

Statutory Obligations

This report is prepared in compliance with the requirements of the Public Finance Management Act No 27 of 2007 Part X11.

The Act requires that statutory bodies undertake the following:

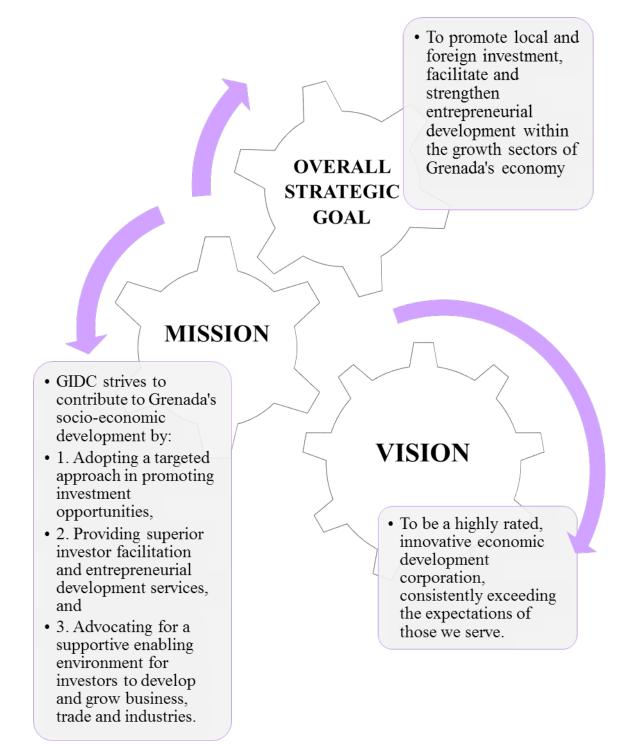
- 1. Four months before the commencement of each financial year, submit business plan containing the following:
 - a. Statement of objectives and priorities for the financial and the following two years
 - b. Financial plan showing how resources, including financial resources, will be allocated to meeting 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 and of its income and other 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.



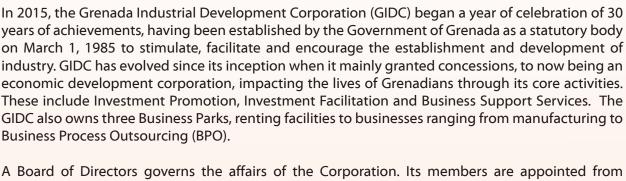
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GIDC AT A GLANCE



A Board of Directors governs the affairs of the Corporation. Its members are appointed 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. This is in accordance with the Act which established the Corporation. The Board consists of up to ten members including a Chairman, a Deputy Chairman and the Chief Executive Officer (CEO). Members of the Board hold office for a maximum of three (3) years and are eligible for reappointment. The Chairman, or in her absence, the Deputy Chairman and two members, form a quorum for the purpose of convening meetings. The current Board is led by Attorney-at-Law Ms Leslie-Ann Seon. Its term of office ends in mid-2016.

GIDC operations are carried from a 9,600 sq. ft. building located in the Frequente Industrial Park. Core functions include:

- a) Image Building to create the perception of Grenada's image as a business friendly environment and GIDC's image as professional results-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, as well as 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 (SMEs) with practical entrepreneurial/business skills training and hands-on help 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 employees
- 5. Learning organisation culture

Institutional Assessment:

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

The recommendations were based on the determination 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 (SBUs) 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 2016. Re-branding will be a key focus of this reform exercise.





REGISTERED OFFICE

Building no. 7

Frequente Industrial Park

Frequente St George

BANKERS Grenada Co-operative Bank

Church Street, St George's

First Caribbean International Bank (FCIB)

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 P. O. Box 380, Archibald Avenue

St George's, Grenada Telephone: (473) 440-4861 E-mail: agostini@spiceisle.com

BOARD OF DIRECTORS

1. Ms Leslie-Ann Seon Chairman

2. Mr Gregory Renwick Deputy Chairman

3. Mr Cyrus Griffith Member
4. Mr Junior Mahon Member
5. Ms Isabelle Slinger Member
6. Mrs Michelle Steele Member
7. Mr Carlton Frederick Member
8. Mr Nicholas Brathwaite Member
9. Mr Mark Wilson Member²

10. Mr Ronald Theodore Member³ /Chief Executive Officer (Acting)

11. Mr Che' Keens-Douglas Member/ Chief Executive Officer

12. Mrs Sharon Gilchrist Corporate Secretary

























- 1 Mr Brathwaite resigned in the first quarter of 2015
- 2 Mr Wilson resigned in the second quarter of 2015
- 3 Mr Ronald Theodore Chief Executive Officer (Acting) January 1st. September 30th, 2015.

FROM THE CHAIRMAN



I am pleased to report that in the year 2015, GIDC successfully accomplished its key strategic goals set by the Board of Directors in the previous year. We concluded 2015 in vigorous pursuit of our strategic mandate as an economic development corporation.

We began our 30th anniversary celebrations embracing that new economic mandate, under the broad theme, "Enhancing the investment climate with renewed focus on economic growth through strategic planning and partnerships, entrepreneurial development, and effective execution of investment policies".

The summaries provided by each of the strategic business units in this year's Annual Report clearly demonstrate a pattern of steady progress made by the GIDC with notable improvements in the investment climate, business development, financial performance, and human capital development.

With a tightening budget and a greater demand for efficiency across all units, we embarked upon a rigorous programme of changing the way we do business to positively impact our bottom line. We knew that in order to succeed in today's global competitive environment, we had to revolutionise our operations.

We achieved strong financial results in spite of our continuing voluntary reduction on government subvention, based in part on a policy centered on using government support for specific projects aligned with government objectives, and not for institutional overhead support. We had an increase in revenue of 22% with a much improved net surplus that will assist in self-funding of a number of strategic initiatives to be undertaken in 2016.

We continued to build on our policy to set Grenada's image as a preferred investment destination and began the task of revising the investment code through legislative reform designed to bring consistency and transparency to the investment concessions process. The data shows we had the highest number of approved investment projects commencing operation, since 2011.

Our Business Development Unit established for the first time, a cluster of 21 existing agro processors focused on nutmeg value added products with particular emphasis on the use of pericarp. The Cluster received training and technical support ranging from recipe formulation to production, sales and marketing of the nutmeg based products. Because of this nutmeg cluster, GIDC recognized that agro-based cluster development is a valuable tool to support small agricultural enterprises which model can also be used as the gateway to new export strategies for Grenada.

Our Industrial Park Facilities continue to show a very good upward trend in occupancy rates ranging from 84% to a high of 98%, accommodating a total of 62 tenants across its three locations. A rising demand for space in the Industrial Park has prompted the need for the conduct of a feasibility study to be undertaken about strategic expansion of the Facilities and the development of a new long term plan for the Industrial Park assets.

Our renewed emphasis on the development of our human capital commenced with the introduction of a human resource policy focused on learning and development programmes and the implementation of a performance management system. We recognized the importance of building a strong human resource infrastructure as being pivotal to achieving our goal of organizational reform and operational efficiency. This mission culminated after an extensive search with the selection of a new Chief Executive Officer, Che` Keens Douglas in October of 2015 who will lead the new direction of the GIDC.

We look forward with much enthusiasm to 2016, as it heralds the advent of a new GIDC Act, a rebranding of the organization, the adoption of a revised incentive regime, and the full implementation of a strategic operating policy intended to complete the conversion of the organization into a viable economic development corporation.

May I once again use this forum to salute the Board of Directors, the Management and Staff for their continuing hard work and commitment to the GIDC. I want to thank the Honourable Minister of Finance, the Honourable Minister of Economic Development, the Cabinet, and the Ministry of Finance for the constant support and encouragement given to the GIDC during 2015. Without this wide-ranging support, our work would be much more difficult. Together we look forward to continuing to be of good service to Grenada.

God Bless Our Nation.

