

THE MISSION

To contribute to poverty reduction and human resource development at the national level by mobilizing funds for the provision of credit, business advisory services and training primarily to the micro and small business sectors.

PROFILE OF THE NDFD

The National Development Foundation of Dominica (NDFD) Limited is a private, non-profit development institution established in 1981 as a limited company by guarantee under the laws of the Commonwealth of Dominica.

The mission of the NDFD as encapsulated in its mission statement, is that of poverty reduction and human resource development at the national level, by mobilizing funds for the provision of credit, training and technical support primarily to the micro, small and medium size enterprises (MSME's).

The Foundation benefited from grant funding to finance its programmes in its early years. Unfortunately, this ended in 1994 and the Foundation has had to accelerate its efforts at becoming a self-sustaining entity. In this regard, we had out of necessity to reduce operating costs while at the same time increasing the Foundation's revenue.

GOALS OF THE NDFD

The Foundation continues to assist entrepreneurs to start, expand or improve

their businesses. The general criteria for accessing the Foundation's financing remain as follows, the business must:

- be economically viable;
- utilize local raw materials;
- manufacture new products or develop existing products;
- help in the stimulation of exports or reduction of imports;
- offer a service that is vital to the community or to the visitors to the community; and
- be of a productive value in the community.

ADMINISTRATION OF THE NDFD

The NDFD is administered by a voluntary Board of Directors of at least nine (9) members with knowledge and experience in various disciplines drawn from established private and public institutions. They form a resource base for providing guidance and direction to the Foundation. The day to day management is the responsibility of the Executive Director assisted by a number of other staff members.

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32ND ANNUAL GENERAL MEETING

Wednesday July 30th, 2014 – 4:30m at the NDFD Conference Room

4:30pm – 4:35pm	<i>Invocation – Reverend Dr. Novelle Josiah</i>
4:35pm – 4:40pm	<i>Welcome Remarks- Mr. Cletus Joseph</i>
4:40pm – 4:50pm	<i>NDFD Chairman Message – Mr. Oliver Henderson</i>
4:50pm – 5:20pm	<i>Receive and Consider the Executive Director's Report</i>
5:20pm – 5:45pm	<i>Testimonials by Clients – Stars Multi-Purpose, Johnnie Nixon, Clesia Alexander</i>
5:45pm – 5:55pm	<i>Confirmation of minutes of the 32nd Annual General Meeting</i>
5:55pm – 6:00pm	<i>Consider Matters Arising</i>
6:00pm – 6:20pm	<i>Receive and Consider Auditors Report</i>
6:20pm – 6:25pm	<i>Presentation of Financial Statements</i>
6:25pm - 6:30pm	<i>Appointment of Auditors</i>
6:30pm – 6:40pm	<i>Retirement and Election of NDFD Board of Directors</i>
6:40pm – 6:55pm	<i>Any Other Business</i>
6:55pm – 7:05pm	<i>Vote of Thanks – Mr. Nicholas Bruno</i>
7:05pm	<i>Closing/Refreshments</i>



- We have a responsibility to use our financial resources for profitable and viable small businesses so as to obtain the highest returns to Dominica.
- We are bound, in our credit activities, to exercise good judgement in the choice of business we finance and in training, business advisory and counseling services we provide while maintaining the strictest level of confidentiality in dealing with our client's affairs.
- We are committed to support, encourage and develop entrepreneurs whose talents, hard work and management skills will effectively utilize available resources for the benefit of all Dominicans.
- We are committed to fostering the use of the talents of our management and staff; help them gain satisfaction and fulfillment from their work; to reward them as best we can; to hold them accountable for achieving well articulated objectives, and recognize their contribution to the achievement of our objectives.
- We expect from our staff, an attitude of responsibility, commitment and integrity.
- We have a moral duty to conduct our affairs with integrity, fairness and benevolence to all persons, and in the work place, all employees have the duty to create a harmonious and mutually rewarding environment.
- We have a duty to our Benefactors to be trustworthy, accountable, transparent and effective.





AGM	Annual General Meeting
AID Bank	Agricultural, Industrial and Development Bank of Dominica
BNTF	Basic Needs Trust Fund
CARTF	EU/CARIFORUM Agribusiness Research and Training Fund
CDB	Caribbean Development Bank
CPEC	Caribbean Regional Human Resource Development Programme for Economic Competitiveness
CSME	Caribbean Single Market and Economy
DOWASCO	Dominica Water and Sewerage Company
DYBT	Dominica Youth Business Trust
EC	European Commission
EDF	European Development Fund
EU	European Union
ICDF	International Cooperation and Development Fund
IICA	Inter American Institute for Cooperation on Agriculture
MSEs	Micro and Small Business Enterprises
MSMEs	Micro, Small and Medium Business Enterprises
NAO	National Authorizing Officer
NDFD	National Development Foundation of Dominica Limited
R&T	Research and Training
SMEs	Small and Medium Business Enterprises
USAID	United States Agency for International Development



BOARD OF DIRECTORS

NATIONAL DEVELOPMENT FOUNDATION OF DOMINICA LTD.



CHAIRMAN - Oliver Henderson



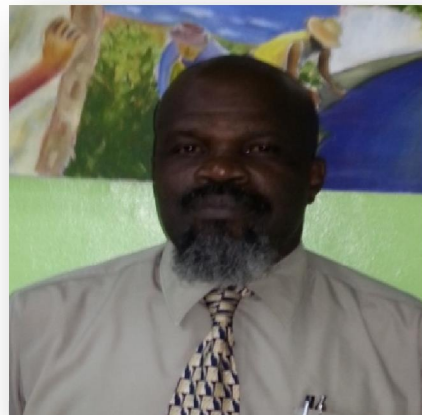
DEPUTY CHAIRMAN - Bernard Thomas



DIRECTOR - Dr Damien Dublin



TREASURER - Ralph Blaize



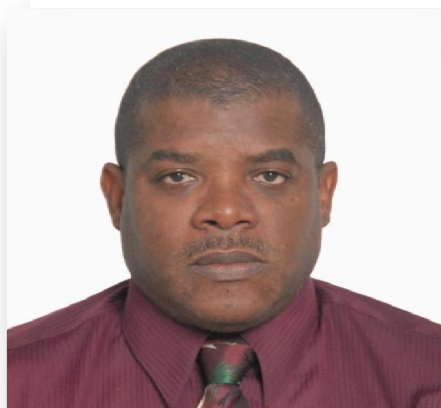
DIRECTOR - Dr Steve John



DIRECTOR - Erickson Lewis



DIRECTOR - Diane Ettiene



DIRECTOR - Nicholas Bruno

Director - Sherma Dalrymple



INTRODUCTION

Theme: "Growth and Poverty Reduction through a Sustainable MSME Sector"

We at the National Development Foundation of Dominica (NDFD) Ltd always look forward to reporting on its operations during the previous accounting cycle, and is particularly proud to continue this prudent practice for this 2013 period. Having been in existence for thirty-two (32) years, the NDFD is seasoned enough to anticipate that the economic climate would have been challenging, and therefore was prepared to deal with this reality as the New Year 2013 was ushered in. The NDFD has proudly embraced its mandate to help improve the standard of operations of the micro, small and medium enterprise (MSME) sectors in Dominica by continuing to provide improved service, and increasing its products offering.

The year started off with the changing of the head of operations from Mr. Ronald Knight to Mr. Cletus Joseph. I want to therefore on behalf of the Board of Directors officially welcome Mr. Joseph to the family of the National Development Foundation of Dominica whilst we bid farewell to Mr. Knight, we wish him all the success in his future endeavors.

We also saw movements within the Board of Directors fraternity by sadly saying good-bye to a long serving Director Mr. McDowell Paul, who through work commitment could no longer continue to serve. Mr. Paul your services did not go unnoticed and I therefore thank you for

your commitment in volunteering your invaluable time and expertise to the NDFD. We however welcomed three new Directors to the family, Ms. Diane Ettiene, Mr. Nicholas 'Eddie' Bruno and Ms. Sherma Dalrymple, thank you all for volunteering to serve, your expertise are welcome.

The NDFD remained focus on its mission of developing the MSME sector in Dominica irrespective of the economic environment in which we function. We are confident that the Foundation has played a significant role in the stimulation of the various sectors by assisting small and micro business owners in making investments and receiving training in the various sectors of the economy. It must be noted that funding of enterprises were across the major traditional sectors namely; agriculture, fishing, tourism, distributive trade and the services industry.

Although the NDFD was able to meet the challenges which it encountered, and whilst it endeavored to deliver the highest quality of service to its clients, the biggest challenge continues to be that of delinquency. For this reporting year of 2013, five hundred thousand dollars (\$369,627) had to be set aside from profits to provide for non-performing loans. I therefore personally urge, in fact beg, you our delinquent clients to please make every effort in meeting your obligation to the Foundation for it is in so doing that other aspiring entrepreneurs can get funding for their enterprises. In spite of this negative situation the Foundation can boast of achieving maximum impact in 2013 on the sectors which it served.

ECONOMIC ENVIRONMENT OVERVIEW

Although Global activity strengthened during the second half of 2013, as anticipated in the October 2013 World Economic Outlook (WEO), it was largely on account of recovery in the advanced economies. Growth in the Caribbean remained subdued, particularly in the tourism dependent, countries of the Eastern Caribbean Currency Union, (ECCU), including Dominica, where activities are constrained by low tourism flows and a decline in agricultural exports and the construction industry. Growth in these economies was projected to remain at about 3½% in 2013. A high import bill has been a stand out factor of our local economy, and hence, herein are opportunities for the MSME sector to take advantage and increase output and productivity which will eventually contribute to narrowing the Balance of Payments gap. The NDFD therefore, has always been prepared to provide the financing required by business owners and entrepreneurs, who are willing to take advantage of the opportunities which present themselves.

