

2016 *Annual Report*

NDFD

National Development Foundation of Dominica Ltd



35th Annual General Meeting
"NDFD - The Vehicle To MSME Development"



MISSION STATEMENT

To contribute to the 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

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 mandate of the NDFD as encapsulated in its mission statement, is that of poverty reduction and human resource development in Dominica, 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, the NDFD in keeping with prudent financial management has become cost efficient while at the same time devised strategies aimed at increasing the Foundation's revenue.

GOALS

The Foundation continues to assist entrepreneurs to start, expand or improve their businesses. The general criteria for accessing the Foundation's financing remains 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;
- be of a productive value to the community.

ADMINISTRATION

The NDFD is administered by a voluntary Board of Directors of at least seven (7) 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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AGENDA

*For the 35th Annual General Meeting
at the Prevost Cinemal Conference Room*

<i>FORMAL SESSION</i>
1. National Anthem
2. Invocation
3. Welcome Remarks
4. Chairman's Report – Mr. Oliver Henderson
5. Executive Director's Report – Mr. Cletus Joseph
<i>BUSINESS SESSION</i>
6. Confirmation of Minutes of the 34 th Annual General Meeting
7. Matters Arising
8. Auditor's Report
9. Presentation of Financial Statements
10. Appointment of Auditors
11. Retirement and Election of Directors
12. Any Other Business
13. Vote of Thanks

GUIDING PRINCIPLES

- *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 judgment in the choice of business we finance and in the 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 as 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.*

ABBREVIATIONS AND ACRONYMS

AGM	<i>Annual General Meeting</i>
AID Bank	<i>Agricultural, Industrial and Development Bank of Dominica</i>
BNTF	<i>Basic Needs Trust Fund</i>
CARTF	<i>EU/CARIFORUM Agribusiness Research and Training Fund</i>
CCIC	<i>Caribbean Climate Innovation Center</i>
CDB	<i>Caribbean Development Bank</i>
CMFA	<i>Caribbean Micro Finance Alliance</i>
CPEC	<i>Caribbean Programme for Economic Competitiveness</i>
CSME	<i>Caribbean Single Market and Economy</i>
DBOS	<i>Dominica Bureau of Standards</i>
DOWASCO	<i>Dominica Water and Sewerage Company</i>
DNCW	<i>Dominica National Council of Women</i>
DYBT	<i>Dominica Youth Business Trust</i>
EC	<i>European Commission</i>
EDF	<i>European Development Fund</i>
EU	<i>European Union</i>
GEF/SGP	<i>Global Environment Facility / Small Grants Programme</i>
ICDF	<i>International Cooperation and Development Fund</i>
IICA	<i>Inter American Institute for Cooperation on Agriculture</i>
MSMEs	<i>Micro, Small and Medium Enterprises</i>
NAO	<i>National Authorizing Officer</i>
NBD	<i>National Bank of Dominica</i>
NDFD	<i>National Development Foundation of Dominica Limited</i>
R&T	<i>Research and Training</i>
SMEs	<i>Small and Medium Enterprises</i>
USAID	<i>United States Agency for International Development</i>

BOARD OF DIRECTORS



Mr. Oliver Henderson - Chairman



Dr. Steve John – Deputy Chairman



Mr. Nicholas Bruno - Treasurer



Dr. Damien Dublin - Director



Ms. Diane Ettiene - Director



Mr. Erickson Lewis - Director



Mr. Ralph Blaize - Treasurer



Ms. Sherma Dalrymple - Director



Mr. Gregoire Thomas - Director

CHAIRMAN'S REPORT



Introduction

Theme: **"NDFD – The Vehicle to MSME Development"**

Fellow benefactors, clients and well-wishers of the NDFD, it gives me great pleasure in reporting to you a summary of what transpired, be it good or bad, during the financial year ended December 31, 2016.

Economic Overview

The NDFD remains focused on its mission of developing the Micro, Small and Medium Enterprise (MSME) sector in Dominica hence the chosen 'theme: **"NDFD – The Vehicle To MSME Development"**.