Leslie Ann Seon

Chairperson

FULL TIME EMPLOYEES ON JANUARY 1, 2015

Management Team

- 1. Mr Che Keens Douglas
- 2. Mr Ronald Theodore
- 3. Ms Khesha Mitchell
- 4. Mrs Sharon Penny
- 5. Mr Whyme Cox
- Chief Executive Officer (October 2015)
- Chief Executive Officer (Acting) January 1st September 30th, 2017/ Vice President, Promotion & Marketing
- Vice President, Business Development
- Vice President, Finance and Corporate Services
- Vice President, Investor Facilitation











Staff

Promotion & Marketing Department

- 6. Mrs Cathyann Alexander-Pierre
- Promotion & Marketing Specialist
- 7. Ms Janelle Collins
- Technical Assistant

Business Development Department

- 8. Mrs Katelyn Allard-Brathwaite
- 9. Mr Kwesi Roberts
- 10. Ms Natalie Ruffin
- 11. Mrs Beverly St Cyr-Alexander
- 12. Ms Shonnika Gurley
- Business Development Specialist
- Business Development Specialist
- Business Development Sector Specialist
- Technical Assistant
- Administrative Assistant, CARTFUND





Investment Facilitation

- 13. Ms Sheryl Anne Sylvester
- 14. Mr Kurt Hercules
- 15. Ms Aphra Charles
- 16. Mr Clifford Lalsee

- Investor Facilitation Specialist
- Research & Facilitation Specialist
- Technical Assistant
- Facilities Specialist









Finance and Corporate Services

- 17. Mrs Sharon Gilchrist
- 18. Mrs Nathale Clarke-Lewis
- 19. Mrs Veronica Andrew
- 20. Mr Keron Noel
- 21. Mrs Jacinta Lewis
- 22. Ms Tracey Howell
- 23. Ms Renata Blair
- 24. Ms Jacintha Livingstone
- 25. Ms Shonna Williams

- Corporate Secretary/Executive Assistant
- Project Management Specialist
- Accounting Specialist
- Information Systems & Technology Specialist
- Technical Assistant Administration
- Technical Assistant Information
- Customer Service Representative
- Office Attendant
- Courier





















OVERVIEW OF THE BUSINESS OPERATING ENVIRONMENT IN 2015

During 2015, the economy's Gross Domestic Product (GDP) growth rate decreased by 0.92% compared to a positive growth of 4.85% in 2014.

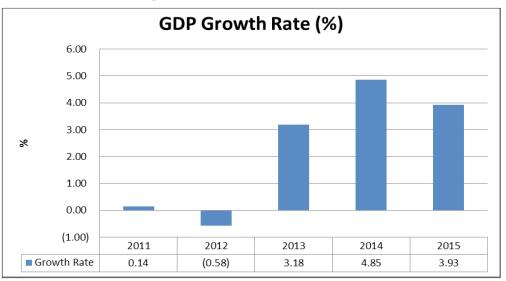


Figure 1: GDP Growth Rate

The main drivers of this growth performance were Construction, Agriculture, Tourism and Education.

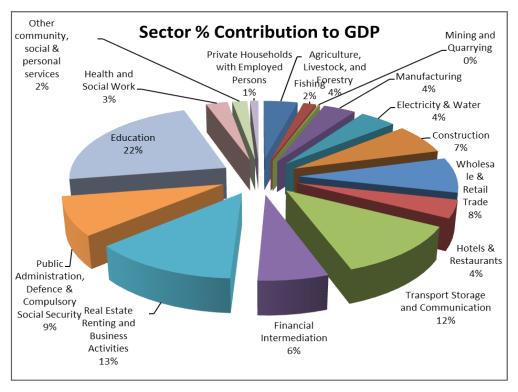


Figure 2: Sector Contribution to GDP

Inflation as measured by the Consumer Price Index declined by 0.92 per cent in 2015.

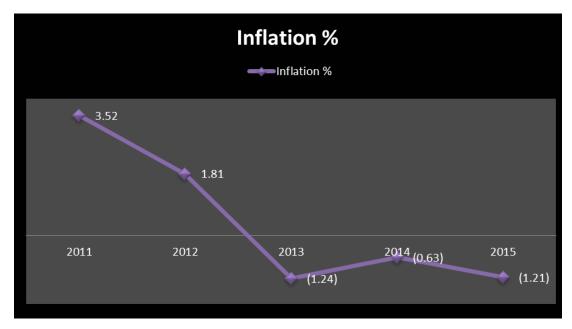


Figure 3: Inflation

Unemployment increased by one and one half percent (1.5%) from 28.9% in 2014 to 30.4% in 2015.



Investment Trends

During the year under review GIDC received a total of forty-three (43) applications requesting incentive support, an increase of 2.0 % over the 2014 receipt of applications. From the 43 applications received, a total of thirty-nine (39) projects received incentive support, while 15 of these projects commenced operations during the year. With this incentive support from the Government of Grenada, there were 274 jobs created, a 26% decrease when compared to the number of jobs created in 2014.

Indicators	2011	2012	2013	2014	2015
Investment Applications Received	41	32	35	42	43
Investment Projects Approved	43	19	22	22	39
Investment Projects Implemented	24	5	16	21	15
Investment Projects Commencing Operation	15	8	26	14	11
Foreign Capital Inflow (US\$ Million)	110.40	85	110	79.1	16.5
Jobs Created	214	257	248	370	274

Figure 4: Highlight of Investment Applications and Projects

The following graph represents the investment trends:

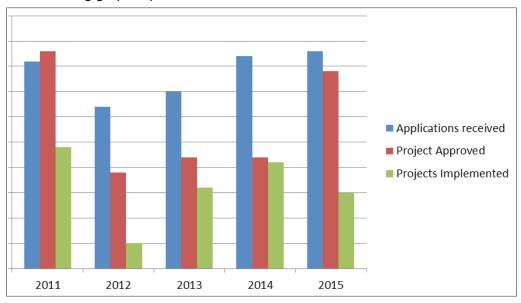


Figure 5: Investment Trends

Key Developments In 2015

Key highlights during 2015 were as follows:

- GIDC celebrated its 30th anniversary on March 8, 2015 under the theme "Enhancing the investment climate with renewed focus"
- The appointment of the new Chief Executive Officer, Mr. Che' Keens-Douglas on October 1, 2015
- Grenada listed as the #1 trending destination on Kayak.com
- Grenada concluded debt restructuring with external commercial creditors and the Paris Club.
- Two (2) awards were received from FDI Intelligence, a division of the Financial Times for high rankings in the Caribbean and Central American Countries of the future (2015/2016).
 Grenada was ranked second to Costa Rica in the Human Capital and Lifestyle category and among the top 10 for Best FDI strategy.
- Introduction of UVL call centre into the Frequente Industrial Park

2016 At a Glance

Key projects earmarked for 2016 include:

- The development of a new tax administration bill.
- The revision of the incentive regime, which includes the amendments of a number of laws such as the Income Tax Act, the Customs Act-SRO 13/2014, the VAT Act, Excise Tax Act, Customs Service Tax Act and the Property Transfer Tax Act.



PROMOTION AND MARKETING

Image Building

To solidify collaboration between the GIDC and Marketing and National Importing Board (MNIB) as well as GIDC and the Grenada Tourism Authority (GTA), Memoranda of Understanding were signed with both entities.

Two (2) awards were received from fDi Intelligence - a division of the Financial Times - for high rankings in the Caribbean and Central American Countries of the Future (2015/2016). Grenada was ranked second to Costa Rica in the Human Capital and Lifestyle category and among the top 10 for Best FDI strategy.

During the year, GIDC participated in the preparation of a proposal for a revised incentive regime. The reform seeks to develop a simple and nondiscretionary system for investment incentives, which would have Customs and Inland Revenue administer exemptions through a clearly defined rule based system instead of an open ended incentive scheme that requires each case to be cleared all the way by Cabinet. The reform will include the amendments of a number of laws such as the Income Tax Act, the Customs Act – SRO 13/2014, The VAT Act, Excise Tax Act, Custom Service Tax Act, and the Property Transfer Tax Act.

Promotional Material

GIDC developed several promotional materials to include brochures, pens, maps, 2016 calendars which featured the Dive sector, and an investment banner. Flash drives, CDs with investment data and two (2) promotional videos were also produced in both English and Mandarin. Print advertisements were placed in several magazines and newspapers to include the Caribbean Business and Investment Magazine, Business Grenada Magazine, and the Spice Map 2015-2016 issue.

Website

The GIDC website received 256,934 visits and 2,563,026 hits in 2015. The top five (5) geographic origins of these visitors were USA, China, Canada, Great Britain and Germany. A total of sixty-two (62) investment inquiries were generated from the website and social media with general interest generated being in business opportunities to starting a business in Grenada.