The IMF recognises that Private sector development is important to overall economic growth. Often, however, structural impediments, including the lack of access to financing, constrain the development of the private sector. It is in light of this, that the NDFD sought to bring out its mission: *“To contribute to poverty reduction and human resource development at the national level by mobilizing funds for the provision of credit, business advisory services and training primarily to the Micro and small business sectors.”* The Foundation also took the further step to bolster its push towards developing the MSME sector by adopting the theme for 2013, *“Striving to promote and support Entrepreneurial Excellence and Success”*. These guiding statements really did set the

focus for the operations of the year in review, as emphasis was placed on helping the MSME sector improve their standard of operations in order to gain greater productivity and profitability. The main focus then was to provide the liquidity support in the form of loan financing, human resource development in terms of training, and business support services by making available basic services required to ensure that the businesses could function efficiently at an affordable cost.

The country’s macro-economic situation has also suffered, particularly from a contraction in exports of locally produced goods and services coupled with an increase in imports. The NDFD has been cognizant of this and has therefore sought to provide the funding environment whereby entrepreneurs and small business owners including farmers and manufacturers can utilize in order to turn this situation around. In this regard, the Foundation continued to develop products and services which were tailored to benefit both its existing and prospective clients. In order to ensure that the Foundation was able to deliver to its clients and also meet its set objectives, the following were done:

- Training of the Business Support Service Unit to deliver more personalized services
- Restructuring and strengthening of the Recoveries Department in order to increase collections and thus reduce delinquency
- Sourcing funds from external sources to enable the Foundation to meet loan demands

This therefore led to the negotiation of a concessionary loan facility with the Dominica National Petroleum Company (DNPC), whereby the Foundation could make loan funding

available to the MSME sector at 6.5%. This affordable financing is intended to provide a significant boost to the production of goods and services.

These steps were necessary in order to ensure that, not only the survival, but successful funding of micro and small businesses on the island. I therefore thank the management and staff of the DNPC and the government of the Commonwealth of Dominica for making this possible.

In addition to the loans provided, the Human Resource, Training and Marketing Department continued to provide training in various topic areas which are critical to assist clients to better manage their businesses. On the other hand, the Business Support Unit has continued to offer tremendous assistance to the MSME sector in terms of increasing their standard of operations.

OVERALL PERFORMANCE

The performance of the NDFD can be deemed as one which achieved tremendous successes and financial milestones. The NDFD ended the year with the highest operational surplus since it began operations thirty-two (32) years ago, and has seen its General Fund move from negative \$431,000 to negative \$139,845. I must pause at this time to re-emphasize that the NDFD had to allocate \$369,627 of its surplus for 2013 to write-off bad loans. We again make the call at this time for those who have not honored their commitments to repay do so. Also, those who have not engaged the NDFD in making arrangements to pay, and ignored efforts made by the Foundation to reach out to them; steps are being taken to recover all funds owed to the NDFD.

Despite this, all of the indicators are pointing in the right direction, including movements in

assets, as well as the cash position. The NDFD has also renewed and strengthened its efforts at reaching out to and assisting the MSME sector in reaching their full potential as contributors to the economic development, profitability and job creation. There exists a good mix, since the Foundation is placing emphasis on the productive sector, while also keeping checks and balances in place to maintain financial stability.

GOVERNANCE

NDFD is governed by a nine (9) member board, elected at its annual general meeting, who relentlessly volunteer their time and expertise to the Foundation. In other words, there are no cash or any other rewards but the self satisfaction of a job well done. The board continued to exercise good corporate governance in ensuring that the Foundation remained true to its fundamental mission of being the organization which takes pride in the development of the micro business sector in Dominica. The support and assistance provided to this sector by the Business Support Services Unit is a testament to this, as well as the follow up after loan disbursements, to ensure that the businesses are operating efficiently and effectively.

For the year 2013, the board was made up of the stipulated nine (9) members, and kept to the minimum of one (1) meeting per month, in addition to a number of special meetings as required to deal with outstanding or urgent matters. The astute and prudent oversight provided was necessary in order that the Foundation was equipped to navigate through the challenging financial conditions which were presented during the year.

STRATEGIC ALLIANCES

During 2013 the Foundation continued to establish new partnerships and strengthen

existing collaboration with key stakeholders in an effort to position itself to deliver the highest quality of products and services to its clients. This ensures that there is no duplication of duties, as well as maintaining a significant presence in the minds of important players in the operating environment.

FUTURE

In keeping with the current trends in the international financial market and the local economy, the NDFD continues to seek new opportunities which will augment its position, and provide it with the best opportunity to improve the overall financial status and well-being of its clients, by improving the overall service to them. This thrust is supported by this year's theme of "Growth and Poverty Reduction through a Sustainable MSME Sector". The success of these initiatives depends a great deal on the cooperation of and assistance from these very same small businesses which we seek to serve. The Foundation will continue to seek to bring more meaningful products and services to its clients and assist in becoming successful

entrepreneurs that will stand out as examples for others to follow. A great deal of focus will also be placed on promoting and funding businesses which add value, introduce new and innovative products and target export. While we look forward to these benefits of improved products and services, it is important to bear in mind the challenges which will be brought about. These however, are not insurmountable and efforts will be made to combat them particularly delinquency.

The NDFD's board wishes all a prosperous and productive 2014, filled with the best service.

I thank you.



Oliver P Henderson

CHAIRMAN



Belfast Estates

J Astaphans & Co Ltd

Dominica Bureau of Standards

D Supply & Tyre Store

DEXIA

Dominica Co-operative Societies League

DOWASCO

Jays Limited

Mr. Phillip Nassief

Dr Damien Dublin

Nicholas Bruno

National Bank of Dominica





GENERAL OVERVIEW

The year 2013 was one of those whereby the NDFD had to stand up to the challenges within the local economic environment and adapt and strategize to counter these. The NDFD, after 32 years of Micro, Small and Medium Enterprise (MSME) development is well versed in delivering the highest quality of services and products to its clients, and was therefore prepared to continue along those lines. The Foundation continues to appreciate its role and is pleased with the progress made over the past twelve (12) months, since there is empirical evidence to show that there has been significant and tangible impact on the lives and livelihoods of the Dominican populace. This is shown in data collected by the NDFD during the execution of its mandate. NDFD takes much pride in advancing its mission: *"To contribute to poverty reduction and human resource development at the national level by mobilizing funds for the provision of credit, business advisory services and training primarily to the Micro and small business sectors."*

The NDFD is one of the few surviving National Development Foundations in the Caribbean, and certainly is an effective Micro-Finance Institution (MFI) providing a critical service. Since the Foundation embraces its mission

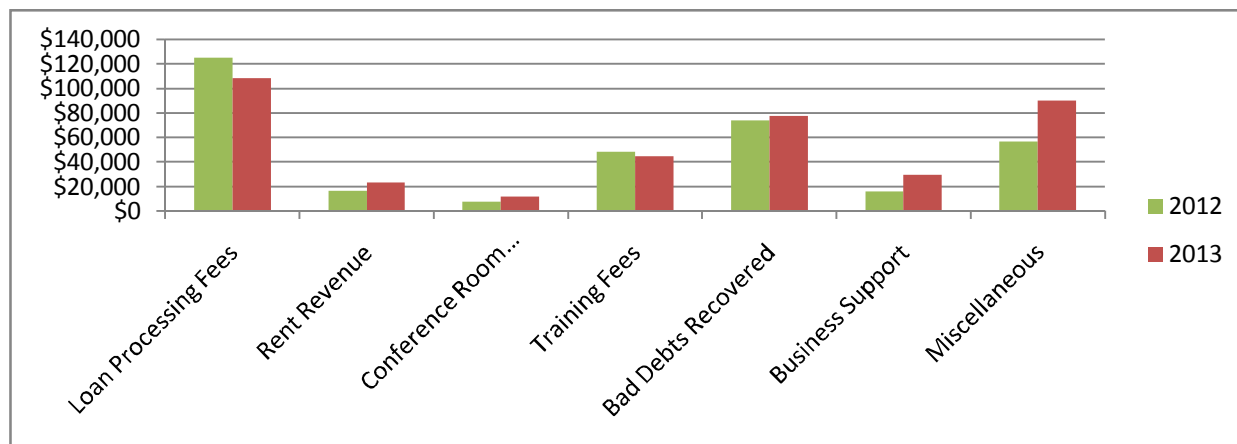
seriously and values the role it plays in the MSME sector, it has evolved and adapted itself to ensure that it achieves maximum effectiveness and productivity within that sector. One of the ways of so doing is that of providing the support services and training at affordable rates for further development. Over the past year, the Foundation has engaged itself in activities which are geared at improving the standard of operations of the sector it serves which will result in poverty reduction, job and wealth creation, as well as increased productivity.

FINANCIAL REVIEW

The NDFD realized an operational surplus of \$683,971 for the reporting period 2013. This is an increase of \$36,108 or 7% over 2012. The main revenue item was interest on loans which yielded \$1,514,786 and Other Income of \$348,073. Other Income was mainly from the following:

- Loan Processing Fees \$108,076
- Rent Revenue 23,617
- Training Fees 44,660
- Business Support \$29,511 and
- Bad Debts Recovered \$82,321

The Table below gives a comparison of the revenue for the past two (2) years.



The NDFD has sought to provide added value to the sector it serves by increasing the services it provides especially in the Business Support Services Unit as well as that provided by the Business Development Officers (BDO's). This was all with the objective of raising the standard of operations, productivity as well as profitability.

Expenses showed an overall increase of five thousand dollars (\$5,000). However, the only area of significance was that of personnel expenses, as in order to achieve the expected results, the requisite human resources had to be sourced. Generally, other areas of expense were kept under control. There remains a need to exercise prudence while delivering exceptional service.