The Foundation continues to play a significant role in stimulating and empowering entrepreneurs particularly young entrepreneurs by making the necessary investments in them, both financial and technical, ensuring that they are equipped with the various skills necessary to drive towards viability. Although in 2016, the government of Dominica increased spending in the Tourism and Agriculture sectors via a concessionary loan facility at the Dominica Agricultural, Industrial and Development Bank (AID Bank) and through the Ministry responsible for Small Business, the NDFD clientele continued to pour in for technical advice and bridge financing. We are proud to have been able to facilitate these clients and even more proud to assist in the recovery program of Dominica after being severely damaged by Tropical Storm Erika just a year before on the unforgettable day of August 27, 2015.

The Caribbean Development Bank (CDB) '2016 Economic Review' summarized their 'Borrowing Member Countries (BMCs)' economy as follow: *"Caribbean economies experienced another challenging year in 2016. Economic performance in the larger commodity-producing countries was driven by the slow recovery of international commodity prices from their 2015 lows. The service-based economies fared better, where tourism and construction activities continued to grow. In addition, low oil prices helped improve the current accounts of the balance of payments in many borrowing member countries (BMCs). However, natural disasters affected a number of countries—most significantly, Haiti. The loss of correspondent banking relationships (CBRs) in some countries continued to be problematic in 2016, increasing the costs of transactions, and threatening BMCs' ability to trade with the outside world. BMCs' debt dynamics were mixed in 2016, with some countries reducing their debt-to-GDP ratios via consolidation measures, while others faced acceleration in their debt-to-GDP ratio to a worrying extent".*

However figures recorded for Dominica showed Growth in Real Output expanded to 0.9% in 2016 after contraction in 2015 of -1.8% following the effects of Tropical Storm Erika. In the aforementioned report the CDB projected growth of 1.7% for Dominica and highlighted the importance of MSME's contribution to the country's economy especially in the ease of doing business index.

Financing and Activities

It is heartening to note that the NDFD was able to grow its loan portfolio, which is an indication that cash was injected into the Small and Micro Enterprise sector. Our portfolio shows growth in a few key sectors namely services and industry, distributive trade, and fishing. We note the significant increase in investments in the fisheries sector, which contributes to food security and healthy eating. It is also one of the better performing sectors, which also contributes towards exports earnings. Another encouraging factor in this sector is that the fishers sought to upgrade on their equipment, techniques, quality of the catch. Although we note a decrease in funding for agriculture, it still remains an area where the standards of operation can be upgraded, and higher impact/value ventures are pursued.

In order to achieve the desired effect, the NDFD needs to have the requisite funding in place, and hence sought external financing from the National Bank of Dominica (NBD) which it continued to drown out in 2016. It is important to note that this was a collaborative effort between the two organizations rather than just a loan arrangement; both institutions possess a genuine desire to develop the local small business sector, and hence this arrangement. Other efforts at leading and driving change saw action towards green initiatives, with the Caribbean Climate Innovation Centre (CCIC) sponsored “Green Tech Boot Camp.” The NDFD also is a member of the Caribbean Micro Finance Alliance, of which the Executive Director is the Chairman of this regional organization. During the period January to December 2016, funding provided by the NDFD contributed to the creation or sustaining of 678 jobs within the SME sector which is a slight increase over that of 2015. The thrust to help build on the businesses product and service quality continued during the year, as well as the systems for ensuring more formal operations.

Overall Performance

For the year 2016 NDFD had a relatively productive period, experiencing growth in all of the significant areas. One of the outstanding features is that 42% of approved loans were in the age range of 18 to 35 while 55% was made to persons below the age of 40. It emphasizes the youthfulness of those who utilize the services and products, an impact which the NDFD is proud of.