Investment Generation

Conferences attended

GIDC participated in Caribbean Investment Summit held in London on September 8-10, 2015. The aim of the Summit was to increase FDI (Foreign Direct Investment) flows to the Caribbean from the United Kingdom and Europe. Investment opportunities were presented to the sectors of focus which included Hotel & Tourism, Renewable Energy and Outsourcing/Information Technology & Communications. Sixteen (16) leads were generated from the Summit.

Outreach seminar

GIDC hosted an Investment Forum to increase awareness of investment opportunities within the tourism sector and to promote investment projects to members of the diplomatic community, real estate agents, potential investors and ministry officials.

Presentations on investment opportunities in the emerging sectors were also made to students of the New Life Organisation, Beacon High, Wesley College and Presentation Brothers College. Presentations on opportunities within the ICT sector were also made to a host of participants during the celebration of ICT week in March.

Opportunity Profiles

In keeping with the grant assistance received from Compete Caribbean for the development of the agribusiness sector, two opportunity profiles were completed for the sector. One was for the establishment of a soap and candle making enterprise utilising Grenadian inputs for export to the USA, Canada and the Caribbean. The other profile involved 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. Eight additional profiles were developed for the Business Process Outsourcing (BPO) and Tourism sectors.

Inward Investment Missions Facilitated

The following four (4) investment missions were facilitated during the period:

- One (1) from the USA
- One (1) from China and
- Two (2) from the UK

The interest was mainly within the tourism and agri-business sectors.

Investment Leads

A total of one hundred and eighteen (118) investment leads were generated during the period.

- Forty six (46) leads were generated through referrals, walk-ins, meetings etc.,
- Sixteen (16) were generated from the London investment Summit, and
- Fifty six (56) were generated through the GIDC's website.
- 60% of those leads were local while the remaining
- 40% were mainly from the Caribbean and Europe.

The overall investment interest from all leads generated was mainly within the Tourism, Agribusiness and Services sectors.





Foreign Direct Investment

During the period, a total of fourteen (14) foreign investment applications were received; five (5) were within the manufacturing sector, seven (7) within the tourism sector and two (2) within the services sector.

The total proposed investment of these applicants was EC\$ \$577,730,503 to create employment for 828 persons.

Investment incentives were granted to twelve (12) foreign investment applicants in 2015. The estimated investment flow from the applications approved for incentives in 2015 was EC\$502,350,744 to create 813 jobs.

Six (6) foreign projects commenced operations in 2015. The actual investment realized at start-up of operations of these projects was EC\$ 7,306,061 creating 219 jobs.

Source of FDI

From January to December 2015, the Corporation received a total of fourteen (14) foreign investment applications as follows:

Manufacturing 5Tourism 7Services 2

The overall estimated investment cost was XCD \$ 577, 730, 503 with an estimated with an estimated employment to be created for 828 persons.

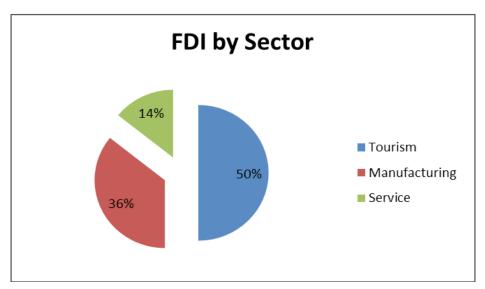


Figure 6: FDI Inflow by Sector

Domestic Investment

During the period, a total of twenty-nine (29) applications for investment incentives were received from domestic investors. Fourteen (14) were within the manufacturing sector, six (6) within the tourism sector and nine (9) within the services sector. The estimated investment from these projects was EC\$62,829,179.

Investment incentives were granted to twenty-seven (27) domestic investors. The estimated investment for these projects was EC\$78,609,943 to create 489 jobs.

Investment Start Ups

Five (5) domestic projects commenced operations in 2015; the actual investment realized at start-up of operations was EC\$4,452,000 with a total of 55 jobs created.

Project Implementation

Ten (10) domestic projects were implemented during the year: two (2) from the manufacturing sector, four (4) from the tourism sector, one (1) from the service sector and three (3) from the ICT sector, with a total of 219 jobs created.

Investment Expansion

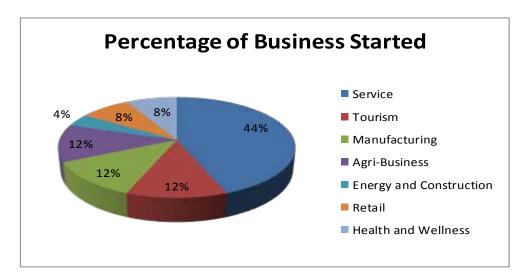
Thirteen (13) applications for investment expansion were reviewed by the Corporation, six (6) were manufacturing, six (6) were tourism and one (1) within the service sector. These investments total $XCD \$ 22, 156, 594 and created 154 jobs.



BUSINESS DEVELOPMENT

1. Facilitate the start-up of 20 MSMEs with a focus on Growth & Emerging Sectors (e.g. Tourism, Agri-Business, Health & Wellness, ICT, Creative industries):

The Business Development Centre (BDC) was able to facilitate the start-up of twenty-nine (29) enterprises during the year as detailed in Figure 1 below, surpassing the number of businesses that would have started in 2014 and the projected target of twenty (20) for 2015. Forty-four percent (44%) of the MSMEs that started were in the Services sector, 12% each in Tourism, Manufacturing and Agribusiness, 8% in Health and Wellness and 4% each in Energy and Construction and 8% in the Retail sectors.



Assist at least 25 existing MSMEs to upgrade/expand/become export ready:

Implementation of the Caribbean Development Bank, Caribbean Aid for Trade and Regional Trust Fund project (CARTFund)-Increasing the Value Added to Nutmeg in Grenada.

The main objective of this project was to increase the production and export of value added nutmeg products specifically, utilizing the nutmeg pericarp/pod

Key Accomplishments

- Utilised 100% (US\$451,213) of all project funds disbursed by the Caribbean Development Bank to implement the project.
- Expended EC\$270,000 to upgrade the Produce Chemist Laboratory.
- Recruited 5 Consultants to provide technical support under the product-Project/ Nutmeg Cluster Coordinator, Business Development Consultants, Branding, Packaging and Labeling Consultants, Marketing Development Consultant and a Product Development Consultant.
- Established a Cluster of 21 existing agro-processors including farmers and 5 youth.

- Developed various documents to assist the Cluster during implementation-Sales and Marketing Plan and a Business and Operational Manual.
- Developed a manual detailing recipes, formulations and production guidelines for 15 products, which were influenced by market research and testing. The Cluster was therefore trained to produce the products and trainers were trained to assist the Cluster where any problem/s may arise. 351 bottles of the glazing sauce, golden apple & passion fruit vinaigrette, nutmeg passion fruit jam, nutmeg mango jam, reduced sugar fruit spread, nutmeg pie filling, mild & hot savoury fruit spread and nutmeg pepper jelly were produced under the brand "Spice Fusion".
- Signed MOUs with various institutions to provide support to the Cluster beyond the life of the project-the Marketing and National Importing Board to initially distribute the products of the Cluster, The Grenada Bureau of Standards, the Ministry of Economic Development, Planning, Trade and Co-operatives and the Ministry of Agriculture.
- Provided support to 3 "Growth Stage Enterprises" and developed "Business Expansion Plans" for each of the enterprises.

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

Key Accomplishments

BDC enhanced the capacity of 164 existing enterprises through training exceeding the project's target of 60. GIDC also met the project's target of preparing 30 business plans for existing export oriented businesses under the Technical Assistance Programme for SMEs under the CARICOM Development Fund Country Assistance Program (CDF).

Implementation of GIDC's general Technical Assistance Programme

Key Accomplishments

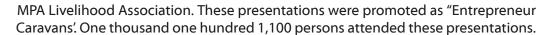
Under this programme, project proposals and intensive handholding support were provided to 7 existing enterprises.

