



# 2014 Annual Report



# STATUTORY OBLIGATIONS



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

The Act requires that statutory bodies undertake the following:

1. Four months before the commencement of each financial year submit a business plan containing the following:
  - a. Statement of objectives and priorities for the financial and the following two years
  - b. Financial plan showing how resources, including financial resources, will be allocated to meeting 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. Statement as to how the statutory body proposes to measure its performance in carrying out its responsibilities in the financial year.
2. Establish a mechanism for monitoring the implementation of the financial plan.
3. Keep proper books of accounts, its income and other receipts and expenditure.
4. Ensure that all moneys received are promptly and properly brought to account.
5. Ensure that 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.

# Table of Contents

CORPORATE INFORMATION .....	
About GIDC .....	
Registered Office .....	
Bankers .....	
Solicitors .....	
Auditor .....	
BOARD OF DIRECTORS .....	
CHAIRMAN’S STATEMENT .....	
MANAGEMENT TEAM .....	
STAFF.....	
Marketing & Promotion Department .....	
Business Development Department.....	
Investment Facilitation.....	
Finance & Corporate Services .....	
OVERVIEW OF THE BUSINESS OPERATING ENVIRONMENT .....	
Marketing & Promotion.....	
Investor Facilitation .....	
Business Development.....	
Industrial Estate .....	
Human Resource Management .....	
Finance & Corporate Services .....	
KEY DELIVERABLES FOR 2015.....	
FINANCIAL STATES	
Auditor’s Report .....	
Statement of Financial Position .....	
Statement of Comprehensive Income .....	
Statement of Cash Flow .....	
Notes to Financial Statements.....	
Schedule of Statement of Comprehensive Income .....	
Basis of Allocation.....	
Statement of Changes in Equity.....	

## LIST OF TABLES

Table 1: Investment Applications and Projects .....
Table 2: Vacant rentable space .....
Table 3: Capital Expenditure .....
Table 4: Training and Development .....
Table 5: Financial Highlights.....

## LIST OF FIGURES

Figure 1: GDP Growth Rate .....
Figure2: Sector Contribution to GDP .....
Figure 3: Inflation Rate .....
Figure 4: Investment Trends .....
Figure 5: FDI Inflow by Sector.....
Figure 6: Proposals Completed.....
Figure 7: Business Start Ups.....
Figure 8: Business Advice .....
Figure 9: Business Registration .....
Figure 10: Workshops and Trained Persons .....
Figure 11: Occupancy Trends.....
Figure 12: Job Creation.....
Figure 13: GIDC Organization Chart .....
Figure 14: Trends in Revenue and Expenditure .....

# **CORPORATE INFORMATION**

## **VISION**

To be a highly ranked investment promotion agency globally, exceeding the expectations of those we serve.

## **MISSION**

GIDC strives to contribute to Grenada's socio-economic development by:

1. Adopting a targeting approach in promoting investment opportunities,
2. Providing superior investor facilitation and entrepreneurial development services, and
3. Advocating for a supportive enabling environment for investors to develop and grow business, trade and industries.

## **OVERALL STRATEGIC GOAL**

To promote local and foreign investment, facilitate and strengthen entrepreneurial development within the growth sectors of Grenada's economy.

## *About the GIDC*

GIDC is a statutory body established by the Government of Grenada on March 1, 1985, through an Act of Parliament (CAP 130B of the Revised Laws of Grenada 2011 as amended) to stimulate, facilitate and encourage the establishment and development of industry. Its vision is to be a highly ranked investment promotion agency globally, exceeding the expectations of those we serve.

GIDC's affairs 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's corporate office is located at the Frequente Industrial Park. Its core business processes include:

- a) Image Building - to create Grenada image as a business friendly environment and GIDC's image as a professional result-driven entity;
- b) Investment Promotion - to market investment opportunities and generate new foreign and domestic investment projects;
- c) Investment Facilitation and Aftercare -to facilitate project establishment, retention and expansion;
- d) Business Development - to develop the capacity and competitiveness of local entrepreneurs;
- e) Advocacy – to create 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 sized 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 organizational culture.

# ***REGISTERED OFFICES***

## **REGISTERED OFFICE**

Frequente Industrial Park

Frequente

St. George's

## **BANKERS**

CIBC First Caribbean International Bank

Church Street, St. George's

## **SOLICITORS**

Grant Joseph & Co.

Lucas Street, St. George's

Joseph & Joseph

Lucas Street, St. George's

Kim George & Associates

H. A. Blaize Street, St. George's

Samuel Phillip & Associates

Lucas Street, St. George's

## **AUDITORS**

W. R. Agostini & Co

Chartered Certified Accountants

Archibald Avenue, St. George's

## BOARD OF DIRECTORS 2014

Ms. Leslie Ann Seon	Chairman
Mr. Gregory Renwick	Deputy Chairman
Mr. Carlton Frederick	Director
Mr. Nicholas Earle Brathwaite	Director
Ms. Isabelle Slinger	Director
Mr. Cyrus Griffith	Director
Mr. Junior Mahon	Director
Mrs. Michelle Steele	Director
Mr. Mark Wilson	Director
Mrs. Sonia Roden	Director/CEO
Mrs. Sharon Gilchrist	Corporate Secretary



# CHAIRMAN'S REPORT

In 2014, a key area of focus for the Board of Directors was the development and commencement of a strategy for organisational reform which it undertook by engaging in intensive specialist audits and evaluation of its operations, its mandate, and its human capital.

Indeed, 2014 was a challenging year for the GIDC. It was a year marked by strategic reform initiatives focused on addressing its human capital development capabilities; reviewing the elements required for a workplace to function effectively; undertaking initiatives aimed at raising Grenada's competitiveness as a preferred investment destination; and setting up a strategic framework to create an efficient business friendly environment.

Carrying forward from 2013, GIDC re-examined and reassessed its goals, objectives, strategies and key performance indicators that culminated with a Strategic Planning Session held in the second quarter of the year, in which the Board, Senior Management, Ministers of Government, and senior ranking Ministry Officials all participated alongside key partners and other stakeholders, critical to its operations.

Arising out of that important strategic planning session were several agreed strategic goals, which include:

- Manage the Agency like a business to achieve strategic intent
- Advocate changes in public policy to create an enabling environment
- Stimulate economic activity by facilitating expansion and diversification of investments
- Monitor and evaluate performance to remain relevant
- Develop systemic approach to human resource management and development

This Strategic Planning Process allowed GIDC to think critically about its context, by reviewing its institutional structure and effectiveness in line with global best practice for attracting economic investments and opportunities in small economies like Grenada.

At the request of Government, and with funding provided by the U.K. (DFID), the World Bank Group conducted an institutional assessment of GIDC during the third quarter of the year. By December 2014, the Board of Directors agreed in principle with the initial strategic recommendations that are at the core of strategic reform for GIDC beginning 2015.

At the conclusion of the exercise, it is clear that GIDC is more than an Investment Promotion Agency; it is an Economic Development Corporation. It has a broader mandate which requires amongst other things, the creation of strategic business units to work in a cross functional and matrixed manner. This now forms the quintessence of the future strategic reform of GIDC targeted for completion in 2015, the thirtieth year of its existence.

Despite the financial constraints of 2014, we have continued to decrease our dependency on Government funds by a second voluntary reduction in subvention of ECD200K, as was also done

in 2013. This is in keeping with our strategic goal to manage the Corporation like a business, and share in the national sacrifice, a necessary requisite under the structural adjustment programme.

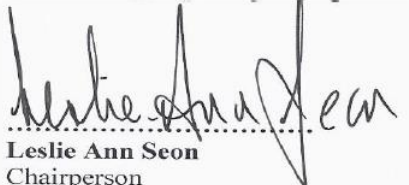
I am mindful that notwithstanding this year of challenge, reform, evaluation and assessment of our purpose, mission, and objective at every level of the organisation, the achievements recorded for GIDC during 2014 directly relate to the critical roles played in investment generation, investment facilitation, business support services and the management of its Industrial Estates. Some of these achievements include, but are not limited to:

- the facilitation of twenty two (22) foreign investment applications with a proposed investment total of approximately EC\$273.6 million;
- employment creation estimated at approximately two hundred and five (205) jobs;
- five (5) projects by foreign investors commenced operations in 2014 with a total actual investment upon commencement of operations of EC\$34.8 million and the creation of three hundred and seventy (370) new jobs;
- nine (9) domestic projects commenced operations with an actual investment of EC\$21,352,000, creating a total of 115 jobs;
- assistance to nineteen (19) small businesses to start up and upgrade their operations;
- 5% increase in occupancy within the industrial estates resulting in a 15% increase in employment being created within same.

I take this opportunity on behalf of the Board of Directors, Management and Staff to assure our clients and customers that we will continue to improve our services and processes to attract increased foreign and local investment; implement a programme for delivery of investor focused facilitation and aftercare service; expand opportunities for our small and medium enterprise (SME) businesses; diversify and augment revenue streams through a strategic development plan for our industrial park facilities; and, maximise our efforts and strategies to promoting an improved enabling environment for investment.

As GIDC approaches its 30<sup>th</sup> Anniversary on March 1<sup>st</sup> 2015, it does so with great optimism and confidence, that with an improved organisational structure and capacity through strategic reforms and institutional strengthening, we can effectively contribute to the economic development and growth of Grenada.

May I express my appreciation to the Honourable Minister of Finance and the Ministry of Finance for their continuing support of GIDC initiatives, the Board of Directors for their unwavering commitment to this pursuit of excellence through strategic reform, and to the hardworking management and staff for their dedication and commitment throughout 2014.