In terms of NDFD financial performance and position, the following pertains:

- Revenue increased by \$206,272 or 9.6% over 2015
- Expenses increased by \$226,647 or 16% more than that of 2016. The main areas of increase were in interest and bank charges, staff salaries and benefits and general administrative expenses. Operating surplus was \$744,655 from which a provision of \$200,000 was made for loan losses.
- Total assets of the Foundation increased \$4,888,220 in 2016 which is 31% over that of 2015
- Liabilities saw a corresponding increase for the same period
- As at the end of the year, the cash and bank balances stood at \$2,545,749

This represents a commendable utilization of funds to ensure growth and continued development of the sector which is served by the NDFD. We encourage the entrepreneurs to continue making the NDFD the institution of choice and embrace the entire suite of services which has been made available at a very affordable cost.

Governance

At all times, the NDFD exercised good corporate governance by ensuring regular board meetings. The board at all times maintained its nine members in keeping with the articles of incorporation. Regular activities included review of operations to ensure adherence to the mandate, as well as to provide general guidance and assistance in adapting to the changing environment.

Strategic Alliances

In order to achieve the set goals, there continued to be interactions with traditional organizations to include, various government departments and ministries, IICA, DNCW, GEF/SGP, DEXIA, DBOS amongst others. Partnerships include other financial institutions, government agencies, private institutions and regulatory agencies whether they may be national or international. The common thread must be that there is a drive towards enabling development of the MSME sector, or activities geared towards national development.

Future

The ideal for the NDFD is the ability to take a business from just a budding idea into a well developed and functioning enterprise operating at optimal levels and contributing to the economic development of Dominica. Overall, we will continue to contribute to poverty reduction through the process of empowerment of people and assist to overcome challenges. The main thrust to doing this is by adopting the approach of being the Vehicle for MSME development.

The NDFD looks forward to a continuation of the highest level of service delivery, and seeks to partner with all who have national development at heart and as a part of their overall mandate.

On behalf of the NDFD's board I wish you all the best for the remaining months of 2016.

I thank you.



Oliver P Henderson
Chairman

BENEFACTORS/MEMBERSHIP

For the year ended 31st December 2016

DOMINICA SOCIETIES LEAGUE

J ASTAPHAN & CO LTD

SPRINGFIELD TRADING LTD

BELFAST ESTATES

PHILLIP NASSIEF

JAYS LIMITED

NATIONAL BANK OF DOMINICA

DR DAMIEN DUBLIN

OLIVER HENDERSON

NICHOLAS BRUNO

ERICKSON LEWIS

SHERMA DALRYMPLE

RALPH BLAIZE

DIANE ETTIENE

GREGOIRE THOMAS

DR STEVE JOHN

EXECUTIVE DIRECTOR'S REPORT

Year ending 2016 – By: Mr. Cletus Joseph | Executive Director



General Overview

Throughout 2016 there were reverberations of the devastating impact of Tropical Storm Erika. However, this did not deter the NDFD in its pursuit to empower entrepreneurs by providing them with support and information. Rather, it was quite more beneficial to look through the threats posed by this disaster and develop solutions to them while capitalizing on the opportunities which also presented themselves even if disguised within the enormity of the situation. It is however, becoming the new normal that as a small island developing state, there will be bigger and more powerful storms to contend with.

National economic development must have a contribution made by the Micro, Small and Medium Enterprises (MSME's). This takes the form whereby goods and services are produced for local consumption as well as for generation of foreign exchange through exports. The NDFD was pleased to have built upon the efforts to create a platform whereby all of the required structures and services could be sourced and utilized for a launch into productive and viable business ventures. This gives a sustainable approach towards achieving the mission of the NDFD which is: **"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."** During 2016, there were activities geared towards satisfying this mission; a complete package of business planning, financing, and continuous support throughout the business life cycle.