3. Coordinate and deliver 30 entrepreneurial and business/technical workshops, training 450 potential and existing entrepreneurs in Grenada, Carriacou and Petite Martinique

A total of fifty-two (52) Entrepreneurship, Business Skills workshops and Entrepreneur Awareness presentations were delivered during the year, with participation from 1,272 potential entrepreneurs and existing MSMEs including 4th form Business students in twenty-five (25) Secondary Schools, as well as St George's University-School of Arts and Sciences, New Life Organisation and T. A. Marryshow Community College under an "Entrepreneur Caravan" theme as follows:

- BDC delivered training to sixty (60) existing enterprises in Business Skills. One hundred and sixty-four (164) enterprises were trained and seven (7) workshops coordinated and delivered.
- The BDC delivered Entrepreneurial Awareness presentations to 4th form Business students in twenty-five (25) Secondary Schools around the island. Among the institutions at which the training was delivered were the St George's University, New Life Organisation, T. A. Marryshow Community College and the Moliniere\Beausejour





- Eleven (11) additional Business Skills workshops were coordinated and delivered. Of this number four (4) were funded under the following agency/institution/project: Caribbean Development Bank-Caribbean Technological Consultancy Services Network (CTCS). Public Service Co-operative Credit Union Ltd: Market Access and Rural Enterprise Project (MAREP) and OECS ECCMAN project.
- One hundred and twelve (112) persons participated in the nine (9) workshops.

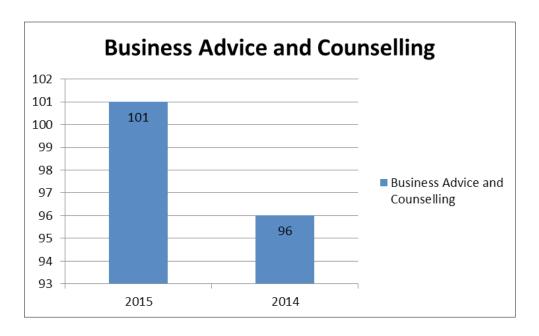


4. Provide up-to-date accurate and relevant business information and business support services to 150 potential and existing MSMEs

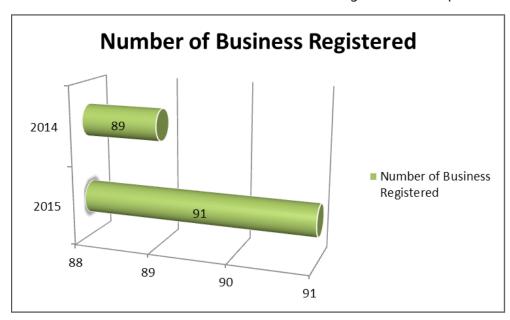
Key Accomplishment

A total of 214 MSMEs were assisted with the provision of information and Business Support Services including, business advice and counselling, preparation of business plans and registration of business names.

 Provided advice and consultation to 101 businesses on starting and expanding their business in the areas of feasibility of the business idea, marketing the business and how to source financing. This number represented an increase over 2014's figure of 96.



- Assisted 22 MSMEs to prepare business plans.
- Assisted 91 sole proprietorships, partnerships and non-profit organizations' to prepare letters of application, statement of particulars, statutory declarations and articles of incorporation to register their business name. This number represented an increase in the number of businesses registered in comparison to 2014.



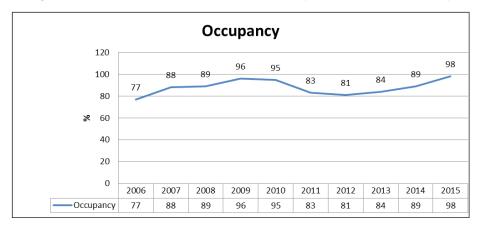


Occupancy

The average percentage occupancy rate of the Industrial Parks for 2015 fluctuated between 84% and 98%. The distribution as at December 2015 was as follows:

Park	Occupancy
Frequente Industrial Park (CDB)	98%
Frequente Industrial Park (USAID)	89%
Seamoon Industrial Park	89%
St Patrick's	86%

The graph below shows the trend in occupancy rates over the last 10 years.



Tenancy

As at December 2015 the Industrial Programme accommodated a total of sixty two (62) tenants throughout its three facilities as follows:

Frequente	50
Seamoon	5
St Patrick's	10

Billings, Earnings and Recurrent Expenditure

Earnings

Total billings for the period were XCD \$4,382,285 and total collections were XCD \$4,265,350. During the year, rent was not increased.

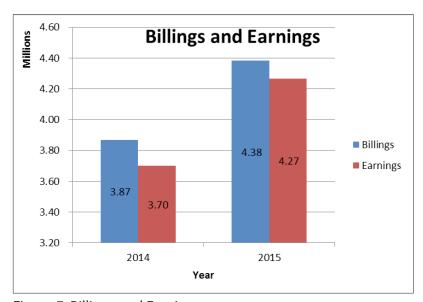


Figure 7: Billings and Earnings

Expenditure

EC \$794,946.00 was spent under the Industrial Estates Programme. EC\$1,537,284.62 was spent on major works to refurbish and maintain facilities. These projects included:-

- Refurbishment of building 11F1 to facilitate Unique Vacations Ltd (UVL) call center.
- Construction of new car parks and repairs to existing roads with in the Frequente Industrial Park
- New roof installed on building number12, Frequente Industrial Park
- De-rusting and painting of buildings within the Frequente and Seamoon Industrial Parks
- Refurbished buildings 1& 2 at the Seamoon Industrial Park





DEVELOPMENT AND MANAGEMENT OF HUMAN RESOURCES

Key functions of Human Resource Development and Management include:-

- Workforce planning to ensure the organisation has the right employees in the right position at the right time
- Development and implementation of a Performance Management System (PMS)
- Organising Learning & Development programmes which help to create high performing employees,
- Benefits administration and
- Revising or creating systems to ensure operational efficiency

In 2015, revisions were made to some of the above functions to be better aligned with the Corporation's overall mandate. The revisions followed the review of existing systems and procedures by the HR Consultant, who came on board in July 2014, as well as the institutional assessment undertaken from November 2014 to March 2015.

Organisational Restructuring

Recommendations were made and approved by Cabinet in June 2015 for the organisation to be restructured into three (3) Strategic Business Units (SBUs) and a Shared Services Unit. The aim was to reinforce the strategic role of GIDC's main business units and revenue generation arms, recognizing that GIDC was more than an investment promotion agency; it was an Economic Development organisation.

The defining characteristics of SBUs are:-

- Autonomous division or organisational unit, small enough to be flexible and large enough to exercise control over the key factors affecting its long term performance
- Focus is on a specific product offering and a customer segment
- Managed as separate businesses, each is responsible and accountable to the parent corporation (GIDC)
- Each has its own mission and objectives, operational plan, operational budget, leadership, and identity brand

Each unit would be accountable to the CEO and Board of GIDC but would operate essentially as independent businesses organised according to their target markets. The units approved by Cabinet Conclusion No. 935 to operate under the umbrella corporation were:-

- Investment Promotion Agency
- Business Development Centre
- Facilities Unit
- Shared Services

Personnel, Organisational Design and Structure

In order to fully implement the recommendations for restructuring, the organisation had to be re-designed. This involved a new hierarchy and structure, along with changes to job titles and responsibilities. One key change was the creation of a Supervisory category which would allow for upward mobility, as well as assist in succession planning. Existing employees were assessed and recommendations made for transfers and promotions. No job positions were made redundant.

New Chief Executive Officer Che' Keens-Douglas, who had joined the team on October 1, 2015, began discussions in early November with employees identified for new assignments. The reassignments and promotions were to be effective from January 1, 2016. Each employee was able to make an input into their job profile.

There were two employees identified for promotion, one of which became effective in the fourth quarter of 2015:-

- Ronald Theodore was promoted to the new position of Senior Vice President effective October 1, 2015. In this position, Mr Theodore will support the CEO in the day-to-day operations of GIDC as well as in the Policy Advocacy role. He will also act in the role during the CEO's absence.
- Cathyann Alexander-Pierre was identified for promotion to the new supervisory position of Senior Specialist, Investment Promotion Agency.

At the start of 2015 there were twenty-two (22) full time employees – including four (4) managers plus a temporary Administrative Assistant in the Business Development Centre. The HR Consultant had been retained after recruitment for a Vice President of Human Resource Development was unsuccessful in the second quarter.

During the institutional assessment and subsequent Board of Directors' review of the restructuring recommendations, all other hiring was put on hold, except for a Chief Executive Officer. However, in order to have continuity of key functions, a Courier was temporarily employed. In addition, the Office Attendant position was changed to a part time one from May 1.

The employee count was reduced by one (1) employee when Business Development Specialist Kwesi Roberts resigned with effect from December 31, 2015. Advertisements were placed in December to find a suitable replacement.

The total number of employees at the end of 2015, including part time and temporary, was twenty-five (25) persons. At that time, the maximum number allowed for was twenty-nine (29).

The organisational chart as at December 31, 2015 is overleaf:



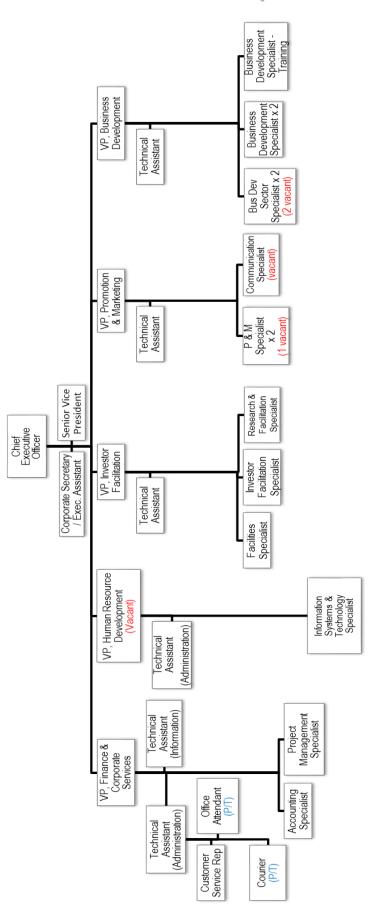


Figure 8: GIDC Organisational Structure as at December 31, 2015

Learning and Development

Creating high performing employees requires Learning and Development (L & D) programmes to be tailored to meet identified needs. With scarce financial resources, L & D initiatives were carefully weighed and considered to ensure that they brought value to the employees and therefore to the organisation as a whole. They were also evaluated against GIDC's Learning & Development philosophy which was developed in 2015.

After the re-launch of GIDC's in-house L & D programmes in September 2014 with a motivational session by Mr Eddie Frederick, employees attended a number of training sessions in-house and externally in 2015. Highlights are below.

Workshop/Seminar/Meeting	Date	Employee(s)
Balance of Payment training	February 24	K. Hercules
CARICOM Single Market Spokesperson	March 18 &19	J Collins & N Ruffin
ICT week celebration (Presentation)	March 20	K. Noel & J. Collins
Leadership	April 1	R. Theodore, S. Penny, W. Cox & K. Mitchell
English Language for Business Writing	April 23 – June 5	J. Lewis, J. Collins, B. Alexander, S. Gurley, A. Charles, T. Howell, S. Gilchrist, C. Pierre, K. Noel
Public Speaking & Presentations	May 7	R. Theodore
Tourism & Climate Change	May 20	J. Collins
Preparation of Services and Investment Liberalisation Offers (Barbados)	June 8-10	C. Pierre
ProColombia Study Tour (Colombia)	June 24 - 26	C. Pierre
Practical Project Management	July 3	J Lewis, J Collins, A Charles, B Alexander, N Ruffin, K Brathwaite, C Lalsee, V Andrew, S Penny
Re-investment Strategy as part of an Aftercare programme (St Lucia)	July 27 - 28	R. Theodore
Caribbean Investment Summit (London)	September 8 -	R. Theodore
Understanding financial statements and preparing tax returns	September 17	S. Sylvester
Environmental and Social Safeguards	Sept. 9 – 10	N. Clarke-Lewis



Workshop/Seminar/Meeting	Date	Employee(s)
Sub-regional Seminar on the Dynamics of Intellectual Property rights for countries of the OECS	Sept. 10 – 11	N. Clarke-Lewis
Events Management (UWI Certificate course)	Sept. 7 – Nov. 19	J. Collins
QuickBooks for SBUs	December 2 - 4	R. Theodore, C. Pierre* R. Blair, K. Mitchell, K. Roberts, B. Alexander, W. Cox, A. Charles & M. McDonald
Finance for non-financial managers	December 8 - 10	R. Theodore, K. Mitchell, W. Cox & M. McDonald

In addition to the above, the capacity of the Business Development personnel was increased.

In November 2015, GIDC's Information Systems & Technology Specialist also started conducting inhouse training for all employees in Microsoft Word, Google Apps and general computer use.

In order to have a holistic programme which addresses all aspects of an employee's life, well-being programmes were also re-introduced in 2015. The following sessions were held in 2015:-

- 1. Physiotherapist Garvin Taylor Jr. conducted a session on 'Anatomy at Work' on February 12 to share tips on ways to minimize risks associated with sitting for long periods.
- 2. A Health Fair was organised as part of the Industrial Estate's Parks Day on May 2.
- 3. Yoga classes were introduced on May 22.
- 4. Republic Bank consultations were held for employees to discuss personal finance options with the Bank's representatives.

FINANCE AND CORPORATE SERVICES

Financial Highlights

Total income increased by 22% over the 2014 income and the general administrative expenses were decreased by XCD \$130, 439 over the 2014 expenses. The financial highlights are shown below:

	2015	2014
Total income	5,282,566	4,365,186
Less direct expenditure	2,798,142	<u>2,603,810</u>
Gross operating surplus	2,484,424	1,761,376
Less general & administrative expenses	1,764,601	1,895,040
Net operating surplus/ (deficit) before revenue grants	719,823	(133,664)
Revenue grants	779,187	567,645
Net surplus for the year	\$ <u>1,499,010</u>	\$433,981

Table 2: Financial Highlights

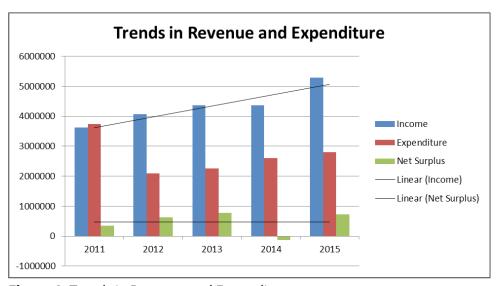


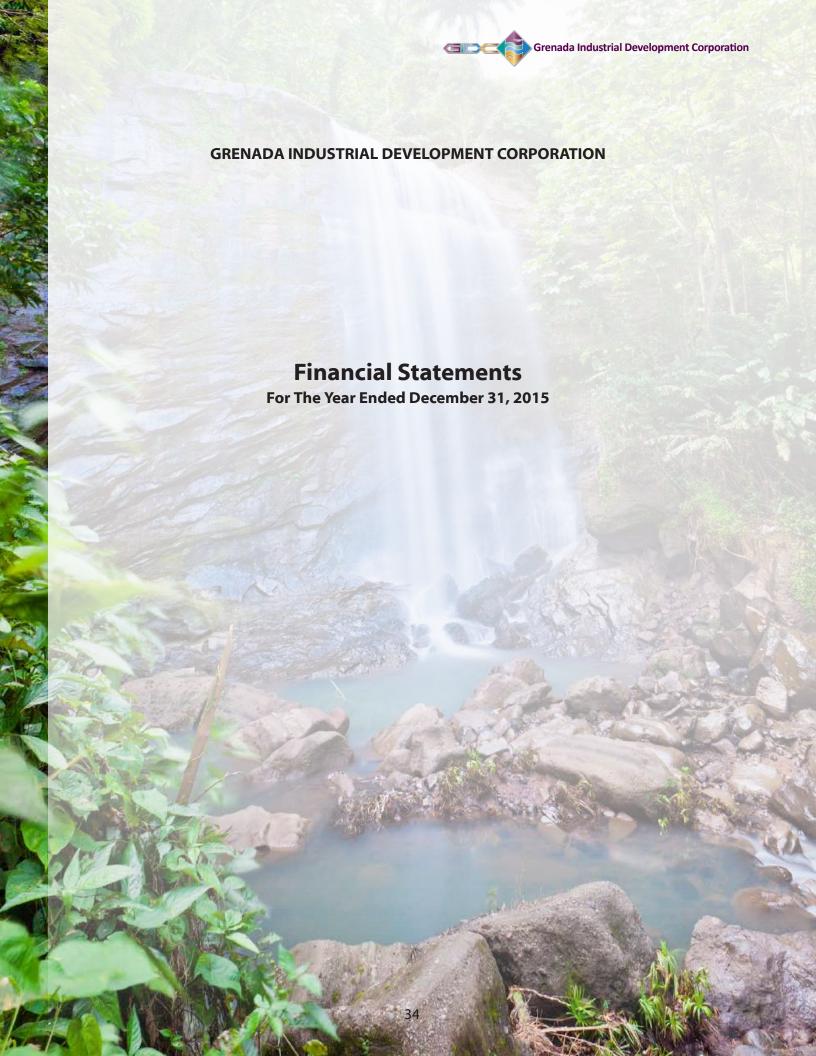
Figure 9: Trends in Revenue and Expenditure



KEY DELIVERABLES FOR 2016

- World Class facilities, "smart parks" leaning towards the future, progressive, sustainable,
 renewable energy
- Growth of the number of businesses in the mixed business park
- Development and expansion of businesses in the mixed business park
- Increase in the number of revenue streams for GIDC's strategic business units
- Better managed mixed business park with more efficient issue resolution process
- Increase in the services offered to tenants
- Better tenant satisfaction in the mixed business park
- Agile competent workforce
- Strategic partnership with national and or regional organizations and to leverage marketing power, share resources, exchange information and execute meaningful, progressive projects of national or mutual interest.
- The adoption and advocacy of world class practices like the ISO 9001 that are universally recognized and accepted for assuring that organizations consistently understand and meet the needs of their customers.
- Advocacy, lobbying and support for reform in government, law, banking, agriculture, and priority industries in way that support the improvement of the investor climate and the "ease of doing business index" in Grenada.
- A more ecologically friendly mixed business park that advocates for and adopts "greener",
 more sustainable practices by park management and tenants.
- Source funding to implement the following projects:
 - 1. Enhancing the production of products made from Bamboo.
 - 2. Increasing the Value Added to Craft in Grenada.
 - 3. Enhancing the entrepreneurial and business competencies of MSMEs in 2017
 - 4. Increasing the start-up of creative and innovative businesses

- 5. Establishment of a physical/virtual incubator
- 6. Consultancy to gather demographic data on businesses operating in both the formal and informal sectors.
- Implement, manage and provide handholding support to the project-"Increasing the Value Added to Nutmeg in Grenada" (production and commercialisation of value added products, market access, sales etc.). Launch and penetrate local markets for nutmeg products under the "Spice Fusion" brand
- Provide technical assistance and training to 450 SMEs to facilitate the start-up and upgrade of at least 20 and 25 enterprises respectively
- Launch and implement Young Innovators Challenge
- The revision of the incentive regime, which includes the amendments of a number of laws such as the Income Tax Act, the Customs Act-SRO 13/2014, the VAT Act, Excise Tax Act, Customs Service Tax Act and the Property Transfer Tax Act.
- A rebranded corporation to include new logo, brand associations and key iconography
- Amendments to GIDC's Act were which development in 1985.



GRENADA INDUSTRIAL DEVELOPMENT CORPORATION

Financial Statements
For the Year Ended December 31, 2015

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Statement of Changes in Equity	6
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W. R. AGOSTINI & CO. CHARTERED CERTIFIED ACCOUNTANTS

P. O. Box 380, Archibald Avenue ST. GEORGE'S, GRENADA, W.I. Telephones: (473) 440-4861; (473) 440-8039. Fax: (473) 440-9770 E-mail: agostini@spiceisle.com

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 2015 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.

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

Auditor's Responsibility - Continued

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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the corporation as at 31 December 2015 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 15 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.

23 February, 2016.

Chartered Certified Accountants.

Statement of Financial Position at December 31, 2015 (With comparative figures for 2014)

ASSETS	Notes	2015	2014
ASSETS			
Current Assets			
Cash and cash equivalents	3	\$ 2,270,626	1,275,126
Trade and other receivables	4	487,689	220,032
Loans and receivables	5	1,000,000	_1,031,500
Total current assets		3,758,315	2,526,658
Property, plant and equipment	6	76,101,628	75,192,951
Total assets		\$ <u>79,859,943</u>	77,719,609
Financed By: LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	7	\$ 462,335	563,913
Borrowings - current	8	616,032	1,400,049
Total current liabilities		1,078,367	1,963,962
Non-Current Liabilities			
Borrowings-non-current	8	6,905,834	5,448,436
Deferred income	9	178,320	189,465
Total non-current liabilities		7,084,154	_5,637,901
Corporation's Equity			
Government's contribution		24,643,826	24,563,160
Appraisal surplus		44,001,851	44,001,851
Accumulated surplus		3,051,745	1,552,735
Net equity (Page 6)		71,697,422	70,117,746
Total liabilities and equity		\$ <u>79,859,943</u>	77,719,609

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

Approved on behalf of the Board:

hairman

Statement of Comprehensive Income For the Year Ended December 31, 2015 (With comparative figures for 2014)

	2015	2014
Income		
Factory rental (Schedule 1)	\$4,265,350	3,702,043
Other income (Schedule 2)	<u>1,017,216</u>	663,143
Total income	5,282,566	4,365,186
Less direct expenditure (Page 17)	<u>2,798,142</u>	<u>2,603,810</u>
Gross operating surplus	2,484,424	1,761,376
Less general & administrative expenses (Page 19)	<u>1,764,601</u>	1,895,040
Net operating surplus/ (deficit) before revenue grants	719,823	(133,664)
Revenue grants (Schedule 3)	779,187	_567,645
Net surplus for the year\$	<u>1,499,010</u>	433,981

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

Statement of Changes in Equity For the Year Ended December 31, 2015

Balance at 31 December, 2015	\$ <u>24,643,826</u>	44,001,851	3,051,745	71,697,422
Net surplus for 2015			<u>1,499,010</u>	<u>1,499,010</u>
Contribution during the year	80,666	-	-	80,666
Balance at 31 December, 2014	24,563,160	44,001,851	1,552,735	70,117,746
Net surplus for 2014			433,981	433,981
Contribution during the year	179,553	-	-	179,553
Appraisal surplus	-	35,862,170	-	35,862,170
Balance at 31 December, 2013	Contribution \$24,383,607	<u>Surplus</u> 8,139,681	<u>Surplus</u> 1,118,754	<u>Total</u> 33,642,042
	Capital	Appraisal	Accumulated	Tatal
Government's				

- 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.

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

Statement of Cash Flow For the year ended December 31, 2015 (With comparative figures for 2014)

OPERATING ACTIVITIES

OPERATING ACTIVITIES		
	2015	2014
Net surplus for the year	\$1,499,010	433,981
Add non-cash charges - depreciation	1,027,529	263,273
(Gain)/loss on disposal of property, plant & equipment	(13,999)	-
Amortisation of deferred income	(13,555) <u>(11,145</u>)	(11,145)
Amortisation of deferred meome	(11,143)	<u>(11,113</u>)
Cash generated from operations	2,501,395	686,109
(Increase)/Decrease in Current Assets	2,301,393	000,109
· · · · · · · · · · · · · · · · · · ·	(267.657)	60.045
Trade and other receivables	(267,657)	69,945
Loans and receivables	31,500	(31,500)
Increase/ (Decrease) in Current Liabilities		
Trade and other payables	<u>(101,578</u>)	67,193
Net cash generated from operating activities	2,163,660	791,747
INVESTING ACTIVITIES		
Proceeds from the sale of property, plant & equipment	99,589	_
Purchase of property, plant & equipment	(2,021,796)	(1,476,900)
r arenase or property) plant a equipment	(2/02 1/, 50)	(<u>1717 07200</u> 7
Net cash flow used in investing activities	(<u>1,922,207</u>)	(<u>1,476,900</u>)
FINANCING ACTIVITIES		
Government contribution received	80,666	179,553
Proceeds from borrowings	5,605,000	
Repayments of borrowings	(<u>4,931,619</u>)	(377,142)
nepayments of borrowings	(<u>1,551,615</u>)	(3//,112/
Net cash flow from financing activities	<u>754,047</u>	802,411
Net increase in cash and cash equivalents	995,500	117,258
Cash and cash equivalents at beginning of year	<u>1,275,126</u>	<u>1,157,868</u>
Cash and cash equivalents at end of year (Note 3)	\$ <u>2,270,626</u>	<u>1,275,126</u>

^{*}See accompanying notes which form an integral part of these financial statements.

Notes to Financial Statements - December 31, 2015

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 19 persons on a permanent basis, 7 persons on a contractual basis and 2 temporary workers (2014: 25 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 yearend 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.

Notes to Financial Statements - December 31, 2015

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, trade and other receivables, loans and receivables, 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.

Notes to Financial Statements - December 31, 2015 (Continued)

3. <u>CASH AND CASH EQUIVALENTS</u>	<u>2015</u>	2014
Petty Cash	\$ 400	400
First Caribbean International Bank - Current account	695,309	826,780
- Project account	6,010	7,365
Grenada Co-operative Bank - Savings account	304,198	294,810
- Current account	1,201,700	145,771
- Project account	63,009	
Total	\$2,270,626	<u>1,275,126</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 2.05% per annum.

4. TRADE AND OTHER RECEIVABLES	<u>2015</u>	2014
Rent receivable Less: Provision for impairment of rent receivable	\$524,313 <u>194,829</u>	740,406 <u>648,141</u>
Rent receivable - net	329,484	92,265
Other receivables and prepayments Less: Provision for impairment of other receivables	158,205 	132,679 4,912
	<u>158,205</u>	<u>127,767</u>
Total	\$ <u>487,689</u>	220,032

Provision for impairment of rent receivables is made based on the specific identification of doubtful balances. As rent become uncollectible they are written off against the provision. The creation and release of provision for impaired receivables are charged to comprehensive income.

The carrying amount of the Corporation's rent and other receivables are denominated in EC dollars.

5. LOANS AND RECEIVABLES	<u>2015</u>	<u>2014</u>
(1) Loans and receivables at amortised cost		
Certificate of deposit	\$ <u>1,000,000</u>	1,031,500

The certificate of deposit matures in December 2016 and earns interest at the rate of 1.5% per annum.

Notes to Financial Statements - December 31, 2015 (Continued)

6. PROPERTY, PLANT AND EQUIPMENT - Continued

- (i) The Corporation's lands and buildings at Frequente, Seamoon 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 Seamoon 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) If land and buildings were stated on the historical cost basis, the carrying amount would be \$31,901,272 (2014:\$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 comprehensive income 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:

Buildings2%Motor vehicles20%Furniture, fixtures & equipment10% & 33%

Bank borrowings are secured on land and buildings for the value of \$3,459,441 (2014: \$3,666,020) See note 8.

7. TRADE AND OTHER PAYABLES	<u>2015</u>	<u>2014</u>
Advanced rentals & security deposits Other payables, accruals and provisions	\$316,770 <u>145,565</u>	394,894 169,019
Total	\$ <u>462,335</u>	<u>563,913</u>

Notes to Financial Statements - December 31, 2015 (Continued)

8. BORROWINGS	Total <u>2014</u>	Total <u>2015</u>	Due withing one year	n <u>Net Long</u> 2015	Term Balance 2014
Caribbean Development Bank					
2% Loan (Note i)	\$2,058,370	1,931,700	126,669	1,805,031	1,931,701
Grenada Development Bank					
Loan #1 (Note ii)	47,060	29,979	18,093	11,886	29,336
Loan #2 (Note iii)	77,035	51,933	25,593	26,340	52,766
Loan #3 (Note iv)	214,374	172,159	44,560	127,599	168,774
First Caribbean Int'l Bank	3,451,646	-	-	-	3,265,859
(Note v)					
Grenada Cooperative Bank (Note vi)	1,000,000	-	-	-	-
Unique Vacations Ltd (Note vii)	-	634,468	135,409	499,059	-
Clear Harbour (Note viii)	-	54,167	25,000	29,167	-
Grenada Cooperative Bank #1 (Note ix)	-	3,287,282	173,770	3,113,512	-
Grenada Cooperative Bank #2 (Note x)		<u>1,360,178</u>	66,938	<u>1,293,240</u>	
Total	\$ <u>6,848,485</u>	<u>7,521,866</u>	616,032	6,905,834	<u>5,448,436</u>
(2014	6,848,485	1,400,049)			

- (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 guarterly 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 was secured by a first legal mortgage over 84,984 sq. ft. of commercial land located at Frequente 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 was at the rate of 8.5% per annum and it was repayable in one hundred and eighty (180) months ending on 30 May, 2026. The monthly installment was \$39,334, including interest. During the year this loan was fully repaid. See note (ix).

Notes to Financial Statements - December 31, 2015 (Continued)

8. **BORROWINGS** (continued)

- (vi) This loan was secured by a term deposit of \$1,000,000. The loan was taken to refurbish building #12 at Frequente Industrial Park and was repayable within a period of six months. Interest was payable at the rate of 7% per annum. During the year this loan was also fully repaid. See note (x).
- (vii) This loan is unsecured and is repayable in 5 years at an interest rate of 7% per annum and monthly repayments of \$14,627.70 inclusive of interest. Proceeds of the loan to be used for refurbishing of the Corporation's building.
- (viii) This loan is interest free and is repayable in 3 years. Monthly amounts of \$2,083.33 would be repaid via deductions from rent payable to GIDC by Clear Harbour. The loan of \$75,000 was used to purchase a generator for use in the building occupied by Clear Harbour.
- (ix) This loan is secured by a first mortgage over 84,984 sq. ft. of commercial land with two buildings thereon, located at Frequente and 1 acre of commercial land at Frequente. Interest is at 6% per annum and the loan is repayable in one hundred and twenty five (125) monthly installments of \$36,733.00, inclusive of interest. This loan was taken for the repayment of the FCIB loan in Note v.
- (x) This loan is repayable in one hundred and eighty (180) monthly installments of \$13,178 inclusive of interest and was used to pay off the demand loan at Grenada Cooperative Bank (note vi). Interest is payable at 7.75% per annum. This loan is secured by assignment of Fire and Peril insurance policy for EC\$1,700,000.

The carrying amounts of the Corporation's borrowings are denominated in EC dollars.

9. <u>DEFERRED INCOME</u>	<u>2015</u>	<u>2014</u>
At January 1 Grants received during the year	\$189,465	200,610
Amounts transferred to income	<u>(11,145</u>)	<u>(11,145</u>)
At December 31	\$178,320	189,465

Deferred income represents the balance of a grant made to the Corporation by the U.S.A.I.D. in 1990 for the construction of the Seamoon 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.

10. CAPITAL COMMITTMENT

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

	Total	Expenditure	e Outstanding
	Project Cost	To Date	<u>Committment</u>
Administrative and Commercial Complex, Frequente, 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>	1,306,800	7,066,168

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.

11. POTENTIAL FOR EXPANSION

In 2002 Cabinet approved the vesting of 8.5 acres of land at Seamoon 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.

Additional Information to Financial Statements For the Year Ended December 31, 2015

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Schedules to Statement of Comprehensive Income For the year ended December 31, 2015 (With Comparative figures for 2014)

FACTORY RENTAL INCOME - Schedule 1	<u>2015</u>	2014
Frequente Industrial Park	\$3,669,469	3,109,865
Seamoon Industrial Park	500,778	489,935
St. Patrick	<u>95,103</u>	
Total	\$ <u>4,265,350</u>	3,702,043
OTHER INCOME - Schedule 2		
Interest income	\$ 52,662	67,937
Project appraisal fees	31,727	10,915
Miscellaneous income	7,024	5,030
Business development centre	83,299	24,400
CDF Project	89,076	-
CTCS project	35,970	-
MAREP project	128,100	9,205
CART fund	<u>589,358</u>	<u>545,656</u>
Total	\$ <u>1,017,216</u>	<u>663,143</u>
REVENUE GRANTS - Schedule 3		
Government of Grenada		
GIDC	\$468,042	281,500
SEDU	300,000	•
U.S.A.I.D.	<u>11,145</u>	<u>11,145</u>
Total	\$ <u>779,187</u>	<u>567,645</u>

Notes to Departmental Statement of Comprehensive Income For the Year Ended December 31, 2015

(i) CARIBBEAN TECHNOLOGY CONSULTANCY SERVICES (CTCS)

Funding from the Caribbean Development Bank (CDB) was used to facilitate training in the effective use of Computerised Management Accounting Systems for Micro, Small and Medium-Sizes Enterprises.

(ii) MARKET ACCESS AND RURAL ENTERPRISE PROGRAMME (MAREP)

The Corporation, with funding through the CDB, implemented a programme to recruit, train and employ business development officers to provide business support and similar services to the MAREP project.

(iii) CARTFUND

The Caribbean Development Bank (CDB) provided a grant from the CARTFund to assist the Corporation in financing a project to increase the production and exportation of value-added nutmeg products in Grenada.

(iv) CARICOM DEVELOPMENT FUND (CDF)

This project relates to a grant provided from the CARICOM Development Fund (CDF) to assist the Corporation in the provision of institutional support to the Grenada Development Bank (GDB) and support for Small and Medium Sized Enterprises.

GRENADA INDUSTRIAL DEVELOPMENT CORPORATION

Basis of Allocation and Apportionment of Revenue and Costs For the year ended December 31, 2015

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

Notes to Financial Statements - December 31, 2015 (Continued)

6. PROPERTY, PLANT & EQUIPMENT				Furniture	
	Land	<u>Buildings</u>	Motor <u>Vehicles</u>	Fixtures & Equipment	Total
Cost or Valuation	Land	<u>buildings</u>	<u>vernicies</u>	<u> Lquipinieni</u>	<u>10tai</u>
At 31 December 2013	\$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>31,352,136</u>
At 31 December 2014	27,370,120	48,094,030	103,000	1,067,851	76,635,001
Additions	-	1,846,504	95,000	80,292	2,021,796
Reconciling difference	-	-	-	(2)	(2)
Disposals		<u>(105,159</u>)	<u>(35,000</u>)	<u>(24,704</u>)	(164,863)
At 31 December 2015	27,370,120	49,835,375	<u>163,000</u>	<u>1,123,437</u>	78,491,932
Accumulated Depreciation					
At 31 December 2013	-	4,588,637	102,999	997,175	5,688,811
Depreciation charge	-	246,633	-	16,640	263,273
Eliminated on disposal		(<u>4,510,034</u>)			(4,510,034)
At 31 December 2014	-	325,236	102,999	1,013,815	1,442,050
Depreciation charge	-	996,708	4,750	26,071	1,027,529
Eliminated on disposal		<u>(19,571</u>)	(35,000)	(24,704)	(79,275)
At 31 December 2015	\$	1,302,373	<u>72,749</u>	<u>1,015,182</u>	2,390,304
Carrying Amount At 31 December 2015	\$ <u>27,370,120</u>	48,533,002	90,251	08,255	<u>76,101,628</u>
At 31 December 2014	\$ <u>27,370,120</u>	47,768,794	1	54,036	<u>75,192,951</u>

GRENADA INDUSTRIAL DEVELOPMENT CORPORATION
Departmental Statement of Comprehensive Income
For the Year Ended December 31, 2015

		ļ		INDUS	TRIAL ESTA	INDUSTRIAL ESTATES PROJECTS	STS						
	Total	2015	CDB	CDB	USAID	Bldg 10&11 Marketing & Fraguette Promotion		Business	V)L)	O+ Datrick	MAREP	The C	л П
Income	107	2102		Scallicoll	בופלחם	בופלחפוופ	-	מבאבוסטוובווו		of. Patilica	בוסם בו	Calt Luig	
Factory Rental Other Income	3,702,043 108,282	4,265,351 174,711	560,297 5,500	500,778 9,152	2,199,576 33,710	909,597 4,500	0 38,550	0 83,299	00	95,103 0	00	0 0	0 0
Project income	554,861	842,504	0.00	0.00	0.00	0.00	0.00	OI	35,970	0.00	128,100	589,358	89,076
Total income	4,365,186	5,282,566	565,797	509,930	2,233,286	914,097	38,550	83,299	35,970	95,103	128,100	589,358	89,076
Less: Direct Expenditure									,	,		,	,
Salaries, wages & staff costs	799,700	845,121	20,000	30,000	75,182	15,000	304,381	268,358	0 0	8,000	124,200	0 0	0 0
Interest on long term loans	360,036	924 044	0 2 700	26,509	92,930	24,790			O	1,014	O	0 0	0 0
Security	210.436	212.113	33.954	76,296	101,863	, t	0 0	0 0	0 0	000,-	0 0	0 0	0 0
Advertising and promotion	41,099	69,781	4,786	550	14,359	0	48,020	2,066	0	0	0	0	0
Electricity	35,537	35,615	0	4,056	27,311	869	0	3,380	0	0	0	0	0
Telephone	1,710	2,080	0	2,080	0	0	0	0	0	0	0	0	0
Seminars & workshops	157,983	79,723	0	0	0	0	16,481	18,774	25,940	0	0	9,698	8,831
Water rates	17,299	26,492	0	0	14,421	12,070	0	0	0	0	0	0	0
Janitorial services	3,000	9,000	0	0	0	0	0	0	0	9,000	0	0	0
Products and equipment	0	168,705	0	0	0	0	0	0	0	0	0	168,705	0
Property tax	0	30,472	7,278	817	21,832	0	0	0	0	545	0	0	0
Legal and professional fees	574,535	544,293	OI	Ol	116,276	0.00	OI	0.00	Ol	0.00	0.00	428,017	OI
Total	2,603,810	2,798,141	127,816	200,750	655,016	356,920	368,882	292,578	25,940	30,789	124,200	606,420	8,831
Gross contribution	1,761,376	2,484,424	437,981	309,180	1,578,270	557,177	(330,332)	(209,279)	10,030	64,314	3,900	(17,062)	80,245
Less:General & admin. expenses	1,895,040	1,764,601	90,165	140,662	322,671	238,221	246,205	195,277	17,313	20,550	82,896	404,747	5,894
Surplus/(deficit) before grants	(133,664)	719,823	347,816	168,518	1,255,599	318,956	(576,537)	(404,556)	(7,283)	43,764	(78,996)	(421,809)	74,351
Revenue grants	567,645	779,187	300,000	0.00	11,145	0.00	168,042	300,000	0.00	0.00	0.00	0.00	00.00
Surplus/(deficit) for the year	\$433,981	1,499,010	647,816	168,518	1,266,744	318,956	(408,495)	(104,556)	(7,283)	43,764	(78,996)	(421,809)	74,351

Apportionment of General and Administrative Expenses For the Year Ended December 31, 2015

			<u>2015</u>	<u>2014</u>
Salaries, wages & other staff costs Depreciation Electricity Repairs & maintenance Bad debt expense			\$ 597,427 1,027,529 31,376 61,940 (553,445)	\$ 912,811 263,272 41,359 44,510 85,375
Telephone and fax Travelling			75,488 76,140	92,810 65,900
Directors' remuneration			35,835	39,162
Office supplies			33,629 44,367	38,477
Janitorial expenses Motor vehicle expenses			44,367 19,638	47,645 21,902
Audit fees and expenses			15,392	15,788
Bank charges			22,816	9,014
Dues, subscription and seminars Postage			2,890 1,461	3,490 2,169
Staff training			19,188	6,812
Miscellaneous expenses			6,203	4,048
Insurance			236,840	191,974
Entertainment			9,887	8,522
Total			1,764,601	1,895,040
Apportioned as Follows:	Percen	<u>Percentages</u>		<u>unts</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
CDB Funded Frequnte	5.11%	5.00%	90,165	94,752
CDB Funded Seamoon	7.97%	9.00%	140,662	170,554
USAID Funded Frequente Investment Promotion	18.29% 13.95%	21.00% 10.00%	322,671 246,205	397,958 189,504
Business Development	11.07%	14.00%	195,277	265,306
St. Patrick	1.16%	1.00%	20,550	18,950
Buildings 10 and 11 Frequente	13.50%	13.00%	238,221	246,355
MAREP	4.70%	4.00%	82,896	75,802
CTCS Projects CDF	0.98% 0.33%	0.00% 0.00%	17,313 5,894	0
Cart Fund	22.94%	23.00%	404,747	<u>435,859</u>
Total	<u>100.00%</u>	<u>100.00%</u>	<u>1,764,601</u>	<u>1,895,040</u>

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

Jmportant Notes



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