Leslie Ann Seon  
Chairperson



## MANAGEMENT TEAM 2014

Mrs. Sonia Roden	Chief Executive Officer
Mr. Ronald Theodore	Vice President Marketing and Promotion
Ms. Khesha Mitchell	Vice President Business Development
Mrs. Sharon Penny	Vice President Finance and Corporate Services
Mr. Whyne Cox	Vice President Investment Facilitation

# EMPLOYEES AT THE START OF 2014

## Promotion & Marketing Department

1. Cathyann Alexander-Pierre - Promotion & Marketing Specialist
2. Janelle Collins - Technical Assistant

## Business Development Department

3. Beverly Alexander - Technical Assistant
4. Katelyn Allard-Brathwaite - Business Development Specialist
5. Jeanelle Murray-Noel - Business Development Training Specialist
6. Kwesi Roberts - Business Development Specialist
7. Natalie Ruffin - Business Development Sector Specialist
8. Kent Victor - Business Development Sector Specialist

## Investment Facilitation

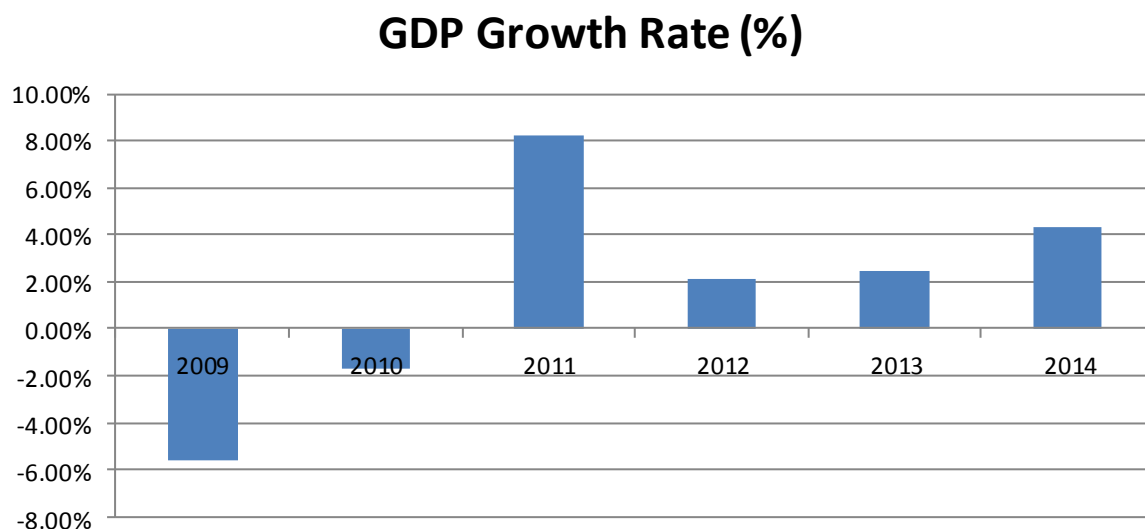
9. Aphra Charles - Technical Assistant
10. Clifford Lalsee - Facilities Specialist
11. Sheryl Anne Sylvester - Facilitation Specialist

## Finance and Corporate Services

12. Nathale Clarke-Lewis - Project Management Specialist
13. Adisa Alexis - Information Specialist
14. Veronica Andrew - Accounting Specialist
15. Jacinta Lewis - Technical Assistant - Administration
16. Sharon Gilchrist - Corporate Secretary/Executive Assistant
17. Tracey Howell - Technical Assistant - Information
18. Renata Blair - Customer Service Representative
19. Jacintha Livingstone - Office Attendant
20. Raymond Joseph - Courier

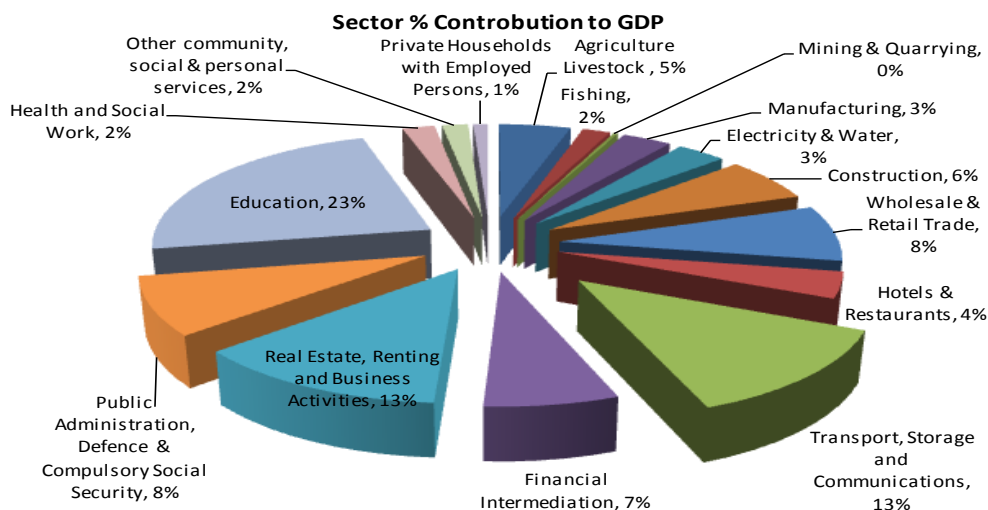
# OVERVIEW OF THE BUSINESS OPERATING ENVIRONMENT IN 2014

During 2014, the economy's Gross Domestic Product (GDP) growth rate increased by 4.32% compared with a growth of 2.42% in 2013.



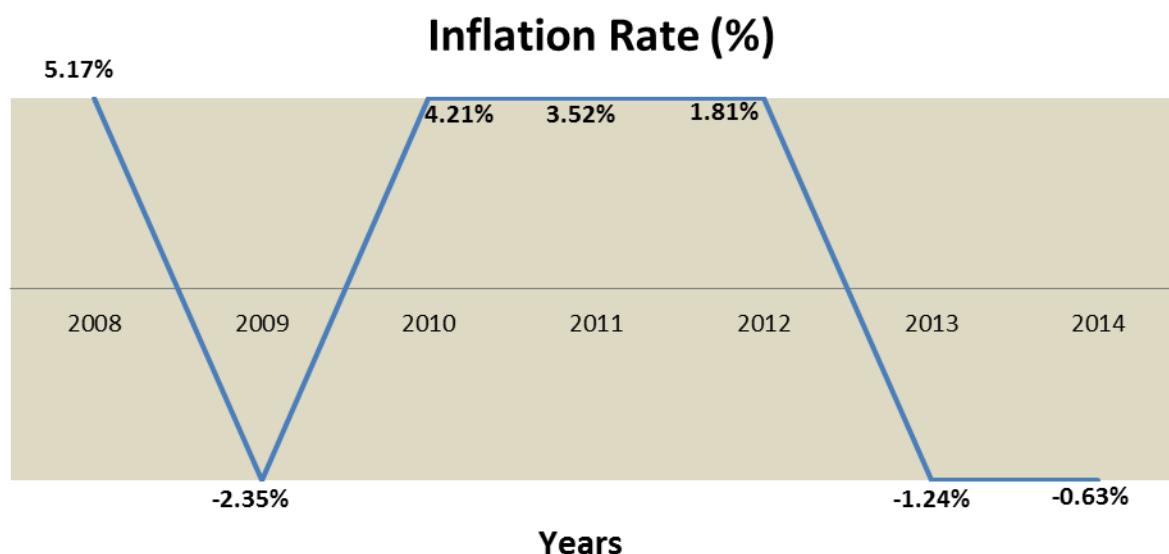
*Figure 1: GDP Growth Rate in current prices*

The largest contributing sectors to the economy were Education (22.71%), Real Estate, Renting and Business Activities (12.72%) and Transport and Communication (12.61%).



*Figure 2: Sector Contribution to GDP*

Unemployment remained high at 29.5%, however this figure decreased from 33.5% in 2013. Inflation increased slightly by 0.61% in 2014, moving from -1.24% in 2012 to -0.63% in 2013.



*Figure 3: Inflation Rate*

## Investment Trends

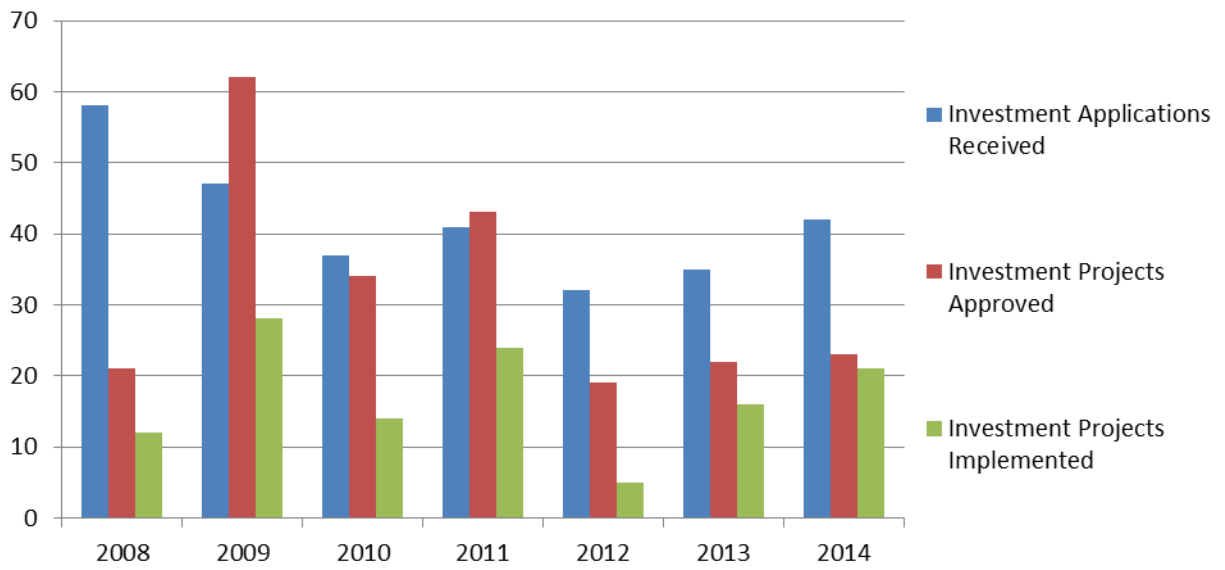
A total of forty-two (42) applications requesting incentive support for investment projects were received by GIDC in 2014, an increase of twenty percent (20%) over 2013. A total of twenty-three (23) projects were facilitated and received approval for incentive support during the year, a five percent (5%) increase from 2013. Fourteen (14) projects commenced operations for the year creating a total of four hundred and eighty-five jobs (485) a ninety-six percent (96%) increase from 2013.

## Investment Applications and Projects

Indicators	2009	2010	2012	2013	2014
Investment Applications Received	47	37	32	35	42
Investment Projects Approved	62	34	19	22	23
Investment Projects Implemented	28	14	5	16	21
Investment Projects Commencing Operation	34	22	8	26	14
Foreign Capital Inflow (\$M)	280.90	171.24	85	110	79.5
Jobs Created	174	333	257	248	485

*Table 1: Showing Investment Applications and Projects*

The following graph represents the investment trends:



*Figure 4: Investment Trends*



# *Marketing and Promotion*

## **Image Building**

### Promotional Material

GIDC developed several promotional materials to include brochures, fact sheets, and 2015 calendars which featured the Information Communication Technology sector. Flash drives and CDs with investment data were also produced. Print advertisements were placed in several magazines and newspapers to include the Caribbean Tourism Investment Guide, Rotary District Conference Book, and the Spice Map 2014-2015 Issue.

## **Website**

The GIDC website received 280,034 visits and 2,301,424 hits in 2014. The top five (5) geographic locations of these visitors were China, USA, Australia, Canada and Germany. One hundred and nineteen (119) investment inquiries were generated from the website.

## **Investor Generation**

### Conferences Attended

Presentations on Grenada as a potential investment location were made to the membership of the Istanbul Chamber of Commerce in Turkey, potential investors at the conference dubbed “Looking for New Opportunities for Trade and Investment, Mexico and the Caribbean” in Mexico, and to potential investors at the Talking Business-Caribbean conference in Geneva. These events allowed for the promotion of Grenada as an ideal investment location, highlighting investment opportunities and a channel for the dissemination of information on doing business in Grenada.

### Outreach Seminar

GIDC made a presentation on “Opportunities within Grenada’s Emerging and Growth Sectors” in Grenville, St. Andrew’s to secondary school students on behalf of the Rotary Club.

### Opportunity Profiles

In keeping with the grant assistance received from Compete Caribbean for the development of the agribusiness sector, work commenced on the development of two opportunity profiles for projects within the sector. One for the establishment of a soap and candle making enterprise utilizing Grenadian inputs, for export to the USA, Canada and the Caribbean and the other, the establishment of a packing house for the consolidation and export of selected Grenadian agricultural produce, fruits and vegetables to the USA, Canada, the EU and neighbouring Caribbean islands.

#### *Inward Investment Missions Facilitated*

A total of five (5) investment missions from Canada, China, St. Lucia and Russia were facilitated during the year. The missions were held to explore investment opportunities in Grenada.

#### *Investment Leads*

A total of fifty-six (56) investment leads were generated during the period from which three (3) applications for incentives were received.

## *Investor Facilitation*

### **Investment Approval/Consents**

During the period, GIDC processed a total of forty-two (42) investment applications, twenty-two (22) of which were foreign investors and twenty (20), local investors. Of this amount, twenty (20) were from the manufacturing sector, eleven (11) tourism, one (1) agro processing, two (2) from the fishing industry and eight (8) in the service industry.

### **Foreign Direct Investment (FDI)**

From the twenty-two (22) foreign investment applications received, six (6) were within the manufacturing sector, nine (9) within tourism and seven (7) from within the services sector. The overall proposed investment for the FDI projects was EC\$273,682,205 with an estimated employment of two hundred and five (205) jobs.

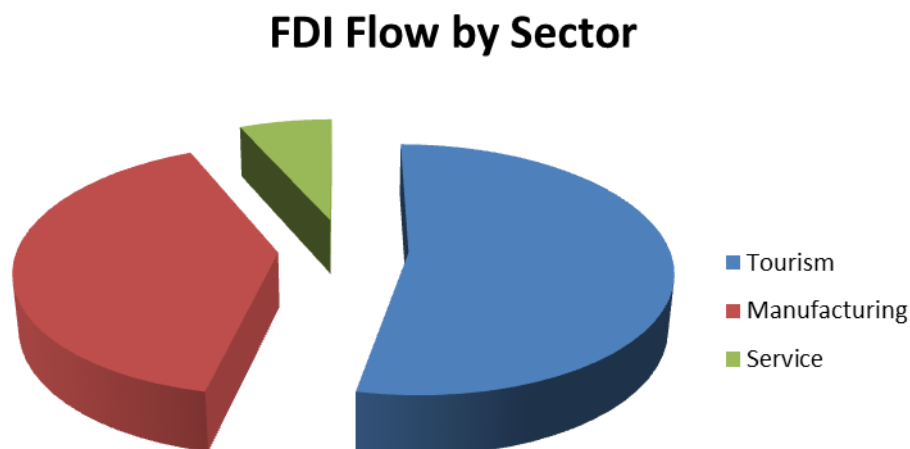
### **Investment Start Up**

A total of five (5) foreign projects commenced operations in 2014 which represents a twenty percent (20%) decrease from 2013. The actual investment realized at the commencement of operations was EC\$34,835,984 creating a total of three hundred and seventy (370) jobs.

### **Project Implementation**

A total of ten (10) foreign projects were implemented, with an estimated investment of EC\$207,153,745 to create a total of seven hundred and seventy-three (773) jobs.

### **Source of FDI**



*Figure 5: Pie Chart showing FDI Inflow by sector*

### **Domestic Investment**

A total of twenty (20) applications for investment incentives were received from domestic investors during 2014. Of the twenty (20) applications received, eleven (11) were within the manufacturing sector, one (1) within tourism, two (2) fishing, one (1) agro-processing and five (5) from within the services industry.

Investment incentives were granted to a total twelve (12) domestic investors, seven (7) from 2014 and five (5) from 2013. Of the twelve (12) applications granted incentives, five (5) were within the manufacturing sector, three (3) within tourism, one (1) in agro-processing and three (3) from within the service sector. The overall proposed investment of these projects was EC\$41,279,094 to create a total of one hundred and thirty (130) jobs.

### **Project Implementation**

A total of eleven (11) domestic projects were implemented during 2014:

- i. Seven (7) were received in 2014 and four (4) from prior years. Three (3) were in the manufacturing sector, three (3) in services and five (5) within the tourism sector.
- ii. Proposed investment for the projects implemented was EC\$55,159,176.
- iii. Proposed employment for the projects implemented was one hundred and eighteen (118) persons.

### **Investment Start Up**

A total of nine (9) domestic projects commenced operations during 2014.

- i. Six (6) were received in 2014 and three (3) from prior years. Four (4) operating in the manufacturing sector, two (2) tourism, one (1) ITC and two (2) within the services sector.
- ii. The proposed investment for projects commencing operation was EC\$55,364,631, creating a total of 158 jobs
- iii. Actual investment realized upon commencement of operation was EC\$21,352,000, creating a total of 115 jobs.

# *Business Development*

## **Enabling Environment**

### *Facilitation of Small Business Act*

Developed recommendation paper for the enactment of Grenada's Small Business Act and submitted same to the Ministry of Legal Affairs based on recommendations that emanated from a consultation held with stakeholders in April, 2014.

### *Internship Agreement with SGU*

Developed a proposal to partner with the St. George's University to implement an Internship programme with students undertaking their Bachelors and Master's Degree in the areas of Business Administration, Finance, Marketing and International Business/Marketing. This partnership seek to enhance the capacity of GIDC to undertake specialized projects and allow the students to apply what would they would have learnt. The proposal was provisionally accepted by the University.

## **Projects Implemented**

### *Agribusiness*

**Implementation of the Project- Increase in the Value Added Capacity of the Agri-Business sector funded by Compete Caribbean. Under this project, the following were accomplished:**

1. Assessed the export potential, sectorial capability, niche investment and trade opportunities of the Agri-Business sector;
2. Identified key drivers and critical success including recommendations on the institutional, legislative framework, physical and non-physical infrastructure required including marketing and compliance standards for the development of the sector;
3. Prepared the Incentive framework/regime aligned with international best standards required to support the niche opportunities identified;
4. Identified policy recommendations to develop the sector.

### **Implementation of the project-Increasing the Value Added to Nutmeg in Grenada funded by CDB Caribbean Aid for Trade and Regional Trust Fund (CARTFund)**

The main objective of this project is to increase the production and export of value added nutmeg products specifically utilizing the nutmeg pericarp/pod through the establishment of a cluster including agro-processors. One of the key deliverables of this project is to train the cluster to produce and export value added products from recipes and formulations developed under the project. During 2014, the following primary milestones were accomplished:

1. Contracted three (3) Consultants to deliver major deliverables under the project- a Project/Nutmeg Cluster Coordinator, Business Development Consultant and a Product Development Consultant;
2. Established a cluster including twenty-one (21) agro-processors with five (5) youths. The agro-processors which form the productive arm of the cluster were registered as a Co-operative;

3. Established a Project Steering Committee consisting of various business support organizations including the GIDC, the Grenada Bureau of Standards, Grenada Co-operative Nutmeg Association, the Produce Chemist Laboratory, Ministries of Trade, Social Development and Agriculture and the Chamber of Industry and Commerce to provide project oversight;
4. Held various sensitisation workshops on the possible range of value-added food products that could be produced from the nutmeg as well as the market demand for these products;
5. Developed Business Model and Business Plan to guide the operations of the cluster;
6. Developed three (3) Business Expansion Plans for three Growth Stage Enterprises;
7. Commenced the upgrade of The Produce Chemist Laboratory to facilitate the testing and production of products from recipes and formulations developed under the project and procured fruits, packaging materials, other ingredients and equipment to facilitate same.

**Implementation of the OAS funded Craft Enhancement and Business Planning Project (Collaboration with the Grenada Tourism Authority, Ministry of Trade and Bureau of Standards)**

Coordinated training in Product Development for twenty one (21) existing craft artisans. One to one coaching and mentoring were also provided to each artisan. New sketches and technical specifications were also developed.

**Implementation of the Technical Assistance Programme for SMEs under the Caricom Development Fund Country Assistance Program (Collaboration with the Grenada Development Bank)**

Prepared fifteen (15) business plans under this project and submitted to the Grenada Development Bank for SMEs to access funding. GIDC's role under this project is to prepare business plans for thirty (30) existing export oriented businesses and assist twenty five (25) with implementation by September 2015. At least sixty (60) existing SMEs must also be trained in business principles. By December, 2014, 139 were trained.

**CARILED-Caribbean Local Economic Development Project (Component assisting SMEs in Carriacou to access training and business support as SMEs in Grenada)**

In partnership with the Business Resource Centre Carriacou, GIDC facilitated the establishment of an "ICT Bridge"/virtual ICT connectivity between the two institutions. GIDC also assisted with the design of that component of the project, the procurement of equipment to ensure compatibility between the institutions and supported set-up. To date, twenty six (26) SMEs have utilized the system for training and meetings.

**MAREP-Market Access and Entrepreneurial Development component**

Trained seven (7) potential Business Development Officers in various aspects of business development and entrepreneurship, recruited and assigned three (3) Business Development Officers to MAREP Programme Management Unit Sauteurs, St. Patrick; Facilitated a workshop on "Enhancing the Capacity of twenty (20) MAREP Staff."

### Provision of Business Support Services

1. Prepared forty-two (42) business plans and proposals to assist SMEs to access financing as follows:
  - i. Forty (40) business plans-which included the business summary, marketing strategies summary, management summary and the development of break-even analysis and financial statements;
  - ii. Two (2) proposals were prepared on behalf of SMEs to access a reimbursable grant from Caribbean Export in the amount of EC\$30,000.

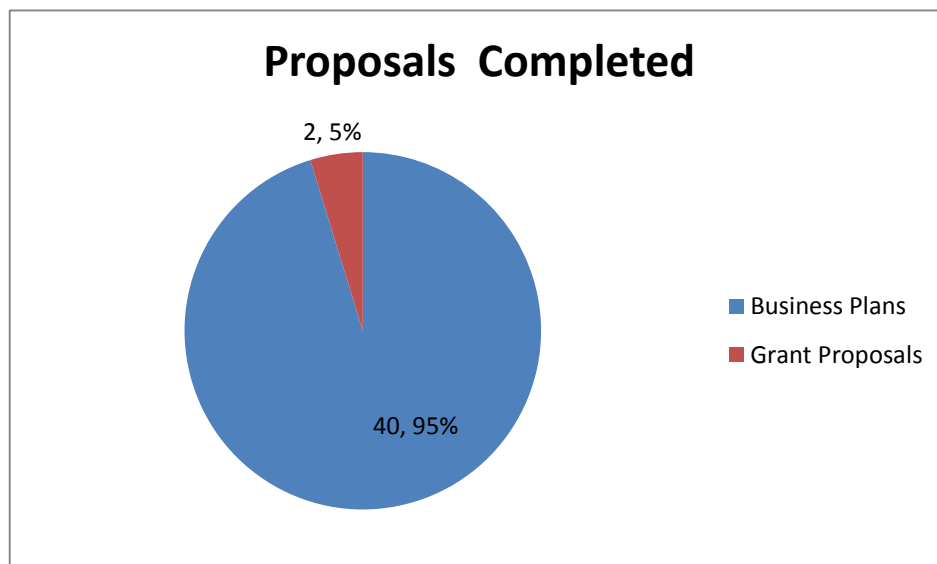


Figure 6: Pie Chart showing proposals completed

2. Assisted nineteen (19) businesses to start and upgrade their operation;

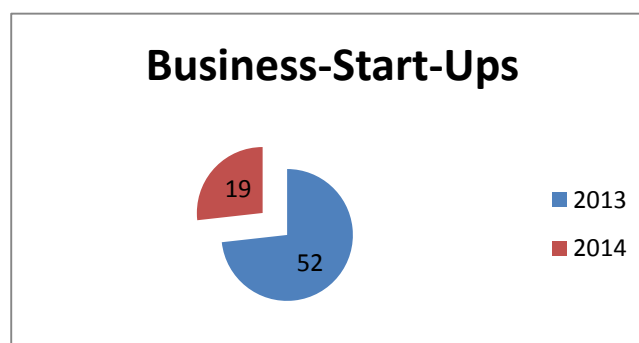


Figure 7: Pie Chart showing business start ups

3. Provided business advice and consultation to ninety six (96) businesses on starting and expanding their business in the areas of feasibility of the business idea, marketing the business, sourcing financing; etc.

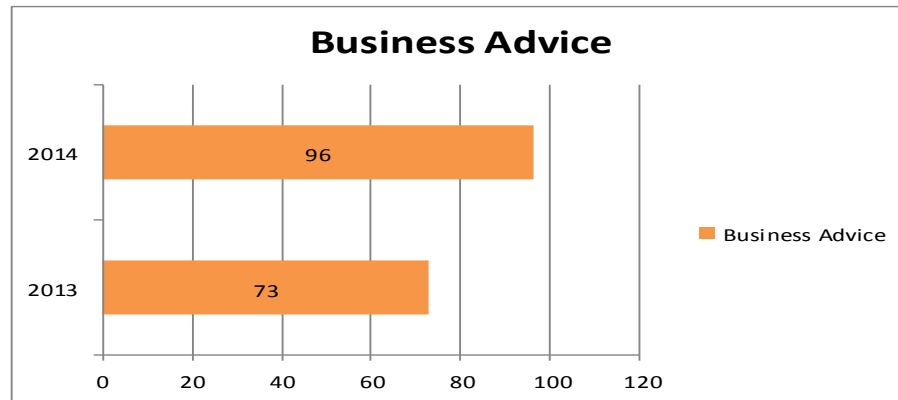


Figure 8: Bar graph showing business advice

4. Assisted eighty nine (89) sole proprietorships, partnerships and non-profit organisations to prepare letters of application, statement of particulars and articles of incorporation to register their business name.

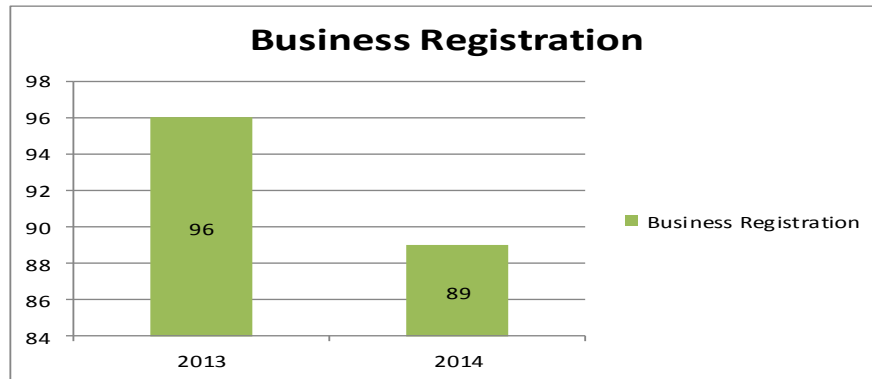


Figure 9: Bar graph showing business registration

5. Coordinated and delivered eighteen (18) training workshops and small business forums of which three hundred and forty-one (341) persons participated.



Figure 10: Bar graph showing workshop held and persons trained



# Industrial Estate

## Occupancy

During the year, the average percentage occupancy of the Industrial Estates was eighty-nine percent (89%) as compared to eighty-four percent (84%) in 2013.

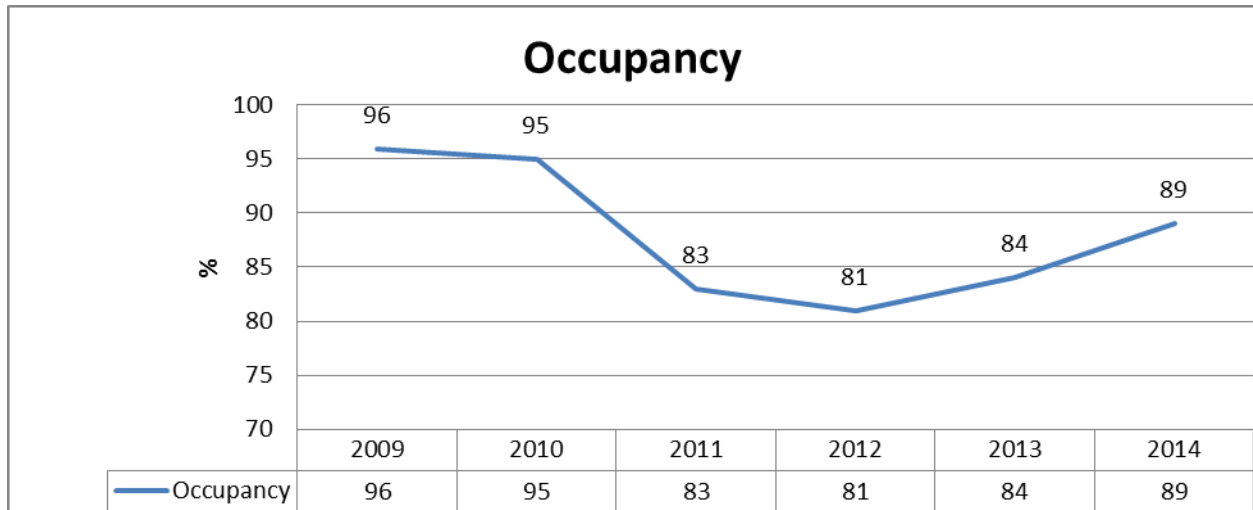


Figure 11: Occupancy Trends

## Job creation

Employment under the Industrial Estate programme was recorded at one thousand and sixty-eight (1,068) persons in 2014 a fifteen (15%) increase from 2013. Details are depicted in the pie chart below:

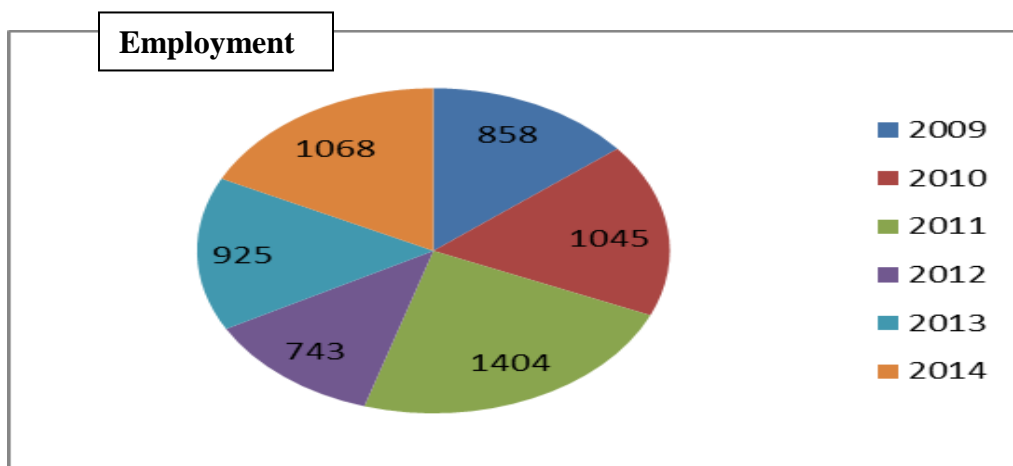


Figure 12: Industrial Estates Job Creation

### Vacant Space

Six (6) new tenants joined the Industrial Estates in 2014; five (5) at the Frequente Industrial Park namely Spice Isle Coffee, Ali Baptiste (Seafood Burgers), David Ganpot, Alvin Dabreo, Clear Harbor (Expansion project) and one (1) at the Seamoons Industrial Park, Fresh Start.

#### *Vacant rentable space as of December 2014:*

Location	Building #	Area (sq.ft.)
Frequente	10D	924
	11D	1,842
	11B3	1,134
Seamoons	Admin	2,000
	1A1	3,520
St. Patrick	Units 4	167
	Unit 6	167
	Unit 7	167
<b>Total</b>		<b>9,921</b>

*Table 2: Vacant Space at the Industrial Estates*

### Earnings

Total billings for the period were EC\$3,702,043 and total collections, EC\$3,318,387.

### Expenditure

EC\$794,946.00 was spent under the Industrial Estates Programme of which EC\$1,537,284.62 was spent on major works to refurbish and maintain facilities as depicted below:

CAPITAL WORKS	Actual
Road works and car parks	\$ 116,769.09
Building 12 upgrade to facilitate Clear Harbor upgrade expansion	\$ 1,227,646.03
Replacement of roof on building 15&17	\$ 59,998.00
Replace metal cladding on buildings 4 with concrete blocks	\$ 105,873.00
Install new fascia board, guttering & down pipes bldg.4	\$ 26,998.00
St Patrick's Repairs	\$ 52,706.50
<b>Total</b>	<b>\$1,537,284.62</b>

*Table 3: Showing Industrial Estates Capital Expenditure*

# Human Resource Management

## Personnel

Three (3) new employees were hired during 2014: Khadijah Edwards – Facilitation Specialist, Keron Noel - Information Systems and Technology Specialist and Kurt Hercules - Research & Facilitation Specialist.

The count was reduced by six (6) employees during 2014: Adisa Alexis - January, Jeanelle Murray Noel - February, Khadijah Edwards - June, Kent Victor - August, Sonia Roden - September and Raymond Joseph - December. The total number of employees at the end of 2014 was twenty-two (22) persons, of which four were Managers. The organisational chart is depicted below:

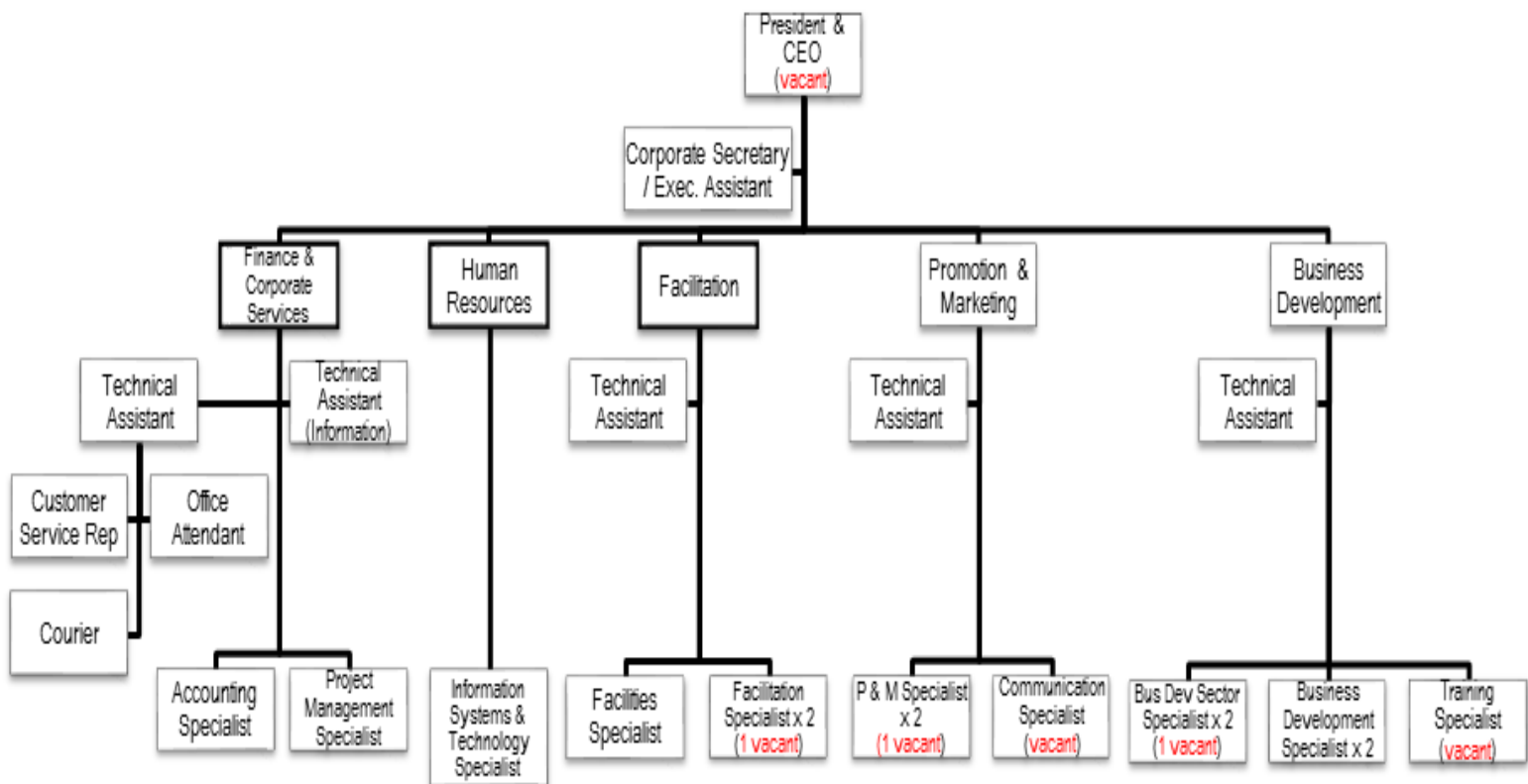


Figure 13: GIDC's Organisation Chart

Joachim & Associates was contracted to facilitate GIDC's Strategic Planning Session which took place on May 24, 2014 and involved its Board of Director and stakeholders. The main objectives were to provide GIDC with a roadmap, connect GIDC outputs to the national economic development plan for Grenada, provide background and context for communications with Ministries, picture the GIDC in the future, and develop strategic goals.

One of the outcomes of the Strategic Planning Session was the need for GIDC to align human capital and strategy through human resources initiatives that will improve overall function and create a competitive business environment.

A Human Resource Consultant began work in July 2014 to assess the organisational design and its ability to achieve the overall goals of the Corporation as well as to develop and implement best-practices for Human Resource Management (HRM) and Human Resource Development (HRM). The work is continuing in 2015 as a result of the assessment of the institutional framework which started in November 2014.

### Training and Development

The employees at the GIDC were provided with the opportunity to attend a number of workshops, seminars, meetings and conferences as outlined in the table below:

<b>Workshop/Seminar/Meeting/Conference</b>	<b>Date</b>	<b>Employee(s)</b>
Creativity for Employment & Business Opportunity Partnership	13 March	K. Brathwaite B. Alexander
Official Launch of the ICT Bridge	13 March	K. Roberts
Training Programme on the Labour Market Information System	18 March	C. Pierre
Labour Market Needs Assessment	30 April	C. Pierre
Regional Workshop “Fostering The Green FDI Opportunity in Latin America & The Caribbean (Colombia)	6-8 May	R. Theodore
WAIPA World Investment Conference (Turkey)	12-16 May	R. Theodore
Caribbean Technological Consultancy Services Network Stakeholders Consultation (Guyana)	26-28 May	K. Brathwaite
Regional Consultation on Market Intelligence & Regional Export Strategy Development (Barbados)	5-6 June	K. Roberts
Customer Service Excellence Training	13 June	R. Blair
Gender Mainstreaming in Caribbean Trade Policies & Programmes- Promoting Gender equality for improved Trade & Development (Barbados)	16-19 June	K. Victor S. Fletcher
3rd Annual Caribbean Valuation and Construction Conference “Managing Risks in Real Estate and Construction.”(Barbados)	21 - 22 October	W. Cox
Tools for Mobilising Renewable Energy in the Caribbean	02 December	W. Cox
Revised Labour Code	05 December	M. Mc Donald C. Pierre J. Lewis

*Table 4: Training and Development*

## Finance and Corporate Services

Ninety percent (90%) of receivables were collected for the period. Operating revenue was recorded as EC\$4,365,186 while bad debts were recorded at EC\$85,375. The total net surplus for 2014 was EC\$433,981. The financial highlights are shown below:

Key Indicators	2009	2010	2011	2012	2013	2014
Operating Income	2,730,500	2,918,979	3,624,872	4,074,145	4,358,890	4,365,186
Operating Expenditure	1,729,092	1,757,993	1,882,553	2,088,549	2,252,814	2,603,810
Gross Operating Surplus	(1,001,408)	(1,160,986)	(1,742,319)	1,985,596	2,106,076	1,761,376
General & Admin. Expense	1,744,856	1,792,347	2,181,159	2,173,429	2,092,138	1,895,040
Surplus/ Deficit	(743,448)	(631,361)	(438,840)	(187,833)	13,938	(133,664)
Revenue Grants	946,145	868,228	790,311	815,682	767,645	567,645
Net Surplus/ Deficit	202,697	236,867	351,471	627,849	781,583	433,981

Table 5: Financial Highlights

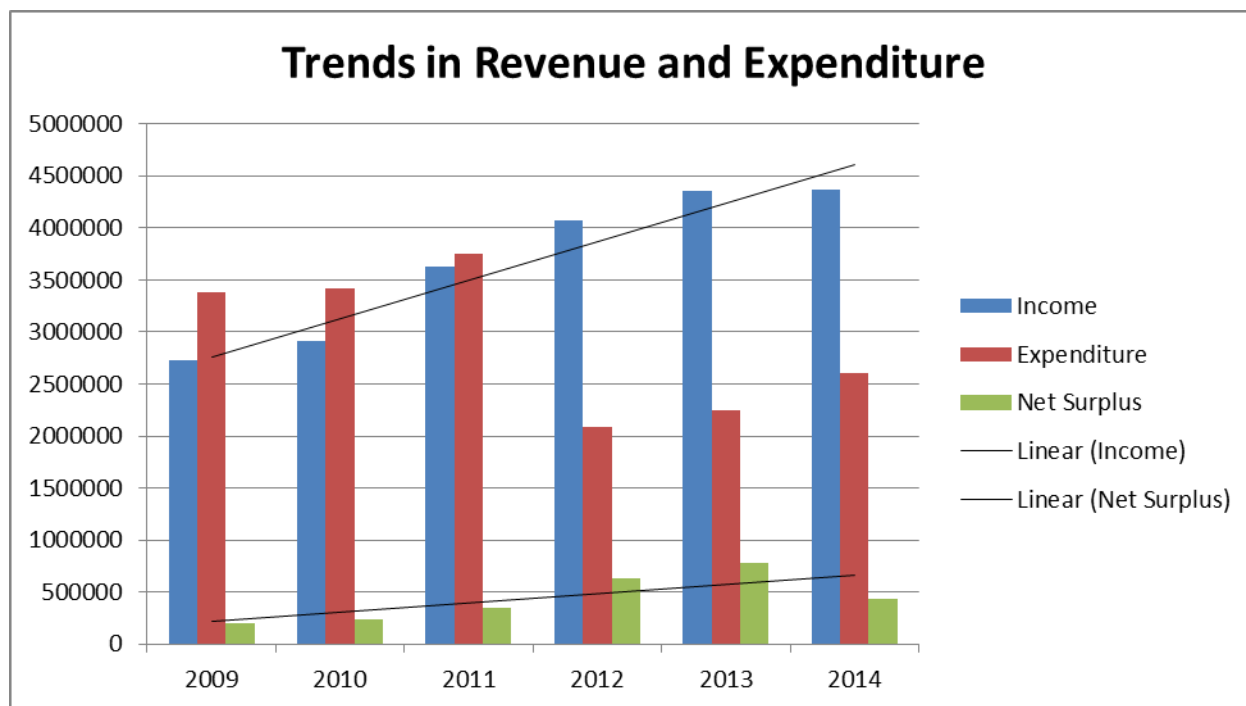


Figure 14: Bar Chart showing Trends in revenue and Expenditure

## KEY EXPECTED OUTCOMES FOR 2015

Major expected outcomes for the year 2015 include:

1. More favourable perception of Grenada as an attractive investment location and of GIDC as a results driven organisation.
2. Increase in GIDC's capacity and core competencies to promote and facilitate private sector investment activities.
3. 30% increase in the number of investor site visits.
4. Foreign direct investment interest in at least two investment projects to create at least 200 jobs.
5. Improved inquiry handling procedures and internal operational efficiencies leading to strengthened capacity for providing services required by GIDC's clients.
6. Improved enabling environment that supports international competitiveness and SME development.
7. At least 15 SMEs commencing operations and at least 175 potential entrepreneurs trained in entrepreneurial development.
8. Diversified revenue stream and increased surplus of 15%.

# **GRENADA INDUSTRIAL DEVELOPMENT CORPORATION**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

# **GRENADA INDUSTRIAL DEVELOPMENT CORPORATION**

## **Financial Statements**

For the Year Ended December 31, 2014

### **CONTENTS**

	Page
Auditors' Report .....	28
Statement of Financial Position .....	30
Statement of Comprehensive Income .....	31
Statement of Changes in Equity .....	42
Statement of Cash Flow .....	32
Notes to Financial Statements .....	33
Additional Information .....	41



## Report of the Auditors to the Board of Directors

### **Grenada Industrial Development Corporation**

We have audited the accompanying financial statements of Grenada Industrial Development Corporation, which comprise the statement of financial position as at 31 December 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 judgement, 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.

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

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

***Opinion***

In our opinion, the financial statements present fairly, in all material respects, the financial position of the corporation as at 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance 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 14 to 19 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.

St. George's, Grenada.  
11 March, 2015.



.....

Chartered Certified Accountants.

# GRENADA INDUSTRIAL DEVELOPMENT CORPORATION

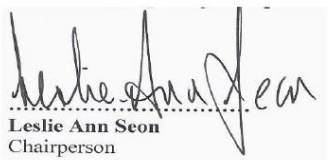
Statement of Financial Position at December 31, 2014

(With comparative figures for 2013)

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
<b><u>ASSETS</u></b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	\$ 2,306,626	2,157,868
Accounts receivable & prepayments	4	<u>220,032</u>	<u>289,977</u>
<b>Total current assets</b>		<b>2,526,658</b>	<b>2,447,845</b>
<b>Property, plant and equipment</b>	5	<u>75,192,951</u>	<u>38,117,154</u>
<b>Total assets</b>		<b><u>\$77,719,609</u></b>	<b><u>40,564,999</u></b>
<b>Financed By:</b>			
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Current Liabilities</b>			
Accounts payable & accrued charges	6	\$ 563,913	496,720
Current portion of long term debt	7	<u>1,400,049</u>	<u>343,246</u>
<b>Total current liabilities</b>		<b><u>1,963,962</u></b>	<b><u>839,966</u></b>
<b>Net Long Term Debt</b>	7	<b><u>5,448,436</u></b>	<b><u>5,882,381</u></b>
<b>Corporation's Equity</b>			
Government's contribution		24,563,160	24,383,607
Appraisal surplus		44,001,851	8,139,681
Deferred capital grant		189,465	200,610
Accumulated surplus		<u>1,552,735</u>	<u>1,118,754</u>
<b>Net equity (Page 6)</b>		<b><u>70,307,211</u></b>	<b><u>33,842,652</u></b>
<b>Total liabilities and equity</b>		<b><u>\$77,719,609</u></b>	<b><u>40,564,999</u></b>

See accompanying notes which form an integral part of these financial statements.

Approved on behalf of the Board:

  
 .....  
 Leslie Ann Seon  
 Chairperson

  
 ..... Director

**GRENADA INDUSTRIAL DEVELOPMENT CORPORATION**

Statement of Comprehensive Income  
For the Year Ended December 31, 2014  
(With comparative figures for 2013)

	<u><b>2014</b></u>	<u><b>2013</b></u>
<b>Income</b>		
Factory rental (Schedule 1)	\$3,702,043	3,692,409
Other income (Schedule 2)	<u>663,143</u>	<u>666,481</u>
<b>Total income</b>	<b>4,365,186</b>	<b>4,358,890</b>
Less direct expenditure (Page 17)	<u>2,603,810</u>	<u>2,252,814</u>
Gross operating surplus	1,761,376	2,106,076
Less general & administrative expenses (Page 18)	<u>1,895,040</u>	<u>2,092,138</u>
Net operating surplus/(deficit) before revenue grants	(133,664)	13,938
Revenue grants (Schedule 3)	<u>567,645</u>	<u>767,645</u>
<b>Net surplus for the year</b>	<b>\$ <u>433,981</u></b>	<b><u>781,583</u></b>

See accompanying notes which form an integral part of these financial statements.

**GRENADA INDUSTRIAL DEVELOPMENT CORPORATION**

Statement of Cash Flow

For the year ended December 31, 2014

(With comparative figures for 2013)

<b>OPERATING ACTIVITIES</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Net surplus for the year	\$ 433,981	781,583
Add non-cash charges - depreciation	263,273	612,638
(Gain)/loss on disposal of property, plant & equipment	-	-
(Increase)/Decrease in accounts receivable & prepayments	69,945	(127,297)
Increase (Decrease) in accounts payable & accrued charges	<u>67,193</u>	<u>(34,377)</u>
<b>Net cash flow from operations</b>	<b><u>834,392</u></b>	<b><u>1,232,547</u></b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from the sale of property, plant & equipment	-	-
Purchase of property, plant & equipment	<u>(1,476,900)</u>	<u>(2,750,231)</u>
<b>Net cash flow from investing activities</b>	<b><u>(1,476,900)</u></b>	<b><u>(2,750,231)</u></b>
<b>FINANCING ACTIVITIES</b>		
Government contribution received	179,553	2,720,072
Long term loan received	1,000,000	-
Loan repayments	(377,142)	(359,112)
Decrease in deferred capital grant	<u>(11,145)</u>	<u>(11,145)</u>
<b>Net cash flow from financing activities</b>	<b><u>791,266</u></b>	<b><u>2,349,815</u></b>
Net increase in cash and cash equivalents	148,758	832,131
Cash and cash equivalents at beginning of year	<u>2,157,868</u>	<u>1,325,737</u>
<b>Cash and cash equivalents at end of year (Note 3)</b>	<b><u>\$2,306,626</u></b>	<b><u>2,157,868</u></b>

See accompanying notes which form an integral part of these financial statements.

# **GRENADA INDUSTRIAL DEVELOPMENT CORPORATION**

Notes to Financial Statements - December 31, 2014

## **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 23 persons on a permanent basis and 2 temporary workers (2013: 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.

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.

## **GRENADA INDUSTRIAL DEVELOPMENT CORPORATION**

Notes to Financial Statements - December 31, 2014

### **2. SIGNIFICANT ACCOUNTING POLICIES - Continued**

(d) Estimates:

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.

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 comprehensive income 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.

**GRENADA INDUSTRIAL DEVELOPMENT CORPORATION**

Notes to Financial Statements - December 31, 2014

(Continued)

<b><u>3. CASH AND CASH EQUIVALENTS</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Petty Cash	\$ 400	400
Term deposit	1,031,500	1,000,000
First Caribbean International Bank - Current account	826,780	772,301
- Project account	7,365	52,616
Grenada Co-operative Bank - Savings account	294,810	285,706
- Current account	<u>145,771</u>	<u>46,845</u>
<b>Total</b>	<b><u>\$2,306,626</u></b>	<b><u>2,157,868</u></b>

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, while the interest on the term deposit is 3.15% per annum.

<b><u>4. ACCOUNTS RECEIVABLE &amp; PREPAYMENTS</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Amounts due from tenants	\$740,406	1,293,188
Less: Provision for doubtful debts	<u>648,141</u>	<u>1,100,976</u>
	<u>92,265</u>	<u>192,212</u>
Other accounts receivable and prepayments	132,679	105,209
Less provision for doubtful debts	<u>4,912</u>	<u>7,444</u>
	<u>127,767</u>	<u>97,765</u>
<b>Total</b>	<b><u>\$220,032</u></b>	<b><u>289,977</u></b>

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 comprehensive income.



**GRENADA INDUSTRIAL DEVELOPMENT CORPORATION**  
Notes to Financial Statements - December 31, 2014  
(Continued)

**5. PROPERTY, PLANT AND EQUIPMENT** - Continued

- (i) The Corporation's lands and buildings at Frequente, Seagoon and St. Patrick were valued by the qualified engineering firm of Latitudes Consult in October 2014. This valuation resulted in an appraisal surplus of \$35,862,170 which is included in these financial statements. A previous valuation was conducted in May 2004 by the qualified engineering firm of Joseph John and Associates Limited. This valuation covered only the properties at Frequente and Seagoon and the values did not vary much from the previous valuation done in May 2002. Accordingly, no appraisal adjustments were made for the 2004 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 \$31,137,064.
- (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.

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 comprehensive income. 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**

	<b><u>2014</u></b>	<b><u>2013</u></b>
Advanced rentals & security deposits	\$394,894	407,190
Other payables, accruals and provisions	<u>169,019</u>	<u>89,530</u>
<b>Total</b>	<b><u>\$563,913</u></b>	<b><u>496,720</u></b>

# GRENADA INDUSTRIAL DEVELOPMENT CORPORATION

Notes to Financial Statements - December 31, 2014

(Continued)

<b>7. <u>LONG TERM DEBT</u></b>	<b>Total</b>	<b>Total Balance</b>	<b>Due within</b>	<b>Net Long Term</b>	
	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>one year</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Caribbean Development Bank					
2% Loan (Note i)	\$2,185,039	2,058,370	126,669	1,931,701	2,058,370
Grenada Development Bank					
Loan #1 (Note ii)	63,464	47,060	17,724	29,336	43,476
Loan #2 (Note iii)	100,683	77,035	24,269	52,766	77,733
Loan #3 (Note iv)	254,097	214,374	45,600	168,774	223,658
First Caribbean Int'l Bank (Note v)	3,622,344	3,451,646	185,787	3,265,859	3,479,144
Grenada Cooperative Bank	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$6,225,627</u></b>	<b><u>6,848,485</u></b>	<b><u>1,400,049</u></b>	<b><u>5,448,436</u></b>	<b><u>5,882,381</u></b>
<b>(2013</b>	<b><u>6,225,627</u></b>		<b><u>343,246</u></b>		

- (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) This loan is secured by term deposit of \$1,000,000. The loan was taken to refurbish building #12 at Frequent Industrial Park and is repayable within a period of six months. Interest is payable at the rate of 7% per annum.

**GRENADA INDUSTRIAL DEVELOPMENT CORPORATION**  
Notes to Financial Statements - December 31, 2014  
(Continued)

**8. CAPITAL COMMITMENT**

At the statement of financial position date, the Corporation had the following outstanding capital commitments, in respect of the stated projects:

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

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 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 statement of financial position date no capital programme had been developed by the Corporation in this connection. The value of the land is included in these financial statements at a value of \$7 a sq. ft., as advised by the Inland Revenue Department.

**GRENADA INDUSTRIAL DEVELOPMENT CORPORATION**  
Schedules to Statement of Comprehensive Income  
For the year ended December 31, 2014  
(With Comparative figures for 2013)

**FACTORY RENTAL INCOME - Schedule 1**

	<b><u>2014</u></b>	<b><u>2013</u></b>
Frequente Industrial Park	\$3,109,865	3,070,367
Seamoon Industrial Park	489,935	451,188
St. Patrick	102,243	99,403
Grenada Craft Centre	<u>-</u>	<u>71,451</u>
<b>Total</b>	<b><u>\$3,702,043</u></b>	<b><u>3,692,409</u></b>

**OTHER INCOME - Schedule 2**

Interest income	\$ 67,937	63,858
Project appraisal fees	10,915	17,413
Miscellaneous income	5,030	419
Business development centre	24,400	38,020
CYEP Project	-	300,374
CTCS project	-	23,427
MAREP project	9,205	142,155
CART fund	<u>545,656</u>	<u>80,815</u>
<b>Total</b>	<b><u>\$663,143</u></b>	<b><u>666,481</u></b>

**REVENUE GRANTS - Schedule 3**

Government of Grenada		
GIDC	\$281,500	481,500
SEDU	275,000	275,000
U.S.A.I.D.	<u>11,145</u>	<u>11,145</u>
<b>Total</b>	<b><u>\$567,645</u></b>	<b><u>767,645</u></b>

**GRENADA INDUSTRIAL DEVELOPMENT CORPORATION**  
Basis of Allocation and Apportionment of Revenue and Costs  
For the year ended December 31, 2014

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 18, these are apportioned to departments on the basis of the direct expenses of the individual departments.

**GRENADA INDUSTRIAL DEVELOPMENT CORPORATION**  
Additional Information to Financial Statements  
For the Year Ended December 31, 2014

**CONTENTS**

	<u>Page</u>
Schedules to Statement of Comprehensive Income	39
Departmental Statement of Comprehensive Income	31
Apportionment of General and Administrative Expenses	45
CYEP Schedule of Disbursements	43
Basis of Allocation and Apportionment of Revenue and Costs	40

**GRENADA INDUSTRIAL DEVELOPMENT CORPORATION**  
Statement of Changes in Equity  
For the Year Ended December 31, 2014

	Government's Capital Contribution	Appraisal Surplus	Deferred Capital Grant	Accumulated Surplus/ (Deficit)	Total
Balances at 31 December, 2012	\$21,663,535	8,139,681	211,755	337,171	30,352,142
Transfer to current income	-	-	(11,145)	-	(11,145)
Contribution during the year	2,720,072	-	-	-	2,720,072
Net surplus for 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>781,583</u>	<u>781,583</u>
Balance at 31 December, 2013	24,383,607	8,139,681	200,610	1,118,754	33,842,652
Transfer to current income	-	-	(11,145)	-	(11,145)
Appraisal surplus	-	35,862,170	-	-	35,862,170
Contribution during the year	179,553	-	-	-	179,553
Net surplus for 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>433,981</u>	<u>433,981</u>
<b>Balance at 31 December, 2014</b>	<b><u>24,563,160</u></b>	<b><u>44,001,851</u></b>	<b><u>189,465</u></b>	<b><u>1,552,735</u></b>	<b><u>70,307,211</u></b>

- 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 October 2014 by the qualified engineering firm of Latitudes Consult.
- (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.

See accompanying notes which form an integral part of these financial statements.

**GRENADA INDUSTRIAL DEVELOPMENT CORPORATION**  
Caribbean Youth Empowerment Project (CYEP)  
Schedule of Disbursements  
For the Year Ended December 31, 2014

	<u><b>2014</b></u>	<u><b>2013</b></u>
Salaries, wages and staff costs	\$ -	35,826
Advertising and promotion	-	-
Seminars and work shop	<u>-</u>	<u>318,856</u>
<b>Total</b>	<u><u>\$ -</u></u>	<u><u>354,682</u></u>



# GRENADA INDUSTRIAL DEVELOPMENT CORPORATION

Notes to Financial Statements - December 31, 2014

(Continued)

## 5. PROPERTY, PLANT & EQUIPMENT

	<u>Land</u>	<u>Buildings</u>	<u>Motor Vehicles</u>	<u>Furniture Fixtures &amp; Equipment</u>	<u>Total</u>
<b><u>Cost or Valuation</u></b>					
<b>At 31 December 2012</b>	\$15,614,620	24,354,660	103,000	1,001,277	41,073,557
Additions	2,591,820	83,677	-	74,734	2,750,231
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,823)</u>	<u>(17,823)</u>
<b>At 31 December 2013</b>	18,206,440	24,438,337	103,000	1,058,188	43,805,965
Additions	-	1,467,237	-	9,663	1,476,900
Disposals	-	-	-	-	-
Revaluation surplus	<u>9,163,680</u>	<u>22,188,456</u>	<u>-</u>	<u>-</u>	<u>31,352,135</u>
<b>At 31 December 2014</b>	<b><u>27,370,120</u></b>	<b><u>48,094,030</u></b>	<b><u>103,000</u></b>	<b><u>1,067,854</u></b>	<b><u>76,635,000</u></b>
<b><u>Accumulated Depreciation</u></b>					
<b>At 31 December 2012</b>	-	4,099,870	102,999	891,128	5,093,997
Depreciation charge	-	488,767	-	123,871	612,638
Eliminated on disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,822)</u>	<u>(17,822)</u>
<b>At 31 December 2013</b>	-	4,588,637	102,999	997,175	5,688,811
Depreciation charge	-	246,633	-	16,640	263,273
Eliminated on disposal	<u>-</u>	<u>(4,510,034)</u>	<u>-</u>	<u>-</u>	<u>(4,510,034)</u>
<b>At 31 December 2014</b>	<b><u>-</u></b>	<b><u>325,236</u></b>	<b><u>102,999</u></b>	<b><u>1,013,815</u></b>	<b><u>1,442,050</u></b>
<b><u>Carrying Amount</u></b>					
<b>At 31 December 2013</b>	<b><u>\$18,206,440</u></b>	<b><u>19,849,700</u></b>	<b><u>1</u></b>	<b><u>61,013</u></b>	<b><u>38,117,154</u></b>
<b>At 31 December 2014</b>	<b><u>\$27,370,120</u></b>	<b><u>47,768,794</u></b>	<b><u>1</u></b>	<b><u>54,034</u></b>	<b><u>75,192,949</u></b>

# GRENADA INDUSTRIAL DEVELOPMENT CORPORATION

## Apportionment of General and Administrative Expenses

For the Year Ended December 31, 2014

	<u>2014</u>	<u>2013</u>
Salaries, wages & other staff costs	\$ 912,811	\$ 632,575
Depreciation	263,272	612,638
Electricity	41,359	51,752
Repairs & maintenance	44,510	50,966
Bad debt expense	85,375	197,684
Telephone and fax	92,810	84,301
Travelling	65,900	79,200
Directors' remuneration	39,162	19,400
Office supplies	38,477	43,306
Janitorial expenses	47,645	46,843
Motor vehicle expenses	21,902	29,464
Audit fees and expenses	15,788	10,250
Bank charges	9,014	4,591
Dues, subscription and seminars	3,490	2,290
Postage	2,169	2,839
Staff training	6,812	12,094
Miscellaneous expenses	4,048	3,228
Insurance	191,974	200,303
Entertainment	<u>8,522</u>	<u>8,414</u>
<b>Total</b>	<b><u>1,895,040</u></b>	<b><u>2,092,138</u></b>

### Apportioned as Follows:

	<u>Percentages</u>		<u>Amounts</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
CDB Funded Frequente	5.00%	5.00%	94,752	104,607
CDB Funded Seamount	9.00%	8.00%	170,554	167,371
USAID Funded Frequente	21.00%	18.00%	397,958	376,585
Craft Centre	0.00%	1.50%	0	31,380
Investment Promotion	10.00%	12.00%	189,504	251,057
Business Development	14.00%	20.00%	265,306	418,428
St. Patrick	1.00%	1.10%	18,950	23,014
Buildings 10 and 11 Frequente	13.00%	16.00%	246,355	334,742
Caribbean Youth Empowerment Project	0.00%	16.00%	0	334,742
MAREP	4.00%	0.40%	75,802	8,369
CTCS Projects	0.00%	0.70%	0	14,645
Cart Fund	<u>23.00%</u>	<u>1.30%</u>	<u>435,859</u>	<u>27,198</u>
<b>Total</b>	<b><u>100.00%</u></b>	<b><u>100.00%</u></b>	<b><u>1,895,040</u></b>	<b><u>2,092,138</u></b>

The above was apportioned on the basis of the direct expenses of the individual departments.

**GRENADA INDUSTRIAL DEVELOPMENT CORPORATION**

Departmental Statement of Comprehensive Income

For the Year Ended December 31, 2014

			INDUSTRIAL ESTATES PROJECTS										
	Total		CDB	CDB	USAID	Bldg 10&11	Marketing &	Business	Craft		MAREP		
	2013	2014	Frequente	Seamoon	Frequente	Frequente	Promotion	Development	Centre	St. Patrick	Project	Cart Fund	
Income													
Factory Rental	3,692,409	3,702,043	589,047	489,935	1,678,045	842,773	0	0	0	102,243	0	0	
Other Income	119,710	108,282	0	19,503	50,964	0	10,915	24,400	0	2,500	0	0	
Project income	546,771	554,861	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	9,205	545,656	
Total income	4,358,890	4,365,186	589,047	509,438	1,729,009	842,773	10,915	24,400	0	104,743	9,205	545,656	
Less: Direct Expenditure													
Salaries, wages & staff costs	773,146	799,700	30,000	40,000	116,565	15,000	183,674	309,561	0	8,000	96,900	0	
Interest on long term loans	342,943	393,475	0	56,394	33,479	301,309	0	0	0	2,293	0	0	
Repairs and maintenance	437,154	369,036	73,545	47,170	219,019	13,102	0	0	0	16,200	0	0	
Security	201,880	210,436	33,535	76,296	100,605	0	0	0	0	0	0	0	
Advertising and promotion	59,072	41,099	0	0	1,093	0	37,572	1,339	1,095	0	0	0	
Electricity	28,454	35,537	0	4,827	10,475	0	0	20,235	0	0	0	0	
Telephone	1,732	1,710	0	1,710	0	0	0	0	0	0	0	0	
Seminars & workshops	365,958	157,983	0	0	0	0	28,240	20,003	0	0	3,880	105,860	
Water rates	8,713	17,299	0	0	11,558	5,361	0	0	65	315	0	0	
Janitorial services	5,400	3,000	0	0	0	0	0	0	0	3,000	0	0	
Legal and professional fees	28,362	574,535	5,000	14,396	52,932	0.00	5,444	0.00	1,500	0.00	0.00	495,263	
Total	2,252,814	2,603,810	142,080	240,793	545,726	334,772	254,930	351,138	2,660	29,808	100,780	601,123	
Gross contribution	2,106,076	1,761,376	446,967	268,645	1,183,283	508,001	-244,015	-326,738	-2,660	74,935	-91,575	-55,467	
Less:General & admin. expenses	2,092,138	1,895,040	94,752	170,554	397,958	246,355	189,504	265,306	0	18,950	75,802	435,859	
Surplus/(deficit) before grants	13,938	-133,664	352,215	98,091	785,325	261,646	-433,519	-592,044	-2,660	55,985	-167,377	-491,326	
Revenue grants	767,645	567,645	0.00	0.00	11,145	0.00	281,500	275,000	0.00	0.00	0.00	0.00	
Surplus/(deficit) for the year	\$781,583	433,981	352,215	98,091	796,470	261,646	-152,019	-317,044	-2,660	55,985	-167,377	-491,326	