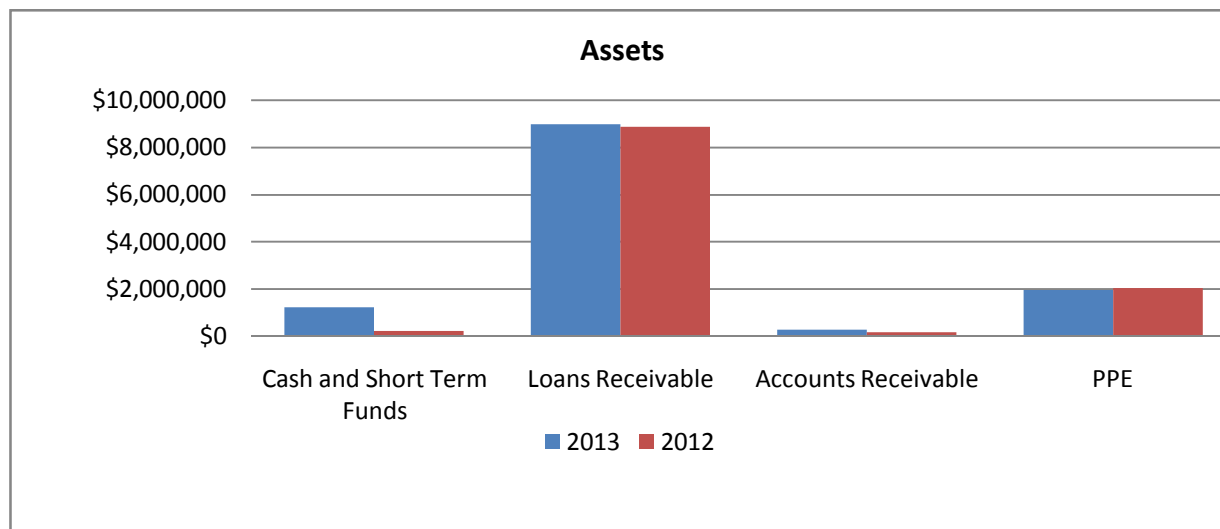
FINANCIAL POSITION

The Foundation's financial position has continued to improve, as there was growth in the asset base. The total assets as at December 31st, stood at twelve million, nine hundred and sixteen thousand, seven hundred and thirty-seven dollars (12,916,737), an increase of in excess seven hundred thousand dollars over 2012. This was realized, despite loan write-off of \$369,627. Liabilities showed an increase of \$432,000 over 2012. This increase in liabilities was mainly due to a cash injection in the form of a loan from the Dominica National Company Limited (DNPC) towards the end of the year. This significantly improved the

liquidity situation and allowed the NDFD to meet the tremendous loan demands of the clients. The Foundation was able to improve the General Fund from negative \$431,555 in 2012 to negative \$139,845 at the end of the period. This shows that there was significant improvement in the financial position of the NDFD. However, the situation could have been significantly better had the Foundation not used the sum of \$369,627 to write off bad loans which have been in its system for a long time. This therefore means that in order for the Foundation to meet up to its well articulated mandate, the clients need to live up to their contractual arrangements and repay the funds loaned out to them.

The cash position of the Foundation was improved, as seen in the savings account which showed a year-end balance of \$305,995, a current account balance of over \$900,000 leaving total cash and short term funds in excess of \$1,220,000.

This position empowers the Foundation to easily meet its cash demands, as we strive to assist our clients to develop their businesses into sustainable enterprises, and contribute to poverty reduction in the process. The Cash Flow Statement reflects a net cash flow of \$1,024,713. Despite this favourable position, there remains the need to be prudent in the execution of the activities of the Foundation, while being innovative and creative in delivering services and products to the clients.



OPERATIONAL ACTIVITIES

ACCOUNTS DEPARTMENT

There were minor adjustments made to the internal structures in order to improve the efficiency and effectiveness of the Foundation. The Recoveries Department was one of those which received some additional human resources to help ensure that defaults were kept at a minimum and manageable level, which would also contribute to the effort at improving liquidity. The Business Support Services Unit (BSSU) also broadened on the suite of services provided to the MSME sector. One of those is a consultancy on rural women and their businesses funded by the Inter-American Institute for Cooperation in Agriculture (IICA) with a view to setting up a revolving fund for rural women and their businesses. The BSSU also extended itself to providing more trainings targeted specifically at the MSME's which will assist them to improve on their financial record keeping and decision making.

PARTNERSHIPS

The Foundation continued to forge partnerships as it sought to improve the level of impact on the overall economic development of the country. Partnerships are critical if maximum efficiency and

effectiveness is to be achieved, since there are synergies to be derived from synchronous events. It prevents the duplication of efforts, reduces costs, and achieves greater success in terms of reaching a wider target clientele, among other benefits. During the year 2013, relationships were strengthened and maintained with the Basic Needs Trust Fund (BNTF), IICA, Organisation of Eastern Caribbean States Export Development Unit (OECS/EDU), Junior Achievement (JA), Global Environment Facility (GEF), among other stakeholders. The skills training programme funded by the BNTF which was implemented in St. Joseph and Marigot is still ongoing and bringing benefits to a number of youth in these areas. There are also other initiatives being negotiated with regional and international organizations with the aim of increasing the level of services and products which the NDFD delivers with the goal of accomplishing the various aspects articulated in its mission. Through partnerships, the NDFD was also able to source trainings for staff members in relevant areas, as well as to contribute by serving on various committees, providing complimentary training to the general public as well as community groups.

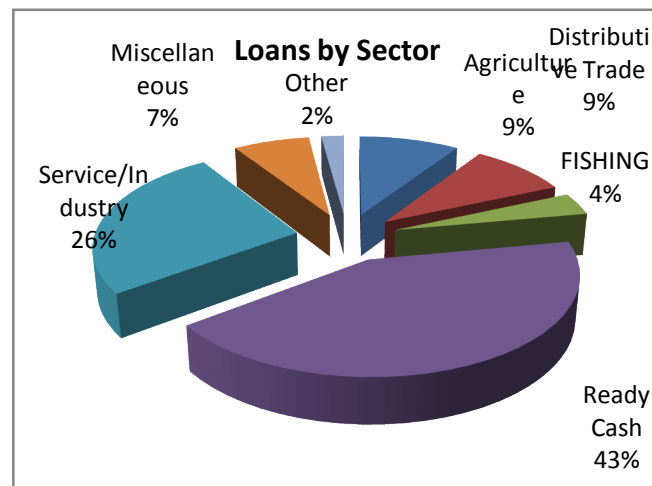
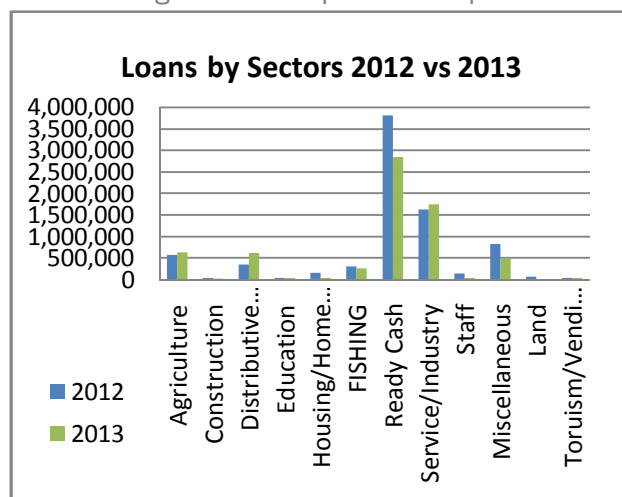
PRODUCTS AND SERVICES

For the reporting period, the Foundation provided loans funding mainly to the following sectors; services, distributive trade, fishing, agriculture, tourism/vending. The entire loan

portfolio as at December 31, 2013 consisted of 1,895 loans, with a total value of \$8,605,052.00 The table below gives comparative figures for the past two years in terms of loans approved.

SECTOR	2012	Number of loans	2013	Number of loans
Agriculture	565,813	108	618,484	100
Construction	26,768	2	16,000	2
Distributive Trade	348,648	41	606,702	53
Education	35,720	9	28,583	5
Housing/Home Improvement	142,003	15	28,624	4
FISHING	291,535	17	250,031	18
Ready Cash	3,806,945	1,458	2,846,893	1083
Service/Industry	1,616,961	115	1,737,044	112
Staff	127,378	9	32,291	2
Miscellaneous	811,628	154	470,398	83
Land	62,276	4	500	1
Tourism/Vending	31,997	3	34,179	5
TOTAL	7,867,673	1935	6,669,729	1468

The following Charts Compare sector performance between 2012 and 2013



GOVERNANCE

The NDFD has successfully navigated through a challenging global economic situation. This however, was by no means the result of good luck, but rather hard work and dedication. The board of directors continued to provide leadership and dedication by providing good governance in terms setting policies and monitoring to ensure that the maximum

results are achieved. The board continues to serve on a voluntary basis, and was committed to keeping its scheduled monthly meetings as well as other working meetings which were summoned as required to deal with particular business items. For the most part the board kept its stipulated nine (9) members, led by the Chairman Mr. Oliver Henderson. The composition of the board for 2013 was as indicated in the following table:

NAME	POSITION	COMMITTEE
Mr. Oliver Henderson	Chairman	Finance and Planning
Mr. Bernard Thomas	Deputy-Chairman	Credit Committee
Mr. Ralph Blaize	Treasurer	Finance and Planning
Mr. Erickson Lewis	Director	Finance and Planning
Mr. Nicholas Bruno	Director	Finance and Planning
Dr. Damien Dublin	Director	Credit Committee
Ms. Diane Ettiene	Director	Credit Committee
Ms. Sherma Dalrymple	Director	Credit Committee
Dr. Steve John	Director	Credit Committee
Mr. Cletus Joseph	Executive Director	

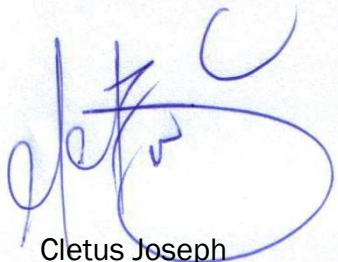
OUTLOOK

The year 2013 was one whereby the NDFD did cement its place in the Dominican psyche in terms of being the premier institution with the responsibility and leadership in terms of MSME development. It has also attracted regional and international attention as it relates to the execution of various projects and programmes. This serves a solid platform for the launching of the plans of the NDFD to significantly develop the MSME sector in which will result in tangible results on the national economy. The Foundation more and