NDFD is cognizant of the macro environment and continuously seeks to provide opportunities which will help the constituents improve the probability of success, hence the reason for seeking partnerships with local, regional and international organisations. The quest has always been, and continued to be that of providing an enabling and fertile environment for development of MSME's, which is an avenue to empower persons to contribute towards personal and national economic development. There have been constant efforts at seeking valuable partnerships, as well as improving service quality to the sector which augurs well for attainment of the overall objective.

Corporate Governance

The Governance Institute defines corporate governance as "the way in which companies are governed and to what purpose." To be more precise, corporate governance impacts all aspects of an organization, from communication to leadership and strategic decision-making, but it primarily involves the board of directors, how the board conducts itself and how it governs the company. It is directly related to performance of the organization, and during the year 2016, the nine (9) member board was able to set the standards for issues relating to risk management, financial performance and reporting, and strategic positioning of the organization.

Regular meetings were kept during 2016, with the board espousing the principles of good governance and utilizing the vast expertise and experience which exists within to ensure that the NDFD remained true to its mandate. Composition of the board was of seven (7) males and two (2) females as detailed in table one (1) below which also gives the status of service of each member.

Table 1: Board of Directors Composition and Term

BOARD OF DIRECTORS	POSITION	YEAR FOR EXPIRY	COMMENTS	YEAR RE-ELECTED
Oliver Henderson	Chairman	2018		2015
Dr. Steve John	Deputy-Chairman	2017	Outgoing & Eliible for re-election	
Mr. Nicholas Bruno	Tresurer	2018		2015
Ralph Blaize	Director	2017	Outgoing & Eliible for re-election	
Dr. Damien Dublin	Director	2019		2016
Diane Ettiene	Director	2018		2015
Ericson Lewis	Director	2017	Outgoing & Eliible for re-election	
Sherma Dalrymple	Director	2019		2016
Gregoire Thomas	Director	2019		2016

Financial Position and Performance

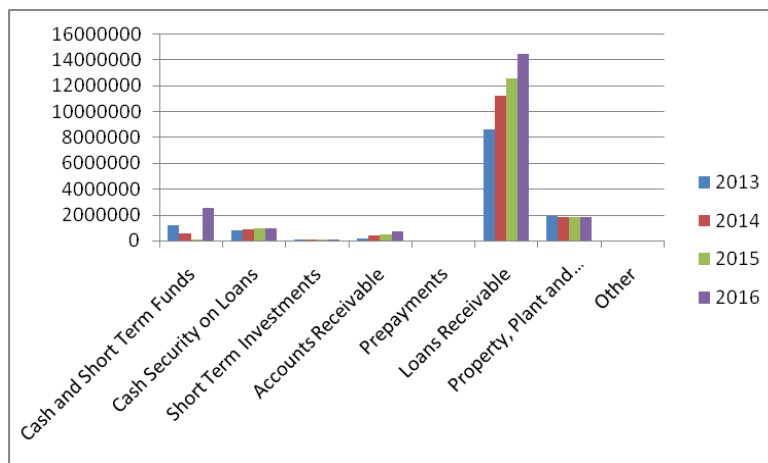
The NDFD has sought to provide a complete package which will lead towards development of a very strong Micro, Small and Medium Enterprise sector. This involves provision of the key factors required for business start-up, and growth. As at December 31, 2016 total assets of the NDFD stood at \$20,581,330 with total liabilities of \$17,873,756. This represents a growth in assets as well as liabilities, funded by a loan from the National Bank of Dominica (NBD). It was important to have new inflows of cash in order that the NDFD could continue to provide enhanced services to the MSME sector in terms of financing businesses. There have been significant demands for financing of start ups, as well as to expand productivity and production of the goods and services in demand. The growth in assets is represented mainly in loans receivable which grew by \$2,213,961, which means that in excess of \$2,000,000 was injected into the sector during the period.

Given the available resources, financial performance had to be carefully monitored to ensure that there was sufficient revenue generated and costs controlled. The general impact on the performance is that the NDFD generated an operational surplus of \$744,655. The General fund therefore increased to \$1,272,951 and the net worth increased by 38% with a satisfactory improvement in the cash position. One of the objectives of the NDFD is to develop its finances to the point whereby the leverage will be more favorable, and that it will generate a lot more of its financial resources internally.

This year's theme encompasses the thrust of NDFD to ensure that it provides a fertile enabling environment within which MSMEs can thrive. This involves providing a complete suite of products which includes; business planning, funding, operations, and escalating growth and development. The organisation is structured to deliver on this and keeps adjusting in ways which will enhance this thrust. Therefore, having stable financial position is critical to achieving this ideal, which can redound to national economic development.

Overall, the NDFD generated total revenue of \$2,345,882 with total expenses of \$1,601,227. This resulted in an operational surplus of \$744,655, from which provisions \$200,000 were made for loan loss. One of the recurring issues is that of delinquency which stood at 18% as at December 31, 2016. The NDFD therefore once again makes an appeal to clients who are in arrears to contact the NDFD and make arrangements for settlement of these debts.

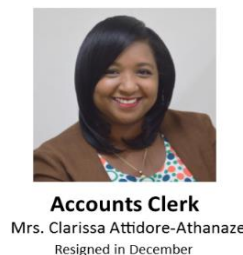
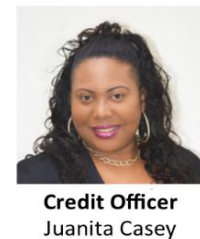
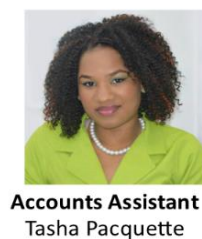
Figure 1: Composition of Assets



Operations

Accounts Department:

One of the five (5) departments which ensures that the NDFD operates effectively consists of five (5) staff members headed by the Finance Manager. The department provides overall support to all the other departments in executing their respective duties. The Accounts Department maintains the accounts in accordance with GAAP and IFRS utilising the historical cost concept.



Business Support Services Unit (BSSU)

One of the main pillars of being the vehicle for business development is that of providing the essential services of having businesses operate along more formal lines and getting systems and structures in place. Such is the function of the Business Support Services Unit which provides an essential service from conception to operation. The department has been assisting with development of business plans,

as well as monitoring of implementation of these to guide along the path of building towards economic success.

A variety of services and activities are being provided by the department. One of these includes development of rural women businesses which is a continuation of collaboration with the Inter-American Institute for Cooperation in Agriculture (IICA). In addition, there was also financial education and record keeping training for entrepreneurs, as well as special needs assessments carried out for eleven (11) small businesses. The department also started bringing value to clients by negotiating business deals with select organizations.

Figure 1 below gives a summary of the services provided by the Business Support Services Department.

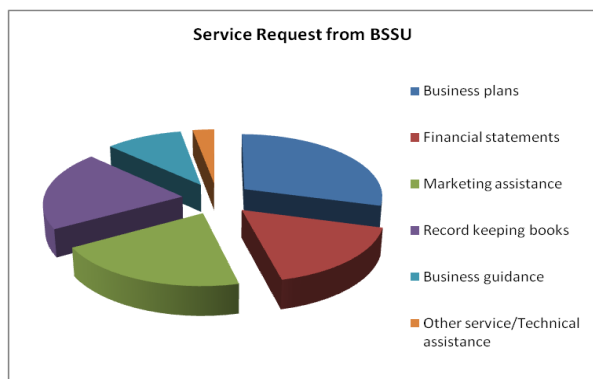


Figure 1

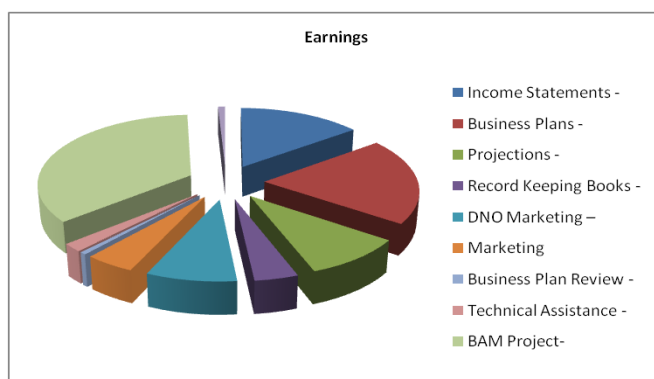


Figure 2

While the services provided are highly subsidized, clients are required to pay fees with regard to assisting with recovering the cost of these services. The chart above in Figure 2 gives an indication of revenue earned by the department. The BSSU comprises of a total of four staff members headed by a supervisor.

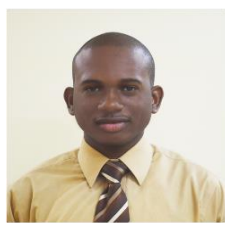
BUSINESS SUPPORT SERVICES DEPARTMENT



Support Services Officer
Naomi Romain



Business Support Assistant
Consula Cuffy



Business Support Assistant
Karl Leblanc



Marketing &
Business Support Assistant
Annasha LaRonde

Business Development and Loans

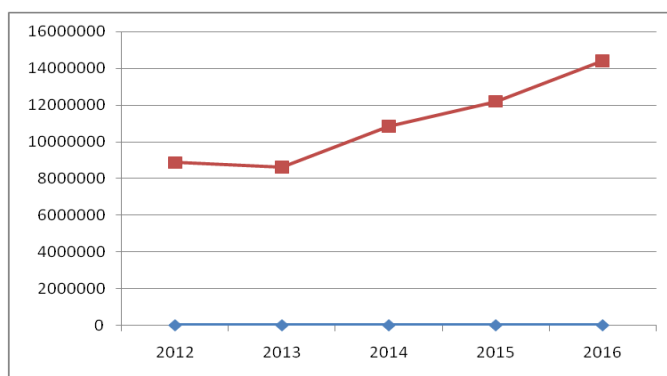
For thirty-five (35) years the National Development Foundation of Dominica Limited (NDFD) has positively impacted the Micro, Small and Medium Enterprise (MSME) sector. The year 2016 was during which the Foundation continued to assist various businesses financially, but with tremendous emphasis being placed on the technical assistance aspect for small businesses. It has been identified that many

small businesses are deficient in these areas therefore a great effort is being placed on technical assistance since it is a vital aspect for continuous operation of businesses.

For the financial year **1,701** loans were approved with a total value of **\$10,906,880.00**. There was a significant increase in the number and value of loans granted, 17% and 33% respectively. This resulted in a total outstanding loans value of **\$14,398,307** with **2,273** loans. This represented an increase of 19% in the value of loans over the previous year.

The favorable increase in both the number and the value of loans approved can be attributed mainly to a significant effort being made to reach out to the community to stimulate interest in working with the NDFD towards poverty alleviation, as well as a significant increase in the availability of funds for businesses through a collaboration between the NDFD and the NBD.

Five (5) Year Loan Portfolio Growth



Impact per sector

The **Fishing** Sector had a significant increase of 69% in the value of loans granted, while the number of loans in the sector remained consistent. This drastic increase in value is mainly due to various outreach programs conducted in a few fishing communities. This financial year, the fishermen were mainly interested in purchasing bigger boats and engines, in addition to a few requests for financing the purchase of vehicles to facilitate the sale and delivery of fish. The average loan size for fishing was \$24,036.68. The fishing portfolio is also one of the best performing sectors, and the close working relationship with the Division of Fisheries must be commended.

The **Distributive Trade** sector is mainly involved in the buying and selling of goods. According to the numbers, this sector is being utilized by many entrepreneurs. For the year in review there was a 62% increase in the number, and an 84% increase in the value of loans granted. For the past years, this sector has been improving significantly when compared to the previous years. The Foundation has made significant impact on the overall economy by injecting these funds into this sector which has economic impact as well as job creation.

The **Services and Industry** Sector has been performing very consistently for the past few years, there was a 13% increase in the number of loans granted and a 6% increase in the value. This sector this year was very diverse, there were a few agro-processing loans, purchase of vehicle to conduct the daily

affairs of the business, a few clients invested in huckstering, and agro-processing and the purchase of equipment for enhanced business operations.

Agriculture has always played a significant role in the country's economic development, and 2016 has been no exception. There were however, decreases in the number and value of loans approved (15% and 11% respectively) in this sector. Despite this decrease, the Foundation continues to place a lot of emphasis on farming and agriculture, since it contributes to the country's food security.

LOANS DEPARTMENT STAFF



Business Development Officer
Mrs. Sharon Vidal-Francis



Business Development Officer
George Challenger



Business Development Officer
Lydia Andrew



Ready Cash Officer
Mr. Danley Carbon

Recoveries and Collection

Regrettably, debt obligations are sometimes not honored, and these non-payments of business debts can put the success of a company in jeopardy. Therefore, the NDFD places high emphasis on collection of outstanding debts. The approach is one whereby the clients are encouraged to work closely with the Foundation in the event that there are unforeseen circumstances which hinder the ability to service loans. As at December 31, 2016, the Portfolio at Risk (PAR) stood at 18% and equates to more than \$2,000,000. By any standard, this is above the acceptable levels and needs to be significantly improved. The NDFD has also written off loans in the amount of \$143,000 citing that these are not reasonably collectible.

The Recoveries Department, comprising of three (3) members, employs various methods of collection, and resorts to court action if any of these fails. The NDFD continues to appeal to clients who are not in good standing to make good on their obligations, to maintain a good credit history with the Foundation. The objective is not that of being punitive, but rather one of enabling, and hence, there are various services and avenues available to be utilized for an amicable solution, if debt servicing becomes difficult. Critical to this is that the client remains in communication with the NDFD and seek assistance at all times, but this is especially useful when the going gets rough, and we may be able to smooth the path.

RECOVERIES DEPARTMENT



Recoveries Supervisor
Floria Fontaine
Joined in December



Recoveries Officer
Leon Peter



Recoveries Assistant
Juan George



Recoveries Assistant
Mrs. Sandrine Eugene-St.Luce
Resigned in December

Training and Partnerships

Empowerment is a proven technique where leaders give their teams the appropriate training, tools, resources, and guidance to succeed. This summarizes the approach of the NDFD towards development of the MSME sector, and has led to fostering of partnerships with its stakeholders to implement training programs geared at building capacity and empowering people.

- The NDFD engaged in a service contractual agreement with the National Authorizing Office (NAO) to implement a Capacity Building Project for Agro-Processors. The target participants were selected through collaborative efforts of the Invest Dominica Authority (IDA) and the Dominica Manufacturers Association (DMA).

The overall objective of the capacity building project was to train agro-processors in key areas, which would enable them to achieve growth and sustainability in their business enterprises. Other objectives of the training were to increase productivity, and to work towards being export ready.

Eighteen (18) agro processors to include ten (10) males and eight (8) females were trained in the following areas:

- Customer Service
- Marketing
- Record Keeping
- Financial Education

This project was funded by the European Union Development Fund under the Banana Accompanying Measures (BAM) of the European Union (EU).

TRAINING PROGRAM	FEMALES	MALES
Customer Service Training	10	6
Supervisory Leadership Training	8	3
Office Management Training	18	2
Financial Education Training for Women Farmers	17	0
GEF Marketing Training	12	4
GEF Organizational Development/Group Development Training	5	3
BAM Agro Processors Training in Marketing	3	5
BAM Agro Processors Training in Financial Education	5	5
BAM Agro Processors Training in Record- Keeping	6	5
BAM Agro Processors Training in Customer Service	4	5
TOTAL	88	38

The Department also partnered with GEF Small Grants Ltd to build capacity in the areas of Marketing and Group / Organizational Behaviour. The objective was to strengthen capacity of communities and Civil Society to address Environmental Challenges. A total of 24 individuals benefited from this programme, and are therefore better equipped to contribute towards community development.

The Training Department also partnered with DNCW to complete a training module in the area of Financial Education for members of its Farmers' Group in the community of Morne Prosper.

There were training programmes available to members of the general public in the following areas:

- Customer Service
- Supervisory Leadership
- Office Management

Staff received the opportunity to develop in various areas as indicated in the table below.

TRAINING/WORKSHOP	STAFF	COUNTRY
Potatoes and Onion Development	George Challenger	Jamaica
Value Chain Analysis and Value Chain Action Planning		Dominica
Managing for Development Results		Dominica
Managing for Development Results	Naomi Romain	Dominica
Debt Collection Forum	Christine Fontaine	Dominica (Online)
	Juan George	
	Sandrine Eugene - St. Luce	
Supervisory Leadership	Sandrine Eugene - St. Luce	Dominica
	Christine Fontaine	
	Clarissa Attidore – Athanaze	
Office Management	Aretha Henry	Dominica
	Sandrine Eugene - St. Luce	
Customer Service	Aretha Henry-interns	Dominica
	Karl Leblanc-interns	
(CCIC) Green Tech Boot Camp	Annasha LaRonde	Barbados

ADMINISTRATIVE/TRAINING DEPARTMENT



HR/Training Officer
Mrs. Carrie Charles-Thomas



Secretary/Receptionist
Lowana St. Jean



Office Assistant
Christine Fontaine



Cleaner
Mrs. Davina Joseph

Highlights

It has always been the NDFD's mission to carry out activities which promote and elevate the standard of operations of the clients which are being served. During 2016, a number of these were carried out, all with the objective of developing the entire sector. Some of the main highlights during 2016 are listed below:

- A newsletter named **"TrippleB"** continues to be published every six (6) months, featuring clients of the NDFD. It provides an avenue to advertise the various products and services and small businesses which are available to the Dominican populace as well as those which are exported. Every edition has focused on a particular theme; women in business, agro-processing, youth in agriculture, fishing (latest issue Vol. 6).
- **Creole in the Streets (CITS)** is an annual trade exposition of Dominican products and services was hosted on October 20, 2016. Clients took advantage of the opportunity to introduce themselves and their products to the Dominican public.
- For the first time, the NDFD hosted the **Idea Generation and Green Technology Boot Camp** from November 29 to December 3. Here, participants were given the opportunity to explore the opportunities presented by the challenges faced by various organizations in Dominica, and develop a business idea which would solve the problem. Participants were exposed to specialized training and coaching provided at the sessions, to help develop their business ideas. The first-place winner received US\$1,000 as well as further cash, training and assistance valued up to US\$12,000 to be accessed. The first-place winner was Mr. Reynold Deschamps with his "All Natural" skin care product. Second place was awarded US\$500 and third place US\$250. This was in collaboration with the Caribbean Climate Innovation Centre (CCIC) based in Jamaica.

Outlook:

The NDFD will continue to focus on organizational sustainability, which will enable it to attain the goal of building Dominica through business development. It is therefore fitting that the theme being adopted for this year's AGM "NDFD - the Vehicle for MSME Development" gives an unequivocal message that we are ready, able and willing to drive the sector towards excellence in service, highest quality in standards of product ultimately leading towards a vibrant and successful business sector. We have the ideal vision which is to have our clients accompany us along the journey by working towards viable business ventures which constantly strive for sustainability. Moving forward, there will be a drive and focus to encourage more ventures which have some or all of the following attributes:

- expand production and productivity
- create more employment
- increase consumption of local products and services
- increase exports
- contribute to a reduction in the import bill
- provide healthier eating choices
- increase foreign exchange

The NDFD continues to position itself as "The Vehicle for development of the Micro, Small and Medium Enterprise sector." We remain committed and resolute to weed out poverty, dