing concerns and suggestions for improving what we do and to work harder to make sure that the investment generation system as a whole is transparent and robust.

Henry A. Joseph FCCA
Chairman



Mr Henry Joseph –
Chairman

Board of Directors



Mr Christopher De Riggs
Deputy Chairman



Mr George A Menezes
Member




Member



Mrs Lucia Andall
GCIC Representative



Mr Cyrus Griffith
Member



Mr Clifford Robertson
Member



Mr Ronald Harford
Member



Mrs Sally Anne Bagwhan-Logie
Member



Mrs Sonia Roden
Member / General Manager

OVERVIEW OF THE BUSINESS OPERATING ENVIRONMENT IN 2011

The economy in 2011

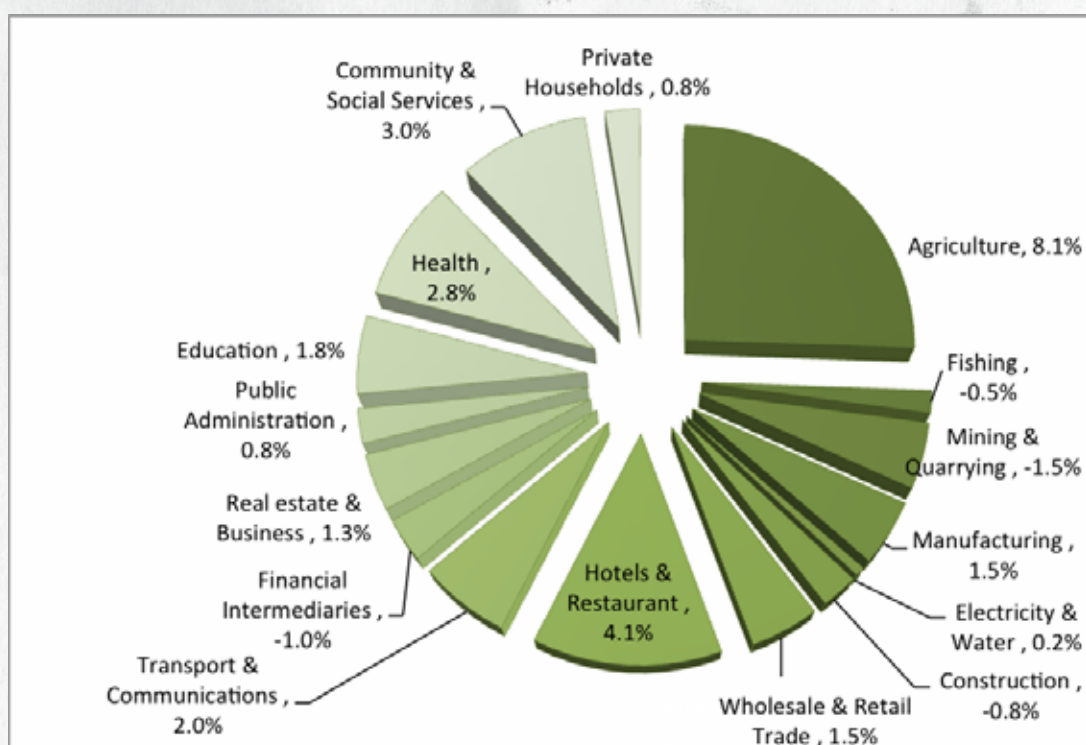
The business environment in Grenada in 2011 continued to be challenging. The economy experienced a 1.4 per cent growth compared to negative growth of 2.0 per cent in 2010.

Figure 1: Real GDP Growth Trends 2003 - 2011



Growth was led by Agriculture (8.1 percent), Tourism (4.1 percent), Education (1.8 percent) and Manufacturing (1.5 percent).

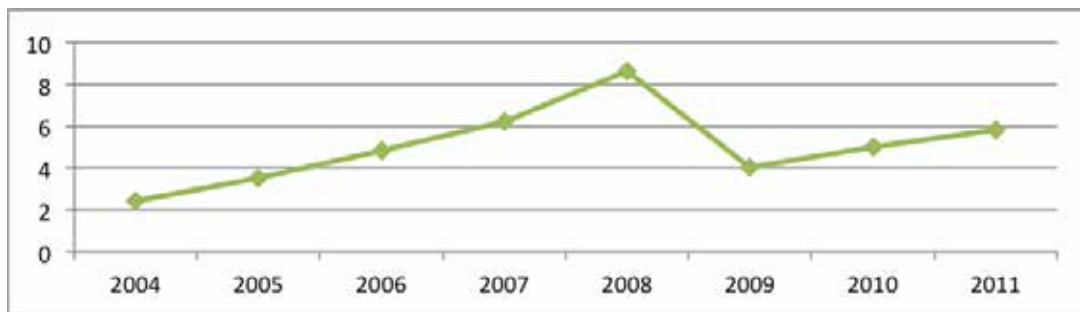
Figure 1: Real GDP Growth Trends 2003 - 2011





However, the rate of growth was not sufficient to create robustness. Unemployment remained high at 29%. Inflation was recorded at 5.8% an increase by .8% over 2010.

Figure 3: End of Period Inflation 2003 – 2011



Investment Trend

The number of applications for investment incentives received by GIDC showed a slight increase over 2010 as depicted in table 1 below:



Table 1: Investment Applications and Projects

Indicators	2006	2007	2008	2009	2010	2011
Applications Received	83	67	58	47	37	41
Projects Approved	52	73	21	62	34	43
Projects Implemented	46	30	12	28	14	24
Projects Commencing Operation	34	34	28	34	22	15
Foreign Capital Inflow	258	465	400	281	171	110
Jobs Created	171	223	132	174	333	214

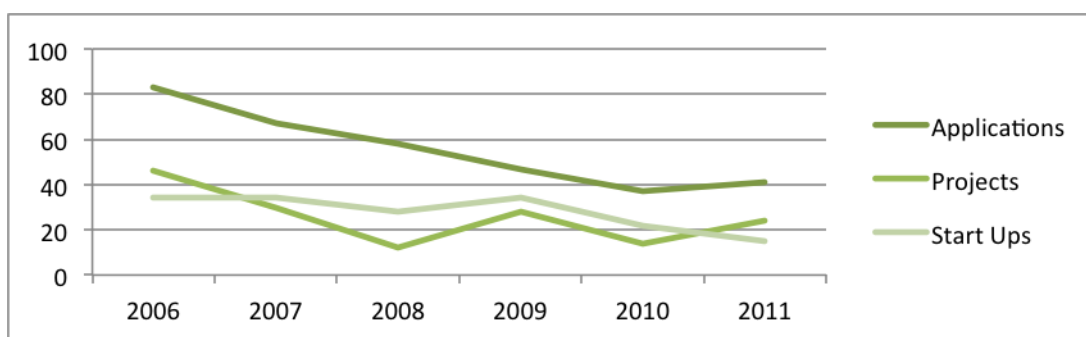
There has been a sharp decline in the number, size and job scope of FDI projects. The number of projects received declined by 36%, from 13 projects in 2010 to 8 projects in 2011. The average size of projects declined from EC\$1.4 million to EC\$138,000. The job scope per project declined from an average of 100 jobs per project to three (3) jobs per project.

The number of domestic projects received increased by 38%, from twenty-four (24) projects in 2010 to thirty-three (33) projects in 2011. The average size of projects increased from EC\$.7 million to EC\$1.6 million. The job scope per project declined slightly from an average of seven (7) jobs per project to six (6) jobs per project.

The overall average size of proposed investment projects increased slightly from EC\$939,151 to EC\$1,320,345.66 while the average number of jobs proposed per project decreased from 1,470 to 234. The trend for investment projects received, approved and start up is shown in figure 4 below:



Figure 4: Line Graph showing Investment Trend



Key Developments

Key developments during 2011 were as follows:

- Country BB Credit rating was reaffirmed by Standard & Poor's
- Grenada moved from 98 to 73rd in the Ease of Doing Business Ranking
- Agreements were signed with UWI to locate its Open Campus headquarters in Grenada and with the St George's University for the establishment of a clinical teaching programme and a teaching hospital
- Grant agreement signed with the EU for a wind energy project in Carriacou
- Development strategy and policies include the National Tourism Master Plan, the National Investment Promotion Strategy, the National Nutmeg Strategy and the national energy policy



Prospects for 2012

The Ministry of Finance projects that the economy will grow by 1.5 - 2.0 per cent during 2012. That growth will be influenced by increased activities in all sectors, especially recovery in construction and continued growth in Tourism and Agriculture. Key projects for 2012 include:

- a) US\$2.7 million Small Farmers Vulnerability Reduction Initiative Project to provide assistance to 1,100 small farmers
- b) Finalization of the Geothermal Resources Development Bill and Environmental Regulations.
- c) Preparation of draft Framework Agreement between Grenada and Trinidad and Tobago for the determination of the existence and the extent of hydrocarbon reservoirs in the area adjacent to the delimitation line including cross-border reservoirs
- d) Caribbean Regional Communication Infrastructure Programme (CARCIP) to deliver island wide broad band service; internet exchange point and encourage ICT led innovation
- e) Full implementation of the Customs ASYCUDA World project by June
- f) Introduction of the Grenada Individual Investor Programme
- g) Extension of the 10% rebate to manufacturers on their VAT exclusive sales until September



Review of Operation

Key Developments

In June 2011, Cabinet granted approval for the adoption of an Investment Facilitation Manual. The manual documented the investment approval process in Grenada and outlined the procedures for obtaining permits and licences from approximately sixteen (16) agencies. The manual can be downloaded from GIDC website at <http://www.grenadaworld.com>.

On August 22, 2011, cabinet approved the Grenada Investment Generation Strategy. The strategy was prepared by Dr Andre Vincent Henry, under the World Bank funded Grenada Technical Assistance Project. The strategy outlined a vision for a more targeted market driven approach to investment promotion and a road map for developing international competitiveness and making Grenada an investor friendly preferred location.

In October, an institutional review of GIDC was conducted to determine capacity to effectively implement the strategy. Significant gaps were identified in structure, culture, skills and image. Proposals were developed for rebranding and restructuring GIDC to align the organization's image and institutional arrangement with mission and goals.

At year end, work in progress included:


1. The development of a new business process for investment approval
2. Review of the investment incentive regime
3. The creation of an e-services platform to make it easier to apply for concessions, permits and licences and track application status
4. Designing a monitoring and evaluation system to track and monitor investment projects and measure results
5. Development of a training manual to guide the work of GIDC and key agencies in core investment generation skills and competencies
6. Preparation of a national communication strategy to ensure that the public is kept fully informed and have an opportunity to participate in activities undertaken to generate investments
7. Develop of an integrated information management system, a robust human resource and project management systems
8. Up-skill staff in areas of core competencies and modern management practices

Marketing & Promotion

Promotional Materials and Products Produced

- A Quick reference guide to Investing and Doing Business in Grenada
- 2011 Investment Map
- Fact sheets on taxation, infrastructure, permits & licenses, trade agreements, employment & hiring, monetary systems & policies.
- A 33"x 80" banner up promoting the services offered by GIDC
- New signage for the GIDC  Patrick's Business Complex
- GIDC 2012 calendars



GIDC Website

- The website was updated weekly with news and announcements of upcoming events and new investment opportunities. Over one million hits were generated from the website with the majority of hits coming from the U.S (241,097), Grenada  (2,087), Barbados (45,364) and India (46,013). The most frequently visited page was the Investor Guide – Starting a Business in Grenada and Investment Opportunities.

Publicity and PR

- Promotional materials were disseminated to investors, embassies, ministries, local, regional and international organizations
- A stamp promotion campaign was held from June 14th to August 30th to promote the Corporation's website. Every local mail which was received for distribution was stamped with the GIDC stamp.
- Television interviews were conducted to highlight the activities of GIDC and Grenada's achievement in the FDI Caribbean & Central American Countries of the Future 2011/12 ranking.
- GIS video productions were done highlighting the operations of two local entrepreneurs, SoReal and CUT-I-E who were assisted by GIDC to start up and operate their businesses
- A jointly sponsored infomercial on the Frequente Industrial Park with seventeen of the businesses operating within the Park was produced and aired on GBN television.

Investment Missions Facilitated

- a) A visit by Toon Boom Inc., a Canadian company, interested in exploring the development  the animation industry in the Caribbean. Presentations were made to various stakeholders, secondary and tertiary students including TAMCC, NEWLO and SGU students.
- b) A visit by Circana Medical Passport, a medical insurance US company  A number of local companies were invited to consider this option for Insurance.
- c) A visit by Development Consulting Services, an American group, interested in investment opportunities in the tourism sector.
- d) A visit by Touchstone Corporation, a Chinese company interested in exploring investment opportunities. MOU's were signed between this group and two projects.



Investment Conferences & Meetings

- Attended the annual Caribbean Hotel and Resort Investment Conference (CHRIS) held in Miami, April 10-12, 2011 and facilitated the participation of Calivigny Cove Ltd. (Villa and Condominium Resort development) to present their investment opportunity
- Made a presentation on investing in Grenada to a delegation of Korean investors in Trinidad 2011 Business and Investment Forum.
- Operated a promotional booth at the Grenada Diaspora Conference
- 200 Flyers were prepared and sent to TIC to promote Grenada as an Investment location
- Organized a group of business persons as part of the Grenada delegation to attend the China Caribbean Forum.

Investor Facilitation

Foreign Direct Investment

Applications: During the year, eight foreign investment applications were received, 38% less than 2010; six were in manufacturing and two in services. Estimated investment was EC\$1,103,266. Estimated employment to be created was 26.

Investment incentives were granted to eight foreign investors

- Three were received in 2011 and five in 2010
- 6 of the applications approved were for activities within the manufacturing sector and the remaining 4 within the tourism sector.
- Estimated investment from applications approved was EC\$86,594,810.
- Estimated level of job creation was 205 jobs.

Project Implementation: Nine foreign investment projects were implemented during the year, an eighty percent (80%) increase from 2010.

- Five were received in 2011 while the remaining four were from prior year
- 6 in manufacturing, 3 in tourism and 2 in services
- Estimated investment for projects implemented during the period was EC\$212,770,000
- Estimated to create 561 jobs

Investment Start Up: Six foreign projects commenced operations in 2011, a 20% decrease from 2010:

- Three were received in 2011 and three from prior years.
- 4 in manufacturing and 2 in services
- Estimated investment proposed from projects which commenced operation was EC\$2,620,000 to create 186 jobs
- Actual investment realized at startup of operations was EC\$2,340,000 and ninety jobs were created

Europe continues to be the main source of FDI.

Table 2: Source of FDI

Year	2006	2007	2008	2009	2010	2011
North America	3.4%	1.86%	1%	2.58%	12.82%	0.02%
Europe (including the UK)	94.1%	87.9%	98.1%	83.91%	77.04%	99.92%
Caribbean	2.3%	3.64%	.25%	13.51%	10.14%	0.06%
China (PRC)	0.2%	6.60%	.65%	0	0%	0%



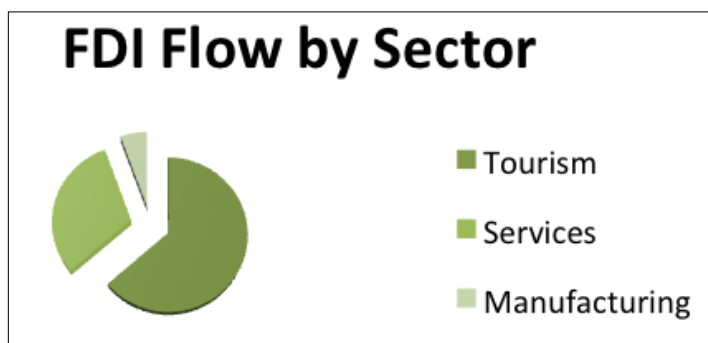
Investment Promotion Department



Back row: Investment Promotion Assistant  nelle Collins Manager, Investment Promotion Ronald Theodore
Front Row: Investment Promotion Officers: Cathy Ann Pierre, Najuma Francis, Sheryl Anne Sylvester and Adisa Alexis.



Figure 5: Pie chart showing FDI Inflow by Sector





Domestic Investment

Applications: During the year, GIDC received thirty-three applications for investment incentives from domestic investors, 5% more than 2010; 15 were manufacturing, 5 were tourism and 14 were services. Estimated investment was EC\$51,927,640. Estimated employment to be created was 208 persons.

Investment incentives were granted for thirty-five domestic projects:

- Twenty-four were received in 2011 and eleven in the prior years
- 15 of the applications approved were for activities within the manufacturing sector, 5 within the tourism sector and 14 within the services sector
- Estimated investment from applications approved was EC\$47,713,525
- Estimated level of job creation was 257 jobs.

Project Implementation: Fifteen domestic projects were implemented during the year, a 77% increase from 2010

- Eleven were received in 2011 and four from prior years.
- 15 were manufacturing, 5 were services and 5 was tourism.
- Estimated investment for projects implemented during the period was EC\$18,496,898.
- Estimated level of jobs to be created was 73.

Investment Start Up: Eleven domestic projects commenced operations 21% less than 2010

- Five were received in 2011 and six from prior years.
- 15 were in manufacturing and 5 in services
- Estimated investment proposed from projects which commenced operation was EC\$6,518,000 to create 87 jobs
- Actual investment realized at startup of operations was EC\$2,521,000 and 37 jobs were created

Investment Pipeline

One hundred and sixty-seven projects were in the investment pipeline during the year, 41 were new projects received during the year and 126 were projects received in prior years. 42 of the 167 projects were withdrawn or abandoned leaving 125 projects in the pipeline; 71 to be reviewed, 42 in-implementation and 12 pending implementation.

Of the seventy-one projects to be reviewed, forty-three were approved, increasing the number of projects pending implementation to fifty-five. Twelve projects were rejected leaving sixteen projects in the pipeline at year end to be review.

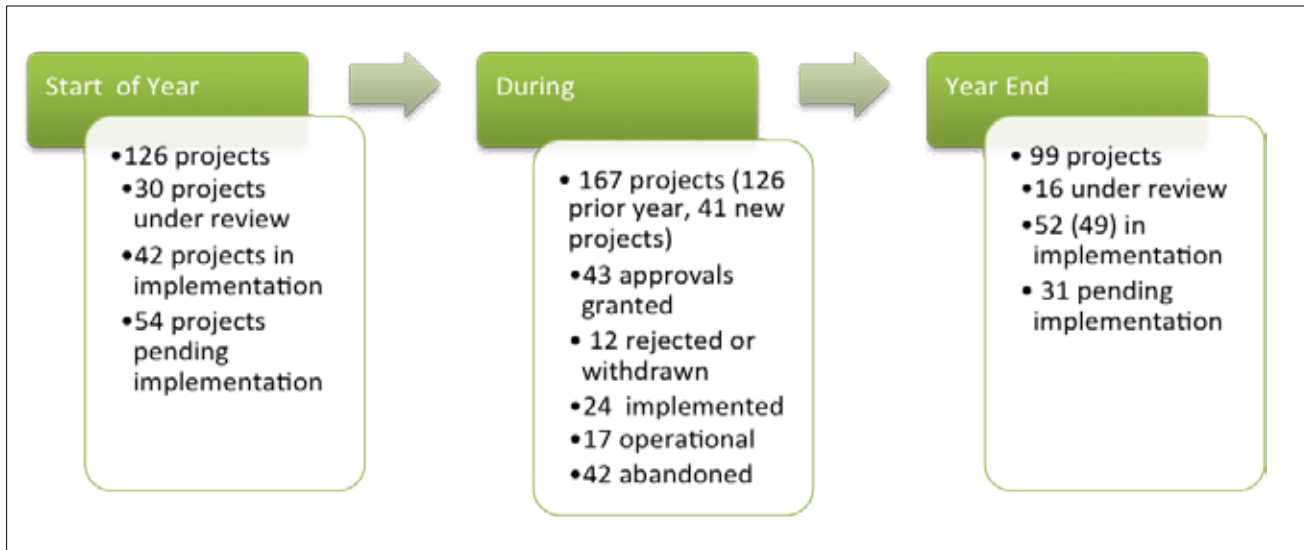
Of the fifty-five projects pending implementation, twenty four or 44% were implemented increasing the number of projects in-implementation during the year to sixty-six. Seventeen or 26% became operational leaving forty-nine projects in the pipeline in-implementation at year end.

Thirty-one projects that were granted incentives remained unimplemented.

The investment pipeline for 2011 is shown below.



Figure 6: 2011 Investment Pipe line



At the end of 2011 a total of ninety-nine (99) projects were in the pipeline as follows:

Project Status	Number	Foreign Projects	Domestic Projects
Pending Implementation	<ul style="list-style-type: none"> - 31 projects - Proposed (Investment (EC\$1,185,405,013), employment 811)) 	<ul style="list-style-type: none"> - 11 foreign projects (2 manufacturing, 6 Tourism, 3 Services) - Proposed investment EC\$1,149,536,820 - Proposed jobs 578 	<ul style="list-style-type: none"> - 19 domestic projects (9 manufacturing, 6 tourism, 4 services) - Proposed investment EC\$35,868,193 - Proposed job 253
Projects In-Implementation	<ul style="list-style-type: none"> - 52 projects - Proposed (Investment (EC\$4,640,797,576) employment (2,741) - Actual (Investment EC\$682,236,610, 88 jobs created) 	<ul style="list-style-type: none"> - 21 foreign projects (5 manufacturing, 14 tourism and 2 services) - Proposed investment EC\$4,424,667,057 - Proposed jobs 2,219 - Actual investment - EC\$653,856,610 - Jobs created -75 	<ul style="list-style-type: none"> - 31 domestic projects (6 manufacturing, 14 tourism, 11 service related) - Proposed investment of EC\$126,130,518 - Proposed employment of 522 - Actual investment of EC\$28,230,000 - Actual employment 13
Projects Under Review	<ul style="list-style-type: none"> - 16 projects (3 from prior years and 13 from 2011) - Proposed (Investment of EC\$21,438,438, employment 39) 	Three foreign	Thirteen domestic

Business Development

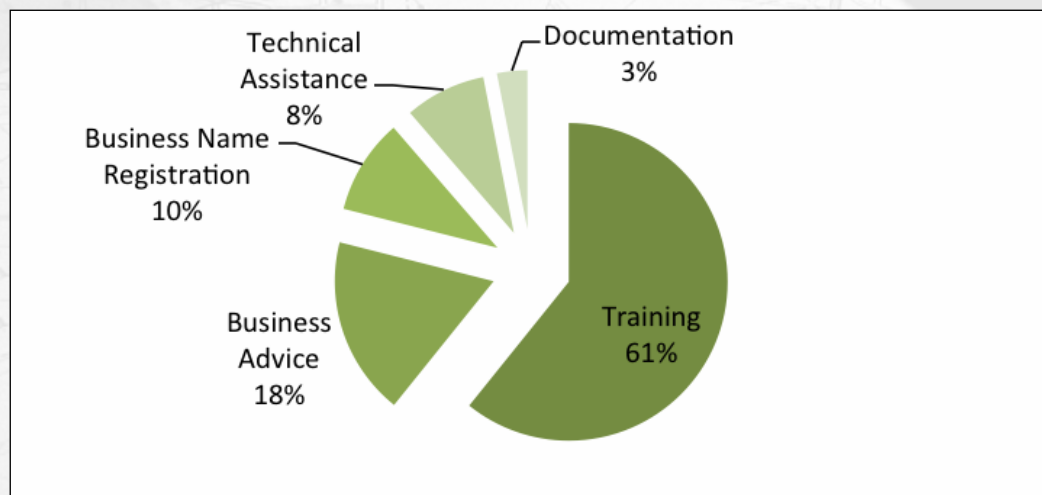


L-R: Front Business Development Assistants: Bever Alexander and Katelyn Brathwaite **L-R: Business Development Officers:** Kent Victor, Natalie Ruffin, Jeanelle Murray-Noel, Kwesi Roberts and Nathale Clarke-Lewis, **Manager, Business Development-Khesha Mitchell**

Under GIDC small business development programme the following was accomplished:

- 589 persons were trained in entrepreneurship and business skills.
- Technical assistance was provided to 80 persons to cost and price products, develop financial statements, prepare business plans and grant proposals.
- 94 persons were assisted to register business names
- 176 potential and existing entrepreneurs throughout Grenada, Carriacou and Petite Martinique were provided with business advice and information on various aspects of operating a business from start-ups through growth and expansion
- 30 persons were provided with documentation service to include photocopying, printing, design and labeling.

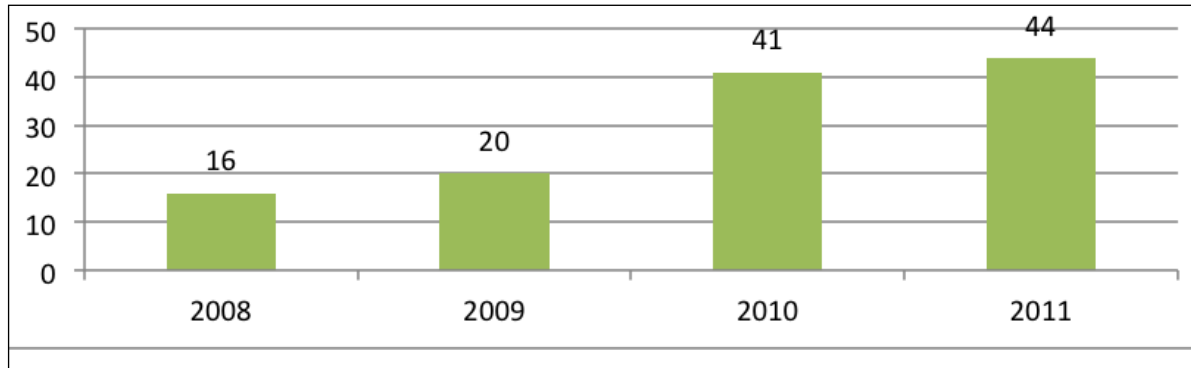
Figure 7: Distribution of Business Development Services





Forty-four of the assisted small businesses started operation during the year an increase of 7% over 2010.

Figure 8: SME Business Start Up



New startup of small businesses in 2011 created jobs for 110 persons.

The following additional activities were undertaken:

- a) Published 27 articles referred to as 'Biz Insight' within the Entrepreneur Corner of the Grenada Informer
- b) Produced four "how to" brochure: Getting off to the Right start in Business, Attracting customers, Business service guide and an E-training
- c) Published "Issue 3" of the SME insight magazine
- d) Hosted thirteen Entrepreneurship Night Business Forums in St. George's, St. Andrew's, St. Johns, St. David's and Carriacou under the theme: "Unlock your Business Potential for Success". Four hundred and ninety-five (495) persons participated
- e) Responded to 262 individual requests for product and equipment research and information relating to business development
- f) Deployed a small business website accessible at (www.grenadabdc.com)
- g) Successfully collaborated with a number of governmental and non-governmental agencies to deliver services for small and medium enterprises. These agencies include GRENCODA to deliver entrepreneurship skills to young unemployed persons in St. John's and St. Patrick's, the Grenada Homemakers Association, Ministry of Social Affairs and the Associated Women of the World to host a regional workshop under the theme "Climate Change and its effects on women and girls. The GIDC also collaborated with Caribbean Export to deliver training in grant proposal writing.
- h) Developed and submitted proposals for supplying business and entrepreneurial skills training to the Young Women Christian Association (YWCA), the Ministry of Agriculture (Caribbean Beekeeping Congress Arts and Skill Training Project, the Grenada National Training Agency (OECS Skills for Inclusive Growth Project) and to deliver a US\$270,000 "Youth-at-Risk" Entrepreneurial programme under the USAID funded Caribbean Youth Empowerment Programme (CYEP).
- i) Hosted SME Insight radio program, with WEE FM radio during the months January to July. Guests on the program included Grenada Bureau of Standards; Inland Revenue; the Customs Department; Mrs. Jenny Theodore Customer Service Consultant from 3JCares and GIDC officials.

Industrial Estate Programme

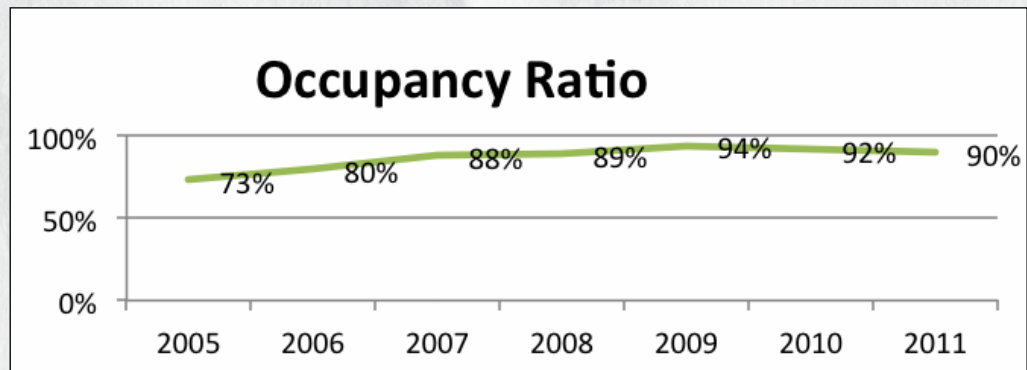


Manager, Industrial Facilities -Whyme Cox, Facilities Supervisor -Clifford Lalsee

Occupancy

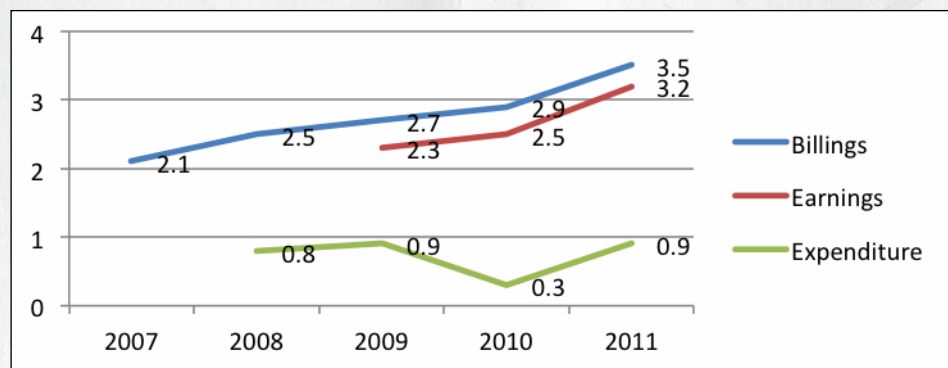
Average occupancy ratio fell by 2% from 92% in 2010 to 90% as shown below:

Figure 9: Bar chart showing trend in occupancy ratio



Another EC\$899,000 was spent on maintenance and overheads to include EC\$335,000 for building maintenance, EC\$122,000 in grounds maintenance, EC\$223,000 for insurance coverage, EC\$200,000 for security, EC\$19,000 for utilities. Billings, earnings and expenditure are shown in figure below:

Figure 10: Billings, Earnings & Recurrent Expenditure

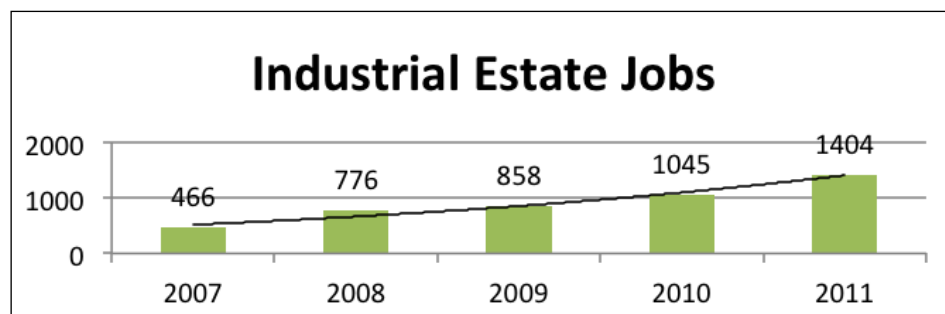




Job Creation

Employment under the Industrial Estate Programme increased to 1,404 jobs as shown below:

Figure 10: Billings, Earnings & Recurrent Expenditure



Frequente Industrial Park maintained an average occupancy ratio of 91% (Seamoon 85%, St. Patrick's 80% and Handicraft Center 65%). At December 2011, approximately 23,476 square feet of space was vacant as shown below:

Table 3: Vacant rentable space at December 2011

Location	Building #	Area (sq.ft.)
Frequente	12B	10,000
	14A	3,100
	11D	428
	11B3	1134
Seamoon	Admin	2000
	1A1	3,520
	Restaurant	735
St. Patrick	Units 1-5 (167 sq. ft. each)	835
	Unit 7	167
Craft Center	Unit 9	352
	Unit 10	1205
Total		23,476



In addition to the above an additional 26,000 of partially build space within Frequente remained unoccupied.

Earnings

Billings for the year increased by 21% amounting to EC\$3.5 million as compared to EC\$2.9 for 2009. Rent was not increased during the year. The increase in billings resulted from the rental of an additional 53,042 sq ft of space within recently acquired buildings (10 and 11).

Expenditure

EC\$2.3 million was spent under the Industrial Estate Programme during the year. EC\$1.3 million was spent on major works to refurbish and maintain facilities as shown below:

Table 4: Expenditure on Industrial Facilities

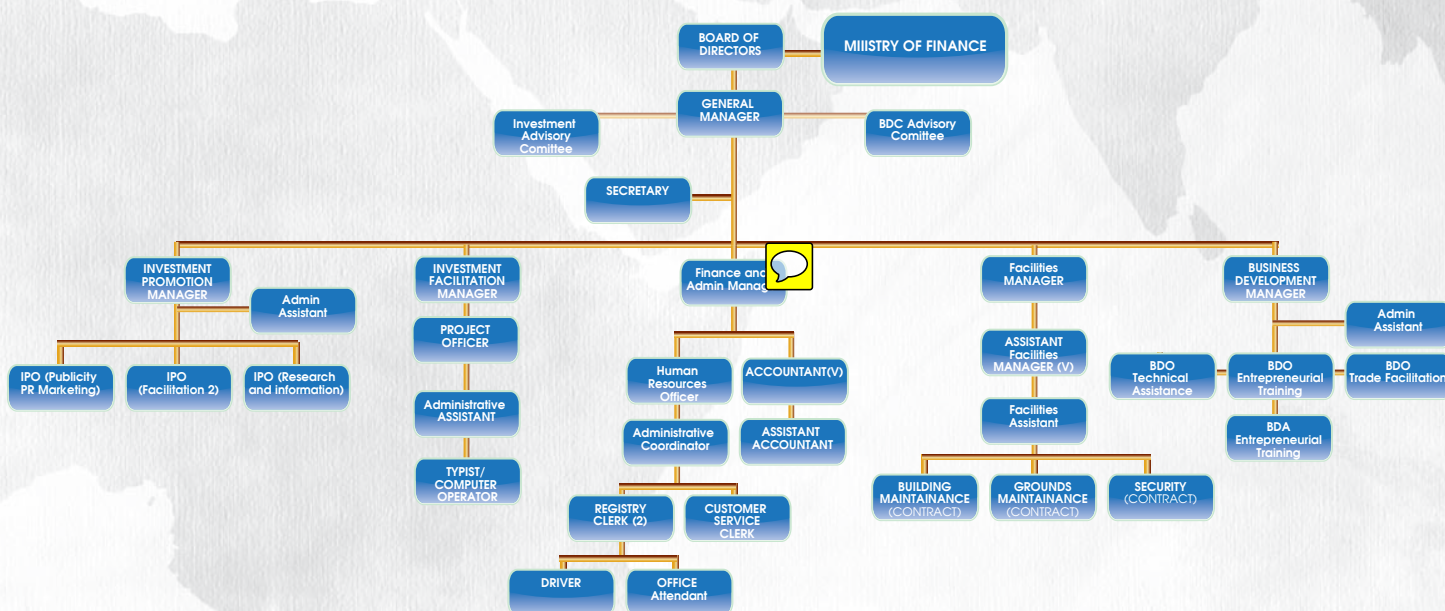
Area	Total Expenditure
Refurbish Building 1	827,736
Construct cafeteria in Seamoon	122,676
Replace the roof on two buildings (1A and 8)	133,000
Replace A/C in bldg # 7	200,047
Total	1,282,643

Human Resource Management

Structure, Systems and Procedures

The organization structure was revised in October 2011 and aligned with the requirements of the national investment promotion strategy. The revised organization chart is shown below:

Figure 11: GIDC Organization Chart




Work is ongoing to develop a robust human resource management system and should be completed by 2012

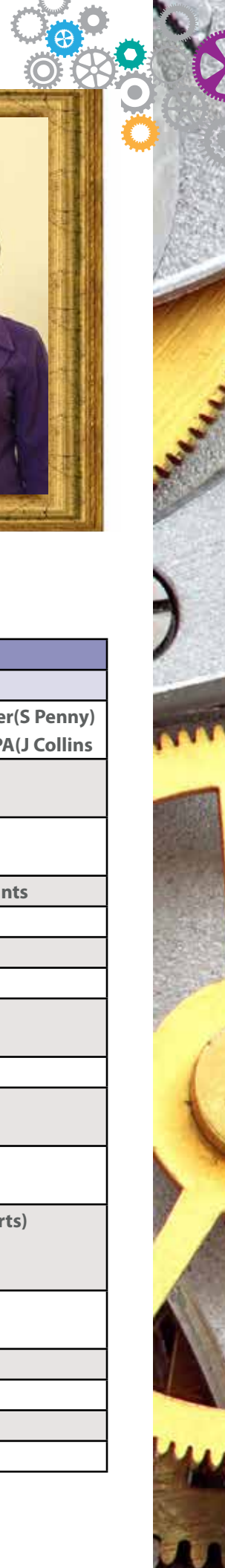
Personnel

Ms Najuma Francis was hired at the start of the year to the post of Investment Promotion Officer with responsibility for Marketing. Two persons hired towards the latter part of 2011 were confirmed during the year, Ms Adisa Alexis to the post of Investment Promotion Officer with responsibility for information and Mr Whyne Cox as Facilities Manager. The total complement of staff including management is twenty-six.



Staff was provided with the opportunity to attend a number of workshops, seminars, meetings and conferences. These are shown below:

Workshop, Meetings & Conferences	Date	Staff Member(s)
Caribbean Agro Industry Forum(St. Kitts)	Jan 27-28	BDO (K Roberts)
Regional Stakeholders' meeting to review the CTCS Network Programme(Barbados)	Mar 01-02	BDM (K Mitchell)
Caribbean Association of Investment Promotion Agencies mission to Europe	Mar 12-24	General Manager (S Roden)
CAIPA Fact Finding Mission to Europe		IPM (R Theodore)/S Roden
CARICOM -Canada Trade & Development Agreement Technical Working Groups on services & Investment (Barbados)	Mar 21-25	IPO (A Alexis)
Project Launch & Stakeholders Meeting 'Promoting Knowledge Management through Learning Communities: Improving Food & Processors in Grenada	Mar 28	BRO (N Ruffin)
4th Annual Meeting of Cariforum business Support Organizations (Jamaica)	Mar 28 & 29	BDM (K Mitchell)
Caribbean Hotel Resort & Investment Summit (CHRIS) (Miami)	Apr 10-13	IPO (N Francis)
Consultation on the CARICOM Investment Code (CIC) (St. Lucia)	Apr 19 & 21	General Manager (S Roden)
CAIPA Stakeholder Consultation on Investment Climate Studies (Suriname)	May 23-27	IPM (R Theodore)
General Manager (S Roden) 		
PROINVEST Closure Workshop (Barbados)	May 30-31	General Manager (S Roden)
Focal Point Meeting to review draft CARICON Industrial Policy (Guyana)	Jun 14-17	IPM (R Theodore)
CAIPA Fact Finding Mission to Brazil & Chile	Jun 25- Jul 2	General Manager (S Roden)
Regional Symposium on market research & sector strategy of the CARTFUND project (Dominica)	Jul 12 & 13	IPO (C Alexander Pierre)
WAIPA Meeting (Switzerland)	Sep 3-7	IPM (R Theodore)
China Caribbean Business Conference (Trinidad)	Sep 12-13	IPO (N Francis) BDM (K Mitchell)
Grenada National Consultation on Trade Services in the EPA (Grenada)	Sep 29th	BRO (N Ruffin)
CAIP-CEDA Meeting	Dec 13 & 14	IPM (R Theodore)



Staff was also afforded the opportunity to participate in a number of training workshops as shown below

2011 Staff Training Workshops		
Area of Competence	Date	Staff Member(s)
Implementing Health & Safety In the workplace(Grenada)	Mar 29 & 30	Admin.& Finance Manager(S Penny) Admin. Officer(J Lewis) IPA(J Collins)
Twelfth Commonwealth - India Small Business Competitiveness Development Programme(India)	May 29 -Jun 3	BDO(N Lewis)
Grenada Board of Tourism Focus Group workshop (Grenada)	13-Apr	IPO (S Sylvester)
Professional Development Workshop (Grenada)	27-Apr	All administrative assistants
WINFA Regional Food Security Workshop (St Vincent)	May 25 - 26	BOD (Kent Victor)
Stress Management Workshop (Grenada)	May 31	All Staff
Presentation Skills (Grenada)	Jul 1, 2011	All staff
Trade & Investment Promotion for Caribbean & South Pacific Countries (China)	Aug 19- Sep 8	IPO (S Sylvester)
BDO (K Victor)		
Regional Workshop promoting and improving SME competitiveness in the Caribbean (California)	Sep 6 & 7	BDO (K Roberts)
Strategic Investment Promotion Training & PROINVEST / CAIPA/CEDA Close out Workshop (Dominican Republic)	Sep 19-22	IPM (R Theodore) IPO (N Francis)
Alignment of the national action programme to the 10-Year Strategic plan of the UNCCD & Development of Integrated Financial Strategies (Grenada)	Sep 26 & 27	BDO's (N Lewis & K Roberts)
Seminar for Trade Officials of Latin American and Caribbean Countries(China)	Oct 12-23	BDO (K Brathwaite)
Food Safety & quality Workshop for Exporters	Oct 12-14	BDO (N Lewis)
Fundamentals of Strategic Planning	Oct 28	BDO (J Noel)
Japan-CARICOM Business seminar(Trinidad)	Nov 22	IPM(R Theodore)
Intro Of PRONET TOT (Barbados)	Nov 23-25	BDO (K Victor)



Staff Attendance

The following staff had the best attendance record for the year:

Corporate Secretary (Mrs. Sharon Gilchrist)

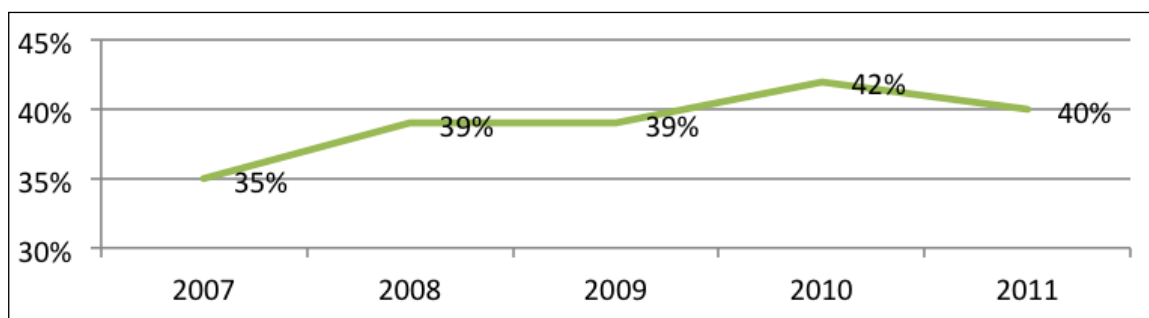
Registry Clerk (Ms. Aphra Charles)

Business Development Technical Assistance (Mrs. Beverly St Cyr)

Personnel Expenditure

Personnel expenditure reduced by two percent (2%) namely as a result of retiring staff.

Table 12: Expenditure on Industrial Facilities



Finance

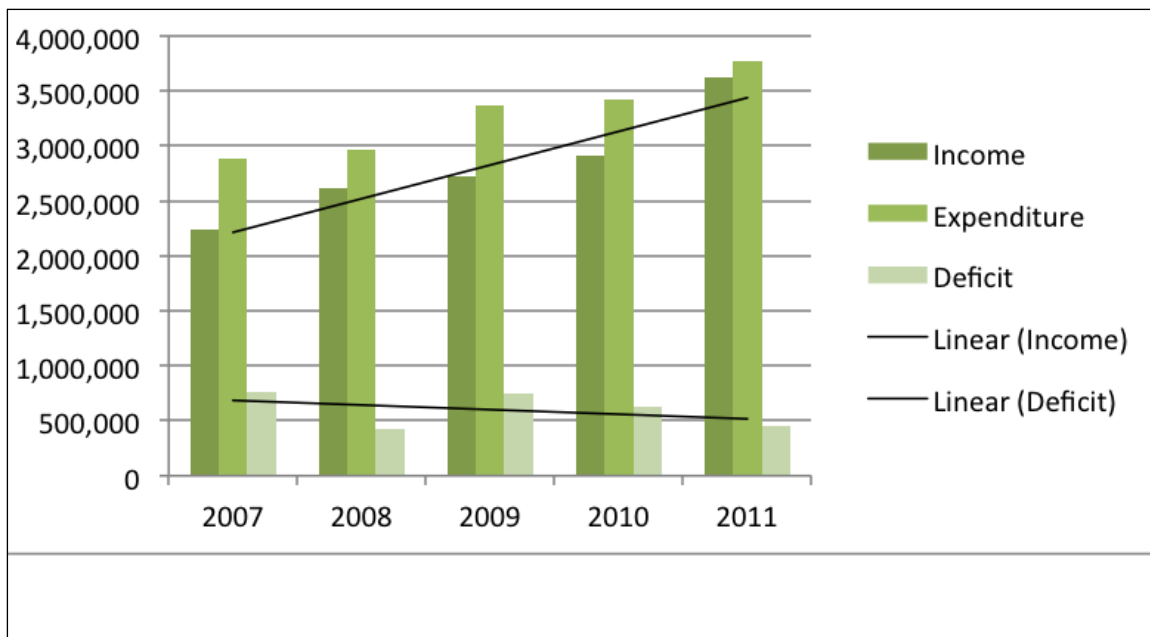
90 % of receivables were collected. Although operating revenue increased by 24% and bad debt as a percent of operating revenue was reduced from 22% to 12%, an operating deficit was recorded to the amount of EC\$448,623. Bad debt in the amount of EC\$300,000 accumulated during the period resulted from two tenants. Efforts are being made to have the situation addressed in 2012. Financial highlights are shown below:

Figure 5: Financial highlights

Key Indicators	2007	2008	2009	2010	2011
Operating Income	2,243,265	2,618,991	2,730,500	2,918,979	3,624,872
Operating Expenditure	2,879,637	2,972,329	3,375,784	3,421,140	3,747,498
Surplus/deficit before bad debt	-636,372	-353,338	-645,284	-502,161	-122,626
Bad Debt Expense	125,995	71,647	98,164	129,200	316,214
Surplus/deficit after bad debt expense	-762,367	-424,985	-743,448	-631,361	-438,840
Revenue grants	711,145	912,812	946,145	868,228	790,311
Net Surplus/Deficit	-51,222	487,827	202,697	236,867	351,471



Figure 13: Bar Chart Showing Trend in Revenue & Expenditure



Key deliverables for 2012

1. An improved corporate image supported by a new brand name; the redesign of the corporate logo, tag line, livery, stationery and signage by April 2012
2. Targeting infrastructure by May 2012
3. Enhanced website functionality by July 2012
4. A Grenada investment brand that has national buy in and is positioned in target markets, by August 2012, as a business friendly investment location
5. Profiles of six market driven projects within the target sectors by October 2012
6. 40 new start-up SME's within the transformational sectors
7. An improved enabling environment for entrepreneurial development within the transformational sectors as evidenced by increased access to needs driven training, access to grant funds, stronger sector associations and increased stakeholder's satisfaction.
8. 2012 Diaspora Business Seminar as part of the Diaspora Homecoming Activities
9. "Youth-at-Risk" Entrepreneurial programme
10. Improved business culture

Report of the Auditors to the Board of Directors Grenada Industrial Development Corporation

We have audited the accompanying statement of financial position of Grenada Industrial Development Corporation as of December 31, 2011 and the related statements of comprehensive income, changes in equity and cash flow for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with international standards on auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grenada Industrial Development Corporation as of December 31, 2011, and the results of its operations, changes in its equity and cash flow for the year then ended in conformity with International Financial Reporting Standards.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information produced on pages 13 to 17 is presented for the purposes of additional analysis and in compliance with the CDB loan agreements. This data is not a required part of the basic financial statements. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

30 March, 2012.

W. Agostini & Co.
Chartered Certified Accountants.



Statement of Financial Position at December 31, 2011 (With comparative figures for 2010)

	Notes	2010	2011
ASSETS			
Current Assets			
Cash and cash equivalents	3 \$	779,500	1,359,419
Accounts receivable & prepayments	4	270,887	502,008
Total current assets		<u>1,050,387</u>	<u>1,861,427</u>
Property, plant and equipment	5	35,850,735	30,115,758
Total assets		<u>\$36,901,122</u>	<u>31,977,185</u>
Financed By:			
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable & accrued charges	6 \$	401,520	517,876
Current portion of long term debt	7	343,745	200,089
Total current liabilities		745,265	717,965
Net Long Term Debt	7	6,550,888	2,972,669
Corporation's Equity			
Government's contribution		21,533,066	20,554,974
Appraisal surplus		8,139,681	8,139,681
Deferred capital grant		222,900	234,045
Accumulated deficit		(290,678)	(642,149)
Net equity (Page 5)		29,604,969	28,286,551
Total liabilities and capital		<u>\$36,901,122</u>	<u>31,977,185</u>

Chairman

Director

See accompanying notes to financial statements
Approved on behalf of the Board:

Statement of Comprehensive Income For the Year Ended December 31, 2011 (With comparative figures for 2010)

	<u>2011</u>	<u>2010</u>
Income		
Factory rental (Schedule 1)	\$3,501,665	2,883,377
Other income (Schedule 2)	<u>123,207</u>	<u>35,602</u>
Total income	3,624,872	2,918,979
Less direct expenditure (Page 15)	<u>1,882,553</u>	<u>1,757,993</u>
Gross operating surplus	1,742,319	1,160,986
Less general & administrative expenses (Page 16)	<u>2,181,159</u>	<u>1,792,347</u>
Net operating deficit before revenue grants	(438,840)	(631,361)
Revenue grants (Schedule 3)	<u>790,311</u>	<u>868,228</u>
Net surplus for the year	<u>\$ 351,471</u>	<u>236,867</u>

See accompanying notes to financial statements



Statement of Cash Flow For the year ended December 31, 2011 (With comparative figures for 2010)

OPERATING ACTIVITIES	<u>2011</u>	<u>2010</u>
Net surplus for the year	\$ 351,471	236,867
Add non-cash charges - depreciation	644,768	473,492
(Gain)/loss on disposal of property, plant & equipment	(2,289)	-
Decrease in accounts receivable & prepayments	231,121	87,554
(Decrease) in accounts payable & accrued charges	<u>(116,356)</u>	<u>(101,217)</u>
Net cash flow from operations	<u>1,108,715</u>	<u>696,696</u>
INVESTING ACTIVITIES		
Proceeds from the sale of property, plant & equipment	2,289	-
Purchase of property, plant & equipment	<u>(6,379,746)</u>	<u>(657,765)</u>
Net cash flow from investing activities	<u>(6,377,457)</u>	<u>(657,765)</u>
FINANCING ACTIVITIES		
Government contribution received	978,092	312,950
Long term loan received	4,000,000	-
Loan repayments	(278,124)	(201,382)
Decrease in deferred capital grant	<u>(11,145)</u>	<u>(11,145)</u>
Net cash flow from financing activities	<u>4,688,823</u>	<u>100,423</u>
Net (decrease)/increase in cash and cash equivalents	(579,919)	139,354
Cash and cash equivalents at beginning of year	<u>1,359,419</u>	<u>1,220,065</u>
Cash and cash equivalents at end of year (Note 3)	<u>\$ 779,500</u>	<u>1,359,419</u>

See accompanying notes to financial statements.

Notes of the Financial Statements for the Year Ended December 31, 2008

1. INCORPORATION AND PRINCIPAL ACTIVITY

The Corporation was incorporated by Act of Parliament No. 2 of 1985 for the purposes of stimulating, facilitating and undertaking the establishment and development of industries in Grenada. At the statement of financial position date, the Corporation employed 26 persons.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting:

These financial statements have been prepared in compliance with International Financial Reporting Standards, and in accordance with the historical cost convention, with the modification stated in the note to property, plant and equipment.

(b) Foreign Currencies:

The Eastern Caribbean Dollar is the functional currency of measurement and presentation of the Corporation's financial statements. Foreign currency transactions during the year have been recorded at the rates of exchange ruling at the dates of the transactions. Monetary amounts receivable or payable at the year end in foreign currencies are translated to the functional currency at the rates of exchange ruling at that date. Profits or losses on translation of monetary items are reflected in comprehensive income.

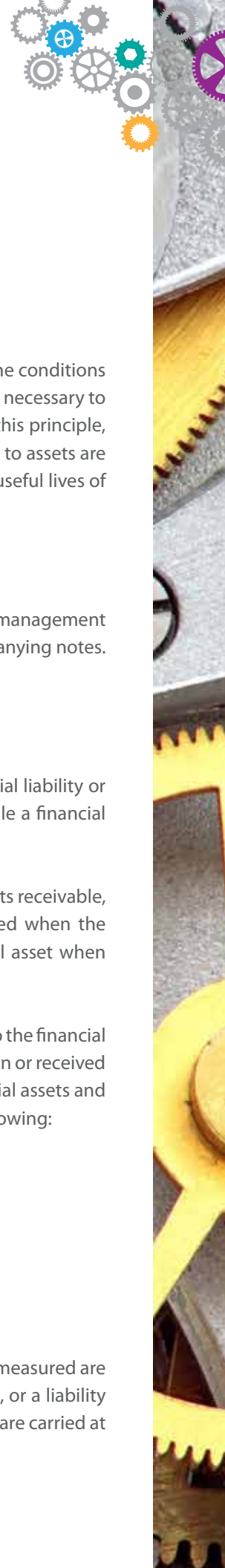
Monetary items are units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency.

Non-monetary items carried at historical cost are reported using the exchange rate at the date of the transaction. Other non-monetary items which are carried at fair value are reported at the exchange rate that existed when the fair values were determined. When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is also recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in comprehensive income, any exchange component of that gain or loss is also recognized in comprehensive income.

Other comprehensive income comprises items of income and expense that are not recognized in profit or loss but rather in equity, such as changes in appraisal surplus, remeasurements on defined employee benefit plans, etc.

(c) Revenue Recognition:

The Corporation is engaged in the service industry. In general, revenue is recognised when the outcome of a transaction can be estimated reliably and taking into consideration the probability of economic benefits flowing to the Corporation, the stage of completion of the transaction at the statement of financial position date and the costs incurred on and to complete the transaction.



Notes of the Financial Statements for the Year Ended December 31, 2008

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

Grants receivable are recognised when there is reasonable assurance that the Corporation will comply with the conditions attaching to them and that the grants will be received. Such grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Applying this principle, grants related to income are recognised as income in the same period as the related expenses. Grants related to assets are accounted for as deferred income on the statement of financial position and recognised as income over the useful lives of the assets involved.

Interest income is recognised on a time basis using the effective interest rate method.

Preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(e) Financial Instruments:

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset is a contractual right to receive cash in the future, while a financial liability is a contractual obligation to deliver cash in the future.

Financial instruments carried on the statement of financial position include cash and cash equivalents, accounts receivable, trade payables and borrowings - short and long term. A financial asset or a financial liability is recognised when the Corporation becomes a party to the contractual provisions of the instrument and in the case of a financial asset when control over the asset is transferred to the Corporation.

All financial assets and financial liabilities are recognised on the statement of financial position or in the notes to the financial statements. Upon initial recognition, they are measured at cost, which is the fair value of the consideration given or received to acquire the financial asset or liability. Transaction costs are included in the initial measurement of all financial assets and liabilities. Subsequent to initial recognition, all financial assets are remeasured to fair value, except for the following:

- (i) loans and receivables originated by the Corporation and not held for trading.
- (ii) other fixed maturity investments, such as debt securities and mandatorily redeemable preferred shares that the Corporation intends and is able to hold to maturity; and
- (iii) financial assets whose fair value cannot be reliably measured, such as some equity instruments (shares) with no quoted market price.

At the statement of financial position date, the carrying amounts of financial assets required to be remeasured are approximately equal to their fair value, which is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Other financial assets are carried at amortised cost, less allowance for impairment in value.

Notes to Financial Statements - December 31, 2011 (Continued)

Financial liabilities, after acquisition, are measured at original recorded amount less principal repayments and amortisation.

For financial assets and liabilities remeasured to fair value, differences arising on remeasurement are recognised in profit or loss for the period.

(f) Other significant accounting policies adopted are disclosed in the appropriate notes below. Where changes have been made in presentation, comparative figures have been restated.

3. CASH AND CASH EQUIVALENTS

	<u>2011</u>	<u>2010</u>
Petty Cash	\$ 400	250
First Caribbean International Bank - Current account	536,222	1,131,953
Grenada Co-operative Bank - Savings account	216,828	209,664
- Current account	<u>26,050</u>	<u>17,552</u>
Total	<u>\$779,500</u>	<u>1,359,419</u>

Cash and cash equivalents included in the cash flow statement comprise the above statement of financial position amounts. Interest is earned on the savings account at the rate of 3.5% per annum.

4. ACCOUNTS RECEIVABLE & PREPAYMENTS

	<u>2008</u>	<u>2007</u>
Tenants' balances	\$727,099	746,279
Less: Provision for doubtful debts	<u>574,062</u>	<u>412,742</u>
	<u>153,037</u>	<u>333,537</u>
Other accounts receivable and prepayments	135,372	180,183
Less provision for doubtful debts	<u>17,522</u>	<u>11,712</u>
	<u>117,850</u>	<u>168,471</u>
Total	<u>\$270,887</u>	<u>502,008</u>

Provision for doubtful debts is made based on the specific identification of doubtful balances. As debts become uncollectible they are written off against the provision. Additions to the provision are charged to current operations.



Notes to Financial Statements - December 31, 2011 (Continued)

5. PROPERTY, PLANT & EQUIPMENT

	<u>Land</u>	<u>Buildings</u>	<u>Motor Vehicle</u>	<u>Furniture Fixtures Fittings & Equipment</u>	<u>Total</u>
<u>Cost/Valuation</u>					
Balance at 1/1/11	\$13,066,800	20,030,305	103,000	759,753	33,959,858
Disposals during the year	-	-	-	(38,192)	(38,192)
Additions during the year	<u>2,547,820</u>	<u>3,569,896</u>	<u>-</u>	<u>262,030</u>	<u>6,379,746</u>
Balance at 31/12/11	<u>15,614,620</u>	<u>23,600,201</u>	<u>103,000</u>	<u>983,591</u>	<u>40,301,412</u>
<u>Accumulated Depreciation</u>					
Balance at 1/1/11	-	3,118,773	75,800	649,527	3,844,100
Eliminated on disposals	-	-	-	(38,191)	(38,191)
Charge for the year	<u>-</u>	<u>496,964</u>	<u>20,600</u>	<u>127,204</u>	<u>644,768</u>
Balance at 31/12/11	<u>-</u>	<u>3,615,737</u>	<u>96,400</u>	<u>738,540</u>	<u>4,450,677</u>
Net Book Value - 2010	<u>\$13,066,800</u>	<u>16,911,532</u>	<u>27,200</u>	<u>110,226</u>	<u>30,115,758</u>
Net Book Value - 2011	<u>\$15,614,620</u>	<u>19,984,464</u>	<u>6,600</u>	<u>245,051</u>	<u>35,850,735</u>

- (i) The Corporation's lands and buildings at Frequente and Seamoon were valued by the qualified engineering firm of Joseph John & Associates Ltd. in May, 2004. This valuation did not vary significantly from the previous one conducted in May, 2002 and therefore no appraisal adjustments were made in these financial statements for the most recent valuation.
- (ii) Had property, plant & equipment been carried at historical cost, the combined net carrying value of land and buildings at the statement of financial position date would have been \$21,838,651.
- (iii) Included in "buildings" is the amount of \$305,672 representing the cost of a building constructed by the Corporation in Carriacou and known as the Carriacou Incubator. Cabinet approved the transfer to the Corporation of the land on which the building is constructed. The full legal vesting process has not been completed. However, in August 2005, Cabinet further approved the use of the building rent free by the T.A. Marryshow Community College for educational purposes.

Notes to Financial Statements - December 31, 2011 (Continued)

5. PROPERTY, PLANT AND EQUIPMENT - Continued

Some property, plant & equipment are stated at historical cost and others at valuation. Depreciation is provided on the straight line basis, at rates sufficient to write off the cost or valuation of the assets over the period of their estimated useful lives. Maintenance and repairs are charged to current operations, whilst the cost of improvements are capitalised. The cost of property, plant and equipment sold, retired or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss reflected in current operations. The annual rates used in providing for depreciation are as follows:

Buildings	2%
Motor vehicles	20%
Furniture, fixtures & equipment	10% & 33%

6. ACCOUNTS PAYABLE & ACCRUED CHARGES	2011	2010
Advanced rentals & security deposits	\$295,378	334,210
Other payables, accruals and provisions	106,142	183,666
Total	\$401,520	517,876

7. LONG TERM DEBT	Total 2010	Total 2011	Due within one year	Net Long Term Balance	
				2011	2010
Caribbean Development Bank 2% Loan (Note i)	\$2,533,378	2,406,709	126,669	2,280,040	2,406,709
Grenada Development Bank Loan #1 (Note ii)	109,019	94,415	19,988	74,427	89,850
Loan #2 (Note iii)	163,736	143,915	22,950	120,965	144,762
Loan #3 (Note iv)	360,048	326,714	30,439	296,275	331,348
First Caribbean Int'l Bank (Note v)	-	3,922,381	143,200	3,779,181	-
Pension Liability (vi)	6,577	499	499	-	-
Total	\$3,172,758	6,894,633	343,745	6,550,888	2,972,669
(2010	200,089)				



Notes to Financial Statements - December 31, 2011 (Continued)



- (i) This loan is secured by the guarantee of the Government of Grenada and is repayable in thirty (30) years, which commenced December 31, 2000, by equal quarterly payments of principal of US\$11,728.
- (ii) This loan is unsecured and is repayable in one hundred and twenty eight (128) fixed monthly instalments of \$1,558. Interest is payable at 4% per annum.
- (iii) This loan is unsecured. At present it is repayable in one hundred and twenty six (126) fixed monthly instalments of \$2,425. Interest is payable at 6% per annum.
- (iv) This loan is secured by a first legal mortgage on 19,236 sq. ft. of land with building thereon situate at Lower Town, Main Street, Sauteurs, St. Patrick and is repayable in one hundred and twenty (120) months with a fixed monthly instalment of \$4,500 inclusive of interest at 6% per annum.
- (v) This loan is secured by a first legal mortgage over 84,984 sq. ft. of commercial land located at Frequent Industrial Estate, together with two buildings thereon. Additionally, the bank holds two insurance policies on the buildings totalling \$27.8 million as further collateral for the loan. Interest on the loan is at the rate of 8.5% per annum and it is repayable in one hundred and eighty (180) months ending on 30 May, 2026. The monthly installment is \$39,334, including interest.
- (vi) Effective October 1, 2001, the Corporation established a contributory pension plan for all of its employees. Contributions are at the rate of 8% of pensionable salaries, shared equally by employees and the Corporation. The pension liability referred to above represents the balance of computed contributions for the period of employment starting January 1, 1987 and which ended September 30, 2001. This amount is being paid into the fund by monthly installments of \$786 which ended on September 30, 2011. The fund is managed by the Sagacor Life Insurance, policy No. SFG112.

8. CAPITAL COMMITMENT

At the balance sheet date, the Corporation had the following outstanding capital commitments, in respect of the stated projects:

	Total Project Cost	Expenditure To Date	Outstanding Commitment
Administrative and Commercial Complex, Frequent, St. George	\$7,382,136	1,306,800	6,075,336
Small Business Incubator in Carriacou - Phase II	990,832	-	990,832
Total	<u>\$8,372,968</u>	<u>1,306,800</u>	<u>7,066,168</u>

Note: The total project cost of the Administrative and Commercial Complex includes \$1,306,800 in real estate currently owned by the Corporation. This amount is also shown as expenditure to date on the project. 9. POTENTIAL FOR 9. 9. 9. 9.

Schedules to Statement of Comprehensive Income

For the year ended December 31, 2011

(With Comparative figures for 2010)

9. POTENTIAL FOR EXPANSION

In 2002 Cabinet approved the vesting of 8.5 acres of land at Seamoons to the Corporation for expansion of the Industrial Park. At the balance sheet date no capital programme had been developed by the Corporation in this connection. The value of the land is also not included in these financial statements.

<u>FACTORY RENTAL INCOME - Schedule 1</u>	<u>2011</u>	<u>2010</u>
Frequente Industrial Park	\$2,853,158	2,255,816
Seamoons Industrial Park	491,328	466,728
St. Patrick	96,787	103,630
Grenada Craft Centre	<u>60,392</u>	<u>57,203</u>
Total	<u>\$3,501,665</u>	<u>2,883,377</u>

OTHER INCOME - Schedule 2

Proceeds from disposal of property, plant & equipment	\$ 2,289	-
Interest income	32,213	7,304
Project appraisal fees	27,630	9,881
Miscellaneous income	2,532	115
Business development centre	<u>58,543</u>	<u>18,302</u>
Total	<u>\$123,207</u>	<u>35,602</u>

REVENUE GRANTS - Schedule 3

Government of Grenada		
GIDC	\$445,833	490,417
SEDU	333,333	366,667
U.S.A.I.D.	<u>11,145</u>	<u>11,145</u>
Total	<u>\$790,311</u>	<u>868,229</u>



Schedules to Statement of Comprehensive Income For the year ended December 31, 2011 (With Comparative figures for 2010)

1. Revenue, comprising factory rental, grants and other income is allocated on a direct basis according to the department which produced, or which was the targeted beneficiary of, the income.

2. Direct Expenditure:

All expenses relating to individual departments were identified and charged to the respective departments.

3. General and Administrative Expenses:

As indicated on page 16, these are apportioned to departments on the basis of the direct expenses of the individual departments.

Additional Information to Financial Statements For the Year Ended December 31, 2011

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Statement of Changes in Equity For the Year Ended December 31, 2011

	Government's Capital <u>Contribution</u>	Appraisal Surplus	Deferred Capital	Accumulated Surplus/ <u>Grant</u>	(Deficit) <u>Total</u>
Balance at 31 December, 2009	\$20,242,024	8,139,681	245,190	(879,016)	27,747,879
Transfer to current income	-	-	(11,145)	-	(11,145)
Contribution during the year	312,950	-	-	-	312,950
Net surplus for 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>236,867</u>	<u>236,867</u>
Balance at 31 December, 2010	20,554,974	8,139,681	234,045	(642,149)	28,286,551
Transfer to current income	-	-	(11,145)	-	(11,145)
Contribution during the year	978,092	-	-	-	978,092
Net surplus for 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>351,471</u>	<u>351,471</u>
Balance at 31 December, 2011	<u>\$21,533,066</u>	<u>8,139,681</u>	<u>22,900</u>	<u>(290,678)</u>	<u>29,604,969</u>

Notes

- (i) Government's Capital Contribution represents the net value of assets vested to the Corporation by Government at the commencement of operations plus subsequent contributions in the form of debt forgiveness and payments on behalf of the Corporation.
- (ii) The appraisal surplus represents the excess of a revaluation of the Corporation's lands and buildings over their carrying values. The appraisal was done in 2002 by the qualified engineering firm of Joseph John and Associates Ltd.
- (iii) Deferred Capital Grant represents the balance of a grant made to the Corporation by the U.S.A.I.D. in 1990 for the construction of the Seamoons Industrial Estate in St. Andrew. The Grant is being amortised to revenue over a forty-year period, being the estimated useful life of the buildings constructed with the grant funds.

Notes to Financial Statements - December 31, 2011 (Continued)

	Government's Capital Contribution	Appraisal Surplus	Deferred Capital	Accumulated Surplus/ Grant	(Deficit) Total
Balance at 31 December, 2009	\$20,242,024	8,139,681	245,190	(879,016)	27,747,879
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Contribution during the year	978,092	-	-	-	978,092
Net surplus for 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>351,471</u>	<u>351,471</u>
Balance at 31 December, 2011	<u>\$21,533,066</u>	<u>8,139,681</u>	<u>22,900</u>	<u>(290,678)</u>	<u>29,604,969</u>

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