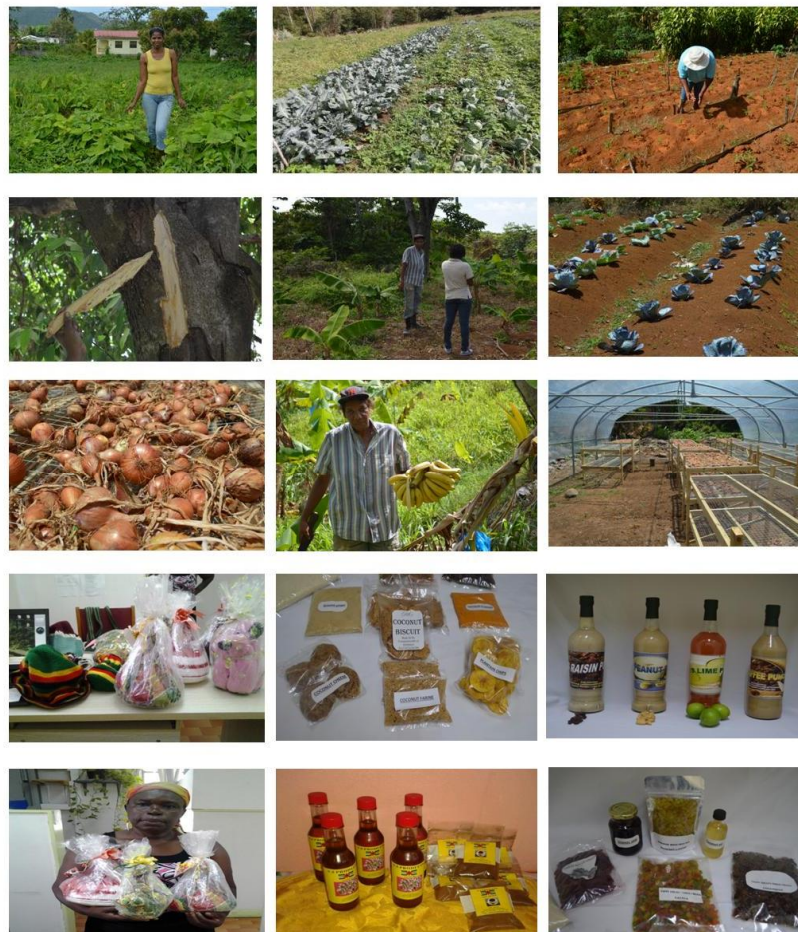
more allows its mission to inform its plan of action and therefore lead the actions and activities which it undertakes. We recognize the importance of Small Micro and medium sized enterprises in terms of contribution towards the reduction of poverty, creation of employment and the generation of wealth for the country's citizens, and therefore is committed to increasing the quality of the suite of products and services which it makes available to the sector.

The specific objective is to assist the both nascent as well as existing businesses with growth potential to realize their full potential. This approach is one of the ways in which meaningful growth and development can be achieved in order to positively impact poverty by empowering with income generating opportunities. All of the departments within

the NDFD are well prepared and ready to tackle the task ahead as we prepare to shoulder the responsibilities associated with delivering on this noble mission as we embrace the theme: *“Growth and Poverty Reduction through a Sustainable MSME Sector”*



Cletus Joseph
Executive Director





INTRODUCTION

In spite of the challenges the NDFD was faced with, both internally and externally the Foundation stills continued to satisfy the needs of Micro Small and Medium Enterprises (MSME's). This financial year was deemed to be very challenging due to the lack of availability of external funding. Regardless of this hurdle the Foundation was still able to assist new and existing businesses with financing.

For the year in review a total of 1,468 loans were granted in the amount of \$6,669,729. There was a significant decrease in the number of loans and the value of loans granted 24% and 15% respectively when compared to the previous year. There were eighteen (18) undisbursed loans in the amount of \$344,155.34.

Although there was a slight reduction of 8% in the number of farming loans approved, there was an increase of 9% in the value of loans approved as compared to the previous year. This year the farming loans were in the average range of \$6,000.00 as compared to the previous year of \$5,000.00. A total of 100 farmers were assisted with either the purchase of inputs, labour expenses or farm rehabilitation. The farmers still continue to experience challenges in various areas such as the high cost of inputs, shipping, and the poor conditions of farm roads.

The Distributive Trade Sector showed significant growth in the number and also the value of loans that were approved. For the year in review there was a 74% increase in the value and a 29% increase in the number of loans approved. This sector has improved significantly when compared to the previous years. It can be said that the Foundation is making a significant impact on the overall economy by injecting these funds into this sector that will have created economic impact as well as job creation. This sector mainly deals with the buying and selling of goods.

The Service/Industry Sector has remained quite consistent when compared to the previous years. There was a 7% increase in the value of loans when compared to the previous year and a slight decrease of 3% in the number of loans granted.. The Tourism/Vending sector also had a slight increase of 6.82% in valued of loans approved. These increases in these sectors are very satisfying for the NDFD since our mandate is to assist small business on the island.

The Ready Cash Facility still continues to be the most demanded sector at the Foundation. For the year in review a total of 1,083 loans were approved with a total value of \$2,846,893. When compared to the previous year there was a 26% decrease in the number of loans approved and also a 25% decrease in the value of loans approved. This facility had a reduction for the first time, due to the restructuring of the terms to refinance, and

the reduction in the amount granted from \$5,000.00 to \$3,000.00. This decision was taken to assist clients with prudent financial management as well as to allow the Foundation to place priority on the production of goods and services. At the end of the year, the portfolio consisted of 1,895 loans, with a total value of \$8,605,052.00. Many clients are reporting that business is slow and this has impacted negatively on business operations as well as sustainability. The NDFD has set itself apart by not only providing financing but also technical assistance which is essential for the continuation and existence of businesses. The two year old Business Support Unit has been very instrumental in the continuation of this service.

Towards the end of the financial year the Dominica National Petroleum Company Limited (DNPC) disbursed the first tranche of a \$5,000,000.00 loan that was approved for

CONCLUSION

The Foundation continues to move in a positive direction as it relates to sustainability and alleviating poverty in Dominica. Our main goal at this time is to provide more financial management and technical assistance for our clients in order to equip them to effectively and efficiently manage their businesses which will result in increased productivity.

The NDFD urges all clients to live up to their commitments with regard to their loan agreements, and to consult with the office if and when they are encountering difficulties, as there is a Business Support Department

the NDFD. These funds are to assist new and existing businesses by providing loans at an attractive interest rate of 6.5% per annum. For the year in review the Foundation has received \$2,000,000.00 and the balance will be disbursed in subsequent disbursements.

MONITORING AND DELINQUENCY

The Recoveries Department continues to work feverishly to minimize delinquency. It was difficult at times to collect outstanding funds under these tough economic times but we still tried our best. This year, legal action was taken against quite a few clients who faltered on their loan account, in addition to the use of contracted bailiffs. Collections on the written off loans is an ongoing project that the Foundation has undertaken, and as at the end of the financial period \$82,320.89 was collected from this portfolio, 11% increase when compared to the previous year.

which can assist in combating these challenges.

The overall performance of the Foundation, this year was very satisfying. The major problem which is delinquency was the primary concern and it has deemed to be very manageable. For the coming year the NDFD will continue to place emphasis on granting good loans with proper security and to continue providing technical assistance which sets us apart from our competitors. The call again goes out to clients to make good on their commitments to repay, since this will only result in a win-win situation for all.



INTRODUCTION

For the past thirty two years the NDFD has become a household name in Dominica. The NDFD is known to many as the institution which offers finance for investing in existing or starting a small/medium size business. In order for any business to be successful there must be continuous capacity building for staff and other stakeholders involved in management and operations of this business. The NDFD is also known as the institution which offers training from January to

December of any given year. The Department welcomed Mr. Cletus Joseph; Executive Director and his leadership effective March 2013.

The Training Department has an ongoing challenge to prepare a list of training programs which will address the needs of clients, entrepreneurs, stakeholders' public and private sector individuals. This report will give a general overview of the main activities which were undertaken during the year 2013.

The table below highlights the various Training Programs which were implemented and the number of male and female participants.

NAME OF TRAINING PROGRAM	FEMALES	MALES
1.Protocol Etiquette	25	1
2.Office Management	23	3
3.Effective Communication	9	2
4.Supervisory Leadership	6	9
5.Customer Service	11	2
6.Events Management	13	2
7.Professional Image, Hair & Makeup Application	14	-
8. Fundamental of Employment Law	14	1
9. Cosmetology: Marigot	19	-
10.Basic Sewing: Marigot	7	-
11. Pastry & Dessert Making: St. Joseph	16	-
12.Financial Education	11	2
14.Customer service	34	2
15.Estimating Cost of Small Business	27	-
TOTAL	241	24

A total of two hundred and sixty five participants (265) were trained during the year 2013, which included two hundred and forty one (241) females and twenty four male (24). It should be noted that there has been an increase in the number of females' participants when compared to (202) for the year 2012. There has been a significant decrease in participation amongst males. Over the years, participation amongst male individuals continues to fluctuate. The Training Department advocates for greater participation in training programs amongst males. Every effort should be made by the necessary agencies to building capacity amongst the male individuals to have a fair balance of competent human resource in Dominica.

There were a number of new Training Programs which the Training Department offered to keep abreast with the changing needs of stakeholders. The new Programs were:

- Financial Education
- Events Management
- Skills training such as; Professional Image Hair/Make up;

These new Programs were well received by the participants and they considered them to be very timely. The Training Department was also pleased to collaborate with various agencies/schools to provide specialized trainings for their members, staff and students. All of these trainings were provided free of charge:

- Exploring business ideas/ preparation and presentation of business plans: Penville Village Council; 14 young person's attended
- Entrepreneurship development; Social Centre AGNAR Programme; 50 young people attended.

- Business plans preparation/importance of small business in an economy; ECCB Financial Education month; students of secondary schools.
- Access to resources and technical support for rural women; Waitukubuli National Trail Management Unit. 30 individuals attended.
- Customer Service; West Dominica Children Federation; 6 persons attended.
- How to run an Early Childhood Centre as a business; 90 persons attended.

It is evident that the NDFD continues to collaborate /network with other institutions in the development of human resource of the country. Generally, a total of 455 individuals were trained.

The Foundation networked with various partners such as:

- The Dominica Youth Business Trust
- Dominica Youth Development Division
- Basic Needs Trust Fund
- The Inter-America Institute for cooperation on Agriculture (IICA)
- GEF Small Grants Programme. (GEF/SGP)
- Dominica Bureau of Gender Affairs

Funds for Skills' Training Project became available through the Basic Needs Trust Fund (BNTF) in the year of 2012. For the year 2013 the Training Department implemented four skills in various communities

- Basic Sewing and Pastry Making in St Joseph and environs
- Basic Sewing and Cosmetology in Marigot and environs

The National Development Foundation of Dominica entered into contract with the Inter-American Institute for Cooperation on Agriculture in September 2013 to execute a consultation on Rural Women in Business Development. The project aimed to provide technical assistance, training and loan financing to the beneficiaries who were required to be members of a local Rural Women's Association. IICA provided a self learning guide which was developed particularly for rural women based on their limited time capacity. The guide was introduced to the target beneficiaries by the NDFD who consisted of the following groups:

1. Marigot Community Tourism Group
2. Agricultural Women's Movement
3. North East Agricultural Women
4. Northern District Progressive Women
5. Toloman Women Group
6. Morne Prosper Women Farmers in Action
7. Giraudel Flower Group

The guide required the beneficiaries to convene in groups in order to cover the curriculum outlined. It enabled them to carefully evaluate their enterprises, focusing on imperative areas such as pricing, marketing, borrowing and planning. Upon successful completion of the guide, the Foundation evaluated the enterprises of the

beneficiaries to identify areas in which capacity building is required. The first training conducted in December, 2013 covered the areas of Business Development, Entrepreneurship and Customer service.

The Training Department submitted a capacity building proposal to GEF/SGP which was approved in November 2012. The NDFD also signed a Memorandum of Understanding in Capacity Building Training Project with GEF Small Grants Programme. The aim of the project is to build capacity amongst GEF/SGP Grantees and stakeholders, so they will be better able to write winning proposals which will be environmentally sound. The NDFD is required to implement three training programs in the areas of:

- Grant and Proposal Writing
- Project Management
- Monitoring and Evaluation

Training should commence in the month of January 2014.

The Training Department is pleased to report that opportunities for training were made available to members of staff of the NDFD which they gladly embraced. A cadre of trained staff would be better able to provide efficient and effective services to clients and members.

STAFF TRAINING AND ATTENDANCE FOR THE YEAR 2013:

NO.	NAME OF TRAINING/WORKSHOP	STAFF	COUNTRY
1	Effective Communication - NDFD	Shara Walsh Leon Peter Christine Fontaine	Dominica
2	Office Management - NDFD	Annasha LaRonde Consula Cuffy	Dominica
3	Customer Service – NDFD	Christine Fontaine	Dominica
4	Events Management – NDFD	Shara Walsh Annasha LaRonde	Dominica
5	Protocol Etiquette – NDFD	Annasha LaRonde	Dominica
6	Training the Trainers workshop in Financial Education - CMFA	Naomi Romain	Jamaica
7	Sensitization training on Quality Assurance and World Class Manufacturing	George Challenger Lydia Andrew Juan George	Dominica
8	OAS Sponsored Certificate Trainer as SBDC Counselors and Directors	Lydia Andrew Naomi Romain Sharon Vidal Francis Carrie Charles Thomas	Dominica
9	Effective Debt Recoveries Techniques & Strategies	Leon Peter	Dominica

The aspect of training continues to be a challenging task due to the fact that there are a number of other organizations offering services in training. The Foundation remains steadfast in keeping with its mandate and will continue to make training programs available to both the private and public sectors. The department will be flexible in its approaches to attract customers to utilize its training services, catering to their varying needs

Training Department will remain in dialogue with the various stakeholders to ensure that the training programs offered are those which

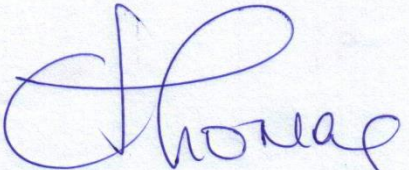
cater for the training needs of their clients, members and staff. The Training Department urges clients, members, private and public sectors stakeholders to engage the NDFD and solicit its training programs. The Foundation is committed to Human Resource Development both personal and professional through continuous training and learning.

The Training Department would like to extend sincere gratitude to the Board of Directors, Management and Staff for providing support though out the year of 2013. I would like to express a special thank you to Mr. Ronald Knight who served as Executive Director of the NDFD from 2008 and left in March Of 2013.

He was a true inspiration to the Foundation. Special thanks go out to the Staff of the Administrative/Training Department who

continues to work diligently to ensure that the clients and general public are served with the best training services available in Dominica.

Present by:



CARRIE CHARLES-THOMAS
HR/TRAINING OFFICER







Cletus Joseph
Executive Director

Fidel Grant
Finance Manager

Carrie Charles-Thomas
Human Resource/Training Officer

Lydia Andrew
Business Development/
Recoveries Officer

Sharon Vidal-Francis
Business Development/
Training Officer

George Challenger
Business Development Officer

Danley Carbon
Jnr Business Development
Officer

Naomi Romain
Business Support Services
Officer

Juanita Casey
Credit Officer/Accounts Clerk

Consula Cuffy
Accounts Clerk

Tasha Pacquette
Accounts Assistant

Leon Peter
Recoveries Officer

Sandrine Eugene
Recoveries Assistant

Annasha LaRonde
Recoveries Assistant

Clarissa Attidore
Cashier

Juan George
Office Attendant

Shara Walsh
Receptionist

Christine Fontaine
Office Assistant

Davina Joseph
Cleaner





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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

National Development Foundation of Dominica Limited
Great Marlborough Street, Roseau
Commonwealth of Dominica

We have audited the accompanying financial statements of the National Development Foundation of Dominica Limited which comprise the statement of financial position as at December 31, 2013, and the statement of comprehensive income and general fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

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, these financial statements present fairly, in all material respects, the financial position of the National Development Foundation of Dominica Limited as at December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPB Chartered Accountants

Roseau, Dominica

July 4, 2014

KPB CHARTERED ACCOUNTANTS

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Partners: Kieran Pinaré-Sykes (CEO/Chairman), Marilyn Estrada, Orlando Allan Richards



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NATIONAL DEVELOPMENT FOUNDATION OF DOMINICA LIMITED

STATEMENT OF FINANCIAL POSITION


AS AT DECEMBER 31, 2013

	Note	2013	2012
ASSETS		EC\$	EC\$
Cash and Short-term funds	4	1,220,255	223,499
Short-term investments	5	100,793	100,728
Accounts receivable	6	210,343	155,505
Prepayments		14,140	14,018
Loans receivable/fund assets	7	8,603,455	8,858,265
Cash security on loans	8	800,124	792,538
Other assets	9	29,579	29,109
Property, plant and equipment	11	1,938,048	2,037,602
TOTAL ASSETS		12,916,737	12,211,264
LIABILITIES			
Bank overdrafts	4	9,637	37,594
Accounts payable and accruals	10	167,090	134,051
Cash security on loans	8	800,124	792,538
Long-term loans	12	3,121,079	2,708,179
Payable to funds	13	1,266,408	1,259,876
Fund liabilities	14	6,226,322	6,226,322
Total Liabilities		11,590,660	11,158,560
ACCUMULATED FUND			
Capital Grants	15	470,187	488,524
General Fund		(139,845)	(431,555)
Revaluation Surplus	11	995,735	995,735
		1,326,077	1,052,704
TOTAL LIABILITIES AND ACCUMULATED FUND		12,916,737	12,211,264

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

THESE FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF DIRECTORS ON, JULY 4, 2014
AND SIGNED ON BEHALF OF THE TRUSTEES BY:


CHAIRMAN


TREASURER

NATIONAL DEVELOPMENT FOUNDATION OF DOMINICA LIMITED

Statement of Comprehensive Income and General Fund

For the Year Ended December 31, 2013

	Note	2013	2012
		EC\$	EC\$
REVENUE			
Interest on loans		1,514,786	1,367,628
Interest on term deposits and treasury bills		10,579	14,342
Total interest and investment incomes		1,525,365	1,381,970
Membership dues/donations		4,750	4,450
Other income	16	348,073	344,483
Total Revenue		1,878,188	1,730,903
EXPENSES			
Salaries, staff benefits and allowances		646,218	590,855
Interest, bank charges and fees		104,105	130,758
Depreciation	11	119,260	112,349
Capital grant amortization	15	(18,337)	(18,337)
General and administrative expenses	17	342,971	385,266
Total Expenses		1,194,217	1,200,891
SURPLUS BEFORE THE FOLLOWING		683,971	530,012
Adjustments to prior years' loans receivable		(369,627)	-
Accounts payable & Loan written back		(22,634)	21,012
Provision for loan loss		-	(265,000)
NET INCOME FOR THE YEAR		291,710	286,024
GENERAL FUND BEGINNING OF YEAR		(431,555)	(717,579)
GENERAL FUND END OF YEAR		(139,845)	(431,555)

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

NATIONAL DEVELOPMENT FOUNDATION OF DOMINICA LIMITED

Cash Flow Statement

For the Year Ended December 31, 2013

2013**2012**

EC\$

EC\$

Cash flows from operating activities

Surplus before the following	683,971	530,012
------------------------------	---------	---------

Adjustments for

Depreciation	119,260	112,349
Amortization of capital grant	(18,337)	(18,337)
Prior period adjustment loans receivable	(369,627)	-
Provision for loan loss	-	(265,000)
Gain / (loss) on disposal of fixed asset	1,882	-
Accounts payable & Loan written back	(22,634)	21,012

Cash flows before changes in operating assets and liabilities

	394,515	380,036
Increase in short term investments	(65)	(63)
(Increase)/decrease in prepayments	(122)	(443)
(Increase)/decrease in accounts receivable	(54,838)	(37,007)
(Increase)/Decrease in loans receivable/fund assets	254,810	(786,827)
Increase in cash security on loans - assets	(7,586)	(32,858)
Decrease/(Increase) in other assets	(470)	(421)
(Decrease)/Increase in accounts payable and accruals	33,039	(41,331)
(Decrease)/Increase in cash security on loans - liability	7,586	32,858
Increase/(decrease) in amount payable to fund	6,532	32,858
(Decrease)/Increase in fund liabilities	-	(26,700)

Net cash from operating activities**Cash flow from investing activities**

Purchase of fixed assets	(21,588)	(37,643)
Proceeds on disposal of fixed assets	-	-

Net cash from investing activities**Cash flows from financing activities**

Loan proceeds	2,000,000	500,000
Long term loan repayment	(1,587,100)	(507,313)
Capital grants received	-	-

Net cash from financing activities

	412,900	(7,313)
Net cash flows	1,024,713	(524,854)
Cash and cash equivalent at beginning of year	185,905	710,759
Cash and cash equivalent at end of year	1,210,618	185,905

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

1. Incorporation and Principal Activities

The National Development Foundation of Dominica Limited was on the 19th August 1981 incorporated under the Companies Ordinance, CAP 318 of the Revised Laws of the Commonwealth of Dominica, 1961, as a company limited by guarantee whose ongoing operations are guided by the Companies Act of 1994. It is a non-profit organization formed for the purpose of promoting self-help development among micro-business sectors of Dominica by issuing loans and providing other forms of assistance, and to encourage and advance economic and social development in Dominica. The Foundation achieves its objectives through its Revolving Loan Fund.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements are prepared in accordance with International Accounting Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention as modified by the revaluation of land and building. The preparation of the financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

(b) Going Concern

These financial statements have been prepared on a going concern basis and assume that international funding agencies and/or financial institutions and the Government of the Commonwealth of Dominica shall be providing continuing finance by way of grants or loans in support of the National Foundation of Dominica Limited ongoing operational activities.

2. Summary of significant accounting policies cont'd

(c) Summary of IFRS pronouncements effective for periods beginning on or after 1 January 2013

The following is a summary of IFRS pronouncements that must be applied, if applicable, for the first time in 2013:

Improvements to IFRSs 2013

IAS 19 – Employee benefits (2011)

IFRS 13 – Fair value measurement

IFRS 10 – Consolidated financial statements

IFRS 11 – Joint arrangements

IAS 27 – Separate financial statements

IFRS 12 – Disclosure of interests in other entities

(d) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition.

(e) Financial assets

(i) Classification

The entity classifies its financial assets as short term investments, accounts receivable, loans receivable and fund assets. Management determines the classification of its financial assets at initial recognition.

2. Summary of significant accounting policies cont'd

(ii) Recognition

Short term investment and accounts receivable are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Loans receivable are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market and where management has no intention of trading.

Interest on short term investments and loans is included in the statement of income. No interest is recognised on loans that are delinquent for three or more consecutive months. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognised in the statement of income.

(iii) Provision for impairment

A provision for impairment/loan loss is established if there is objective evidence that the Foundation will be unable to collect all amounts due according to the original contractual terms of the accounts receivables/loans. The amount of a provision would be the difference between the assets' carrying amount and the present value of the estimated future cash flows, including amounts recoverable from collateral, discounted based on the interest rate at inception. When a financial assets is uncollectible, it is written off against the provision for impairment. Such amounts are written off after all the necessary procedures have been completed and the amount of the loss as been determined.

(f) Foreign exchange transaction and translation

Foreign exchange transactions during the year are accounted for at the exchange rates prevailing at the transaction dates. Asset and liabilities denominated in foreign currencies are translated into Eastern Caribbean Dollars at the exchange rate prevailing at the balance sheet date. Gains and losses arising from fluctuations in exchange rates are reflected in the income statement.

2. Summary of significant accounting policies cont'd

(g) Depreciation and amortisation

The Foundation's land and building are shown at fair value based on a valuation carried out in June 2010 by Derek Angol, Chartered Quantity Surveyor. Depreciable property, plant and equipment are stated at historical cost or valuation less depreciation. Where fixed assets are received as grants, cost is taken as the value attributed to such assets by the donors.

Depreciation and amortization are calculated on the straight-line method to write down the cost of such assets to their residual value over their estimated useful lives as follows:

Building	2.5%
Motor vehicle	20%
Office equipment, furniture and fittings	15-20%
Computer software	20%

All repairs and maintenance are charged to the income statement during the financial period in which they occurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the income statement.

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Capital grants received for fixed assets are deferred and amortized at the same rate as the depreciation on the assets to which they relate.

2. Summary of significant accounting policies cont'd

(h) Impairment of Non-current Assets

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(i) Payables

Payables are stated at cost.

(j) Provisions

Provisions are recognised when the NDFD has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(k) Currency

All amounts stated in these financial statements are expressed in Eastern Caribbean Dollars, which is the functional and presentation currency of the Foundation.

(l) Taxation

The Foundation's income is exempt from taxation under section 25 of the Income Tax Act Chapter 67:01 of the Laws of the Commonwealth of Dominica.

(m) Comparatives

Where necessary, comparatives figures have been adjusted to conform to changes in presentation in the current year.

3. Financial Risk

Financial risk management

Financial assets of the National Development Foundation of Dominica Limited include cash, accounts receivable, fixed deposits and loans receivable. Financial liabilities of the Foundation include accounts payable and provisions, fund liabilities and long-term loan liabilities. The NDFD's activities relate principally to the use of financial instruments. As such, the NDFD is exposed to financial risks and the principles utilized by management in dealing with these risks are set out below.

(a) Credit risk

NDFD lends money to clients in the micro-business sector, and as a result, the Foundation is exposed to credit risk, which is the risk that counterparties to loan agreements will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred at the balance sheet date. Significant changes in the economy, or in the health of a particular industry segment that represent a concentration in the Foundation's portfolio, could result in losses that are different from those provided for as at the balance sheet date. Management therefore carefully manages its exposure to credit risk.

(b) Market risk

The Foundation takes on exposure to market risks, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk arise from open position in interest rate and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Foundation's exposure to market risk arises from interest rate movement on loans receivable and long-term loans.

(c) Currency risk

The Foundation's exposure to currency risk is minimal since the Foundation's assets and liabilities are held in the functional currency, which is the Eastern Caribbean Dollar.

(d) Interest rate risk

Interest rate risk attaches to the NDFD's interest bearing financial instruments. Therefore interest income and interest expense will be affected by changes in market interest rates.

The NDFD monitors its exposure to interest rate risk from its financial instruments.

(e) Liquidity risk

Liquidity risk is the risk that the NDFD will encounter difficulty in raising funds to meet commitment associated with financial instruments. The NDFD seeks to maintain sufficient available cash to meet the demands of its clients.

(f) Operational risk

Operational risk is derived from inadequate or failed internal processes, people and systems or from external events. The NDFD's exposure to operational risk is governed by various policies and procedures that will be reviewed when necessary.

(g) Fair value of financial assets and liabilities

All financial assets and liabilities are carried at fair value.

NATIONAL DEVELOPMENT FOUNDATION OF DOMINICA LIMITED**Notes to the Financial Statements**

For the Year Ended December 31, 2013

	2013	2012
	EC\$	EC\$
4. Cash and Cash Equivalent		
Cash and Short-term Funds		
National Bank of Dominica - Savings Account	305,995	198,582
Cash on hand	835	1,748
Current Accounts	913,425	23,169
	<u>1,220,255</u>	<u>223,499</u>
Bank Overdraft		
National Bank of Dominica - Current Account	<u>9,637</u>	<u>37,594</u>
5. Short-term Investments		
Treasury Bills - Government of Dominica		
Nominal Value \$100,000	98,400	98,400
National Co-operative Credit Union Limited		
Fixed deposit	<u>2,393</u>	<u>2,328</u>
	<u>100,793</u>	<u>100,728</u>

6. Accounts Receivable

Sundry persons	2,183	4,444
r Other receivables/rent	34,250	30,568
Staff advances	9,489	9,330
Training program receivables	6,486	15,468
Late fee receivable	58,783	76,110
Interest receivable on loans	78,073	11,620
r Other receivables	21,079	4,358
Clients other receivables	-	3,607
· Less provision for doubtful accounts	-	-
	<u>210,343</u>	<u>155,505</u>

7. Loans Receivable/Fund Assets

Revolving Loan Fund/USAID	2,993,376	3,945,252
GOCD/DREP	72,314	87,067
Dominica Social Security Business Loans	209,274	373,511
STABEX Technical Assistance Fund	158,474	234,271
CDB/AID Bank	962	13,702
GOCD Agricultural loans	550,932	750,088
CAPT IN AGE	5,041	18,904
ICDF	-	25,686
CAPT. IN DFC	-	3,775
Micro Credit Facility	11,986	19,208
Social Protection Fund	40,319	84,280
GOCD Special Fund	987,944	525,584
Ready Cash	1,465,027	1,991,583
Young Farmers Credit Fund	56,903	13,958
Women's Bureau/DNCW	18,188	23,864
Dominica Aid Bank Fund	1,943,193	1,281,532
Dominica National Petroleum Company Limited	89,522	-
	8,603,455	9,392,265
Less provision for loan loss	-	534,000
	8,603,455	8,858,265
Provision for loan loss		
Balance - beginning of year	534,000	269,000
Accounts written off against the provision	(534,000)	-
Provision made for the year	-	265,000
Balance - end of year	-	534,000

8. Cash Security on Loans**2013****2012**

EC\$

EC\$

This represents cash deposits made by clients as security on their loans

Opening balance	410,228	410,228
Deposits made	1,016,337	825,477
Repayment	(626,441)	(443,167)
	<u>800,124</u>	<u>792,538</u>

Assets comprise of:

Term deposits	2,500	2,500
Receivable from general fund	798,839	791,253
Interest receivable	(1,215)	(1,215)
	<u>800,124</u>	<u>792,538</u>

9. Other Assets

Supplies	24,546	24,546
Uncollected cheques	75	75
Other	4,958	4,488
	<u>29,579</u>	<u>29,109</u>

10. Accounts Payable and Accruals

Trade Accounts payable	95,087	76,616
Commission payable	-	650
Clients' advance payments	55,433	43,879
Clients' legal liability	13,385	11,121
Rent deposit	3,185	1,785
Accrued expenses	-	-
	<u>167,090</u>	<u>134,051</u>

NATIONAL DEVELOPMENT FOUNDATION OF DOMINICA LIMITED
Notes to the Financial Statements

For the Year Ended December 31, 2013

	Furniture &Fittings	Computer Software	Motor Vehicles	Office Equipment	Building	Land	Total
	EC\$	EC\$	EC\$	EC\$	EC\$	EC\$	EC\$
COST/VALUATION							
Balance - December 31, 2011	181,115	169,062	148,500	627,168	894,088	891,800	2,911,733
Additions	12,093	3,448	-	22,102	-	-	37,643
Balance - December 31, 2012	193,208	172,510	148,500	649,270	894,088	891,800	2,949,376
Additions	2,691	-	-	18,897	-	-	21,588
Disposals	(2,172)	-	-	-	-	-	(2,172)
Balance - December 31, 2013	193,727	172,510	148,500	668,167	894,088	891,800	2,968,792
DEPRECIATION							
Balance - December 31, 2011	125,821	112,471	37,125	470,348	53,660	-	799,425
Deposits expense	15,906	21,656	29,700	22,935	22,352	-	112,349
Balance - December 31, 2012	141,527	134,127	66,825	493,283	76,012	-	911,774
Depreciation expense	17,332	21,944	29,700	27,932	22,352	-	119,260
Eliminated on disposal	(290)	-	-	-	-	-	(290)
Balance - December 31, 2013	158,569	156,071	96,525	521,215	98,354	-	1,030,744
NET BOOK VALUE							
December 31, 2011	55,294	56,591	111,375	156,820	840,428	891,800	2,112,308
December 31, 2012	51,682	38,383	81,675	155,987	818,075	891,800	2,037,602
December 31, 2013	35,158	16,439	51,975	146,952	795,724	891,800	1,938,048

NATIONAL DEVELOPMENT FOUNDATION OF DOMINICA LIMITED**Notes to the Financial Statements**

For the Year Ended December 31, 2013

The NDFD's land and building were revalued by Derek Angol B.Sc. (Hon) MRICS, Chartered Quantity Surveyor in June 2010. The resulting surplus of \$995,735 has been included in equity as revaluation surplus.

	2013	2012
12. Long-term loans	EC\$	EC\$
4% Dominica Social Security Loan repayable by quarterly installments of \$30,280. The total loan amount of \$1,000,000 was received in 2009	-	754,026
Government of Dominica Loan (D-rep)	117,656	157,656
5% Dominica Aid Bank loan repayable by monthly installments of \$28,410.00. The total loan amount is \$1,500,000 of which \$1,000,000 was received in 2011 and \$500,000 was received in 2012	929,300	1,221,346
6.5% Dominica Social Security loan repayable by installments of \$17,097.36 per quarter. The total loan amount of \$500,000 was received in June 2011.	-	461,028
3% Dominica National Petroleum Company (DNPC) total loan \$5 million; drawdown \$2 million repayable by monthly installments over 20 years	2,000,000	-
Government of Dominica (ICDF)	74,123	114,123
	3,121,079	2,708,179
Less current portion of long-term loans	453,000	537,392
Long-term portion	2,668,079	2,170,787

NATIONAL DEVELOPMENT FOUNDATION OF DOMINICA LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2013

	2013	2012
	EC\$	EC\$
13. Payable to Funds (Net)		
GOCD/DREP	66,338	66,338
RLF	1,517,052	1,517,052
GOCD special loan fund	25,765	25,765
CSF	670,262	663,730
STABEX	20,373	20,373
FA/training	3,665	3,665
OAS Retrofit Administration	26,369	26,369
IICA/MOA I	219	219
STABEX imprest fund	57	57
GOCD/CPEC	5,809	5,809
Institutional strengthening fund	15,000	15,000
French TM Fund	3,106	3,106
(NDFD) ABMTC Fund	17,521	17,521
YFAF	19,523	19,523
MCFSP	24,536	24,536
STABEX Grant	80,109	80,109
Less fund receivables	(1,229,296)	(1,229,296)
	<u>1,266,408</u>	<u>1,259,876</u>

NATIONAL DEVELOPMENT FOUNDATION OF DOMINICA LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2013

	2013	2012
	EC\$	EC\$
14. Fund Liabilities		
GOCD Special Loan Fund	999,980	999,980
Other Funds	10,276	10,276
OAS/CHF Housing Retrofit Fund	13,149	13,149
STABEX Diversification Project Fund	189,122	189,122
STABEX Technical Assistance Fund	250,860	250,860
Revolving Loan Fund	3,081,606	3,081,606
Training Assistance Fund - Staff	2,250	2,250
CPEC Funds	18,952	18,952
GOCD/CPEC	55	55
STABEX EU/EDF	156,188	156,188
Social Protection/Micro Credit Fund	349,387	349,387
IICA Fund	21,698	21,698
Young Farmers Credit Fund	92,077	92,077
STABEX Imprest Fund	(31,764)	(31,764)
Government Agricultural Loan Fund	999,940	999,940
Women's Bureau/DNCW	55,680	55,680
Institutional Strengthening Fund	16,866	16,866
	<u>6,226,322</u>	<u>6,226,322</u>

Fund liabilities comprise the balance at the year end of funding received by the NDFD under grant agreements, memorandum of understanding and other funding agreements, with the Government of Dominica, USAID, CDB and other regional/international organizations.

Each agreement stipulates the terms and conditions under which the funds are to be administered by the NDFD.

15. Capital Grants

Unamortized balance beginning of year	488,524	506,861
Capital grants received during the year	-	-
Amortized during the year	(18,337)	(18,337)
Unamortized balance end of year	470,187	488,524

16. Other Revenue

Loan processing fees	108,076	125,156
Rent revenue	23,617	16,528
Conference room revenue	12,187	7,690
Training fees	44,660	48,264
Bad debts recovered	82,321	73,849
Business support	29,511	16,262
Miscellaneous	47,701	56,734
	348,073	344,483

17. General and Administrative Expenses

Insurance	25,725	25,257
Advertising	13,436	8,932
Stationery and office expenses	78,711	87,431
Telecommunications	34,660	35,119
Utilities	56,094	60,327
Subscription	1,135	2,265
Motor vehicle expenses	14,180	11,285
Training services and related expenses	10,439	16,270
Security services	30,435	26,008
Conference room expenses	586	547
Repairs and maintenance	8,944	39,701
Annual General Meeting expenses	9,360	8,020
Computerization expenses	16,987	17,853
Travel and related expenses	9,518	13,912
Audit fees and related expenses	9,500	9,500
Hydro/water	3,757	3,034
Mini mall expenses	6,079	2,830
Legal and professional fees	820	2,500
Rent/rates	665	450
Donations	6,565	11,688
Board of Directors expenses	5,375	2,337
	342,971	385,266

18. Contingencies and Commitments

As at December 31, 2013, eighteen (18) loans amounting to \$344,155 (2012 - 20 loans; \$185,434) were approved and undisbursed.

19. Post Balance Sheet Events

There were none.

STATISTICAL REPORTS

SELECTED PERFORMANCE INDICATORS FOR 2013

ITEMS	2013	2012	2011	2010	2009-1981
Number of loans Granted	1468	1935	1551	1236	8968
Value of Loans (\$)	6,669,729	7867672	5983172	4620441	45994077.44
Average Loan Size (\$)	4543.41	4065.98	3784	3788.22	25992.04
Number of Jobs created or sustained	235	610	630	626	9587
Average number of jobs per loan	0.16	0.32	0.4	0.51	5.01
Effective Interest Rate	12.50%	12.50%	12.50%	12.50%	

CLASSIFICATION OF LOAN RECIPIENTS

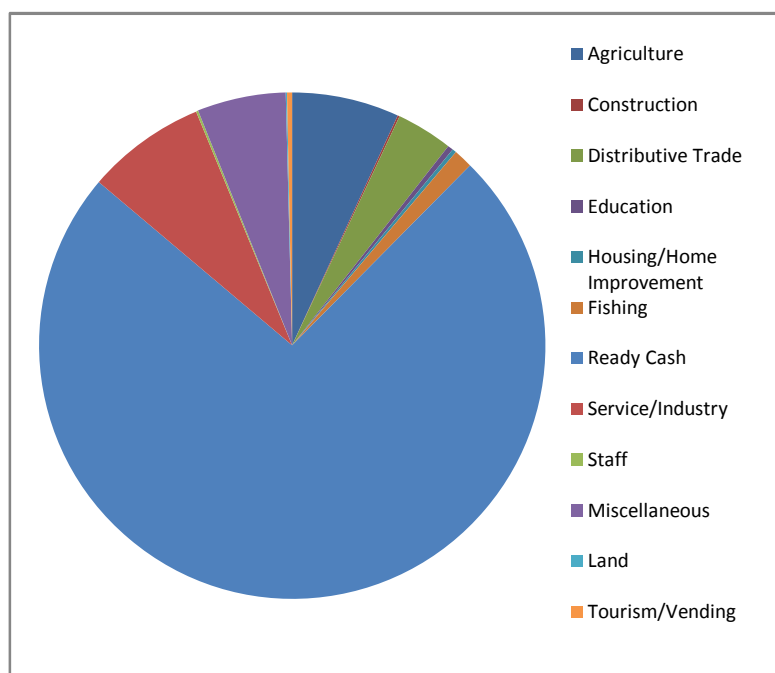
Loans recipient	2013	2012	2011	2010	2009-1981
Women	750	1045	802	591	3801
Men	717	888	779	645	4940
Groups		1			35
Cooperatives	1	1			
Companies/Associations					294
TOTAL	1468	1935	1581	1236	9070

APPROVALS/DISBURSEMENT FOR 2013

SECTOR	Approved	Undisbursed (\$)	
		Number	Amount
Agriculture/Fishing	100	5	19,817
Construction	2		
Distributive Trade	53	6	85,254
Education	5		
Housing/Home Improvement	4		
Fishing	18		
Ready Cash	1,083		
Service/Industry	112	7	239,085
Staff	2		
Miscellaneous	83		
Land	1		
Tourism/Vending	5		
TOTAL	1,468	18	344,155

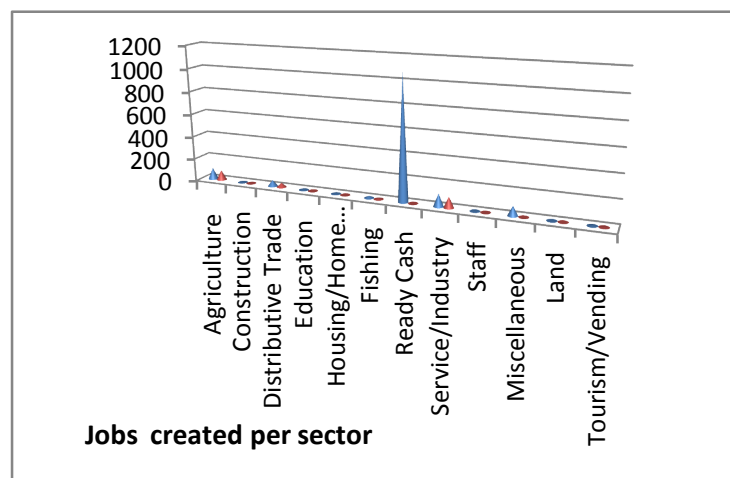
SECTORAL ANALYSIS

Sectors	Nos.	Percent (%)
Agriculture	100	7%
Construction	2	0%
Distributive Trade	53	4%
Education	5	0%
Housing/Home Improvement	4	0%
Fishing	18	1%
Ready Cash	1083	74%
Service/Industry	112	8%
Staff	2	0%
Miscellaneous	83	6%
Land	1	0%
Tourism/Vending	5	0%
Totals	1468	100%



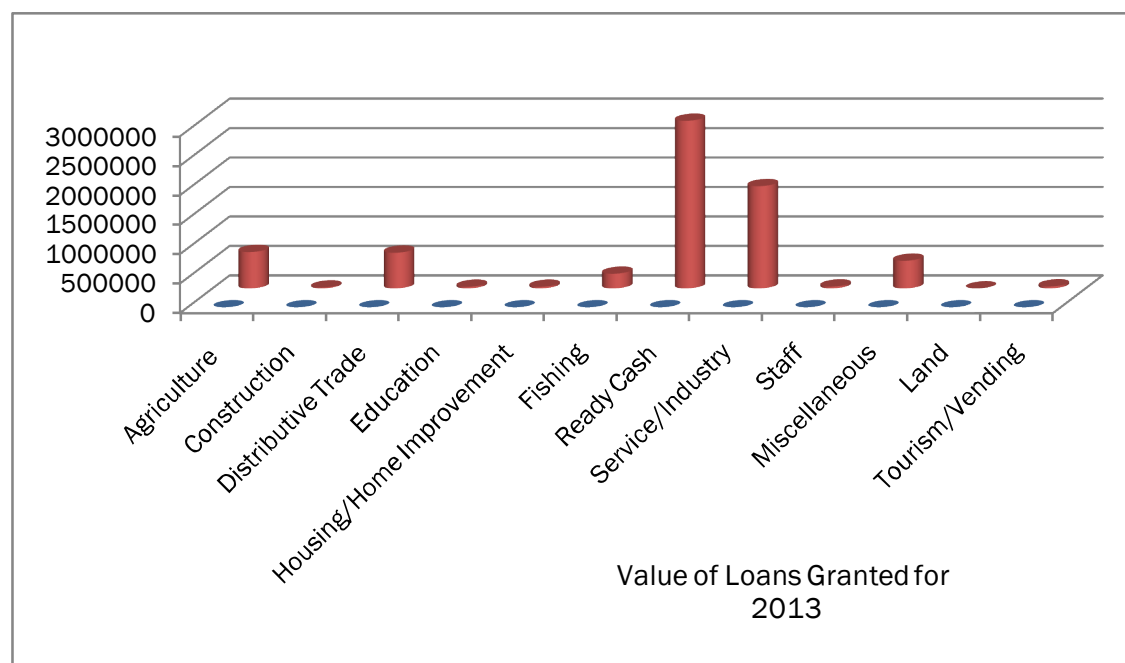
JOBS CREATED PER SECTOR

Sectors	Nos.	Jobs Created
Agriculture	100	88
Construction	2	1
Distributive Trade	53	37
Education	5	0
Housing/Home Improvement	4	0
Fishing	18	9
Ready Cash	1083	0
Service/Industry	112	97
Staff	2	0
Miscellaneous	83	0
Land	1	0
Tourism/Vending	5	3
Totals	1468	235



VALUE OF LOANS GRANTED

SECTORS	NOS.	VALUE
Agriculture	100	618,484.00
Construction	2	16,000.00
Distributive Trade	53	606,702.00
Education	5	28,583.00
Housing/Home Improvement	4	28,624.00
Fishing	18	250,031.00
Ready Cash	1083	2,846,893.00
Service/Industry	112	1,737,044.00
Staff	2	32,291.00
Miscellaneous	83	470,398.00
Land	1	500.00
Tourism/Vending	5	34,179.00
Totals	1468	6,669,729.00



NATIONAL DEVELOPMENT FOUNDATION OF DOMINICA STATISTICAL DIGEST (2004-2013)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	1981-2013
No. of loans granted	315	257	220	271	935	1234	1,236	1581	1,935	1,468	13,061
Value of loans (\$)	2,398,796	1,462,964	1,400,706	1,794,674	3,534,444	4,301,532.44	4,620,441	5,983,172	7,867,672	6,669,729	396,552,171
Average loan size (\$)	7,615	5,692	6,367	6,622	3,780	3,486	3,738.22	3,784.42	4,066.00	4,543.00	18,243
Operation Cost (\$)	809,329	1,171,282	964,942	964,942	760,395	901,598	992,384	1,148,796	1,200,891	1,195,138	19,750,999
Cost per loan (\$)	2,569	4,558	4,386	3,561	813	731	803	727	620.62	814.13	4,842
Cost/loan dollar (\$)	0.34	0.80	0.69	0.54	0.22	0.21	0.21	0.19	0.15	0.18	0.99
No. of jobs affected	392	305	253	296	644	832	626	630	610	235	11,455
Avg. no. of jobs/loans	1.24	1.19	1.15	1.10	0.69	0.67	0.51	0.40	0.32	0.16	2.64
Cost per job (\$)	2,065	3,840	3,814	3,260	1,181	1,084	1,585	1823	1969	5086	9,919
<u>Gender</u>											
* Men	185	141	121	139	429	682	645	802	1045	750	6,764
* Women	127	115	98	131	506	552	591	779	888	717	5,436
Groups/Companies/ Cooperatives	3	1	1	1					2	1	179
<u>Location</u>											
* Rural	158	150	116	161	500	654	656		1022	778	7,541
* Urban	157	107	104	110	435	580	580		913	690	6,053
Jobs created/sector	<u>Loan</u> <u>Jobs</u>	<u>Loan</u> <u>Jobs</u>	<u>Loan</u> <u>Jobs</u>	<u>Loan</u> <u>Jobs</u>	<u>Loan</u> <u>Jobs</u>	<u>Loan</u> <u>Jobs</u>	<u>Loan</u> <u>Jobs</u>	<u>Loan</u> <u>Jobs</u>	<u>Loan</u> <u>Jobs</u>	<u>Loan</u> <u>Jobs</u>	<u>Loan</u> <u>Jobs</u>
Service	91 118	46 69	34 57	83 81	117 234	49 98	68 136	13 146	112 224	110 95	2135 3563
Agriculture	53 70	32 45	20 47	37 48	26 78	173 346	165 330	130 260	108 216	100 88	1509 2921
Distributive Trade	50 64	62 101	39 71	41 44	44 88	77 231	42 84	57 114	41 82	53 37	1206 2692
Industry	28 73	16 47	08 19	20 20	19 57	00 00	00 00	00 00	3 6	2 2	5 8
Construction	05 24	03 00	07 18	02 04	02 06	08 24	00 00	8 16	2 4	2 1	211 665
Fishing	08 24	12 26	08 14	08 08	00 00	09 27	10 20	13 26	17 34	18 9	221 428
Retrofit/ Home improvement	11 15	11 17	15 23	09 12	24 72	38 76	26 52	10 20	15 30	4 00	336 623
Tourism	02 04		02 04	09 19	03 09	10 30	2 4	9 18	3 6	5 3	66 124
Other/Ready Cash	38 00	42 00	62 00	34 33	668 100	808 00	913 00	1258 8	1616 8	1167 00	7193 382
Staff	10 00	06 00	10 00	06 00	03 00	01 00	00 00	7 0	9 00	2 00	60 10
Education	27 03	23 00	15 00	22 23	29 00	61 00	10 00	16 0	9 00	5 00	244 00
	315 392	257 305	220 253	246 296	935 644	1,234 832	1,236 626	1581 608	1777 602	1468 235	13186 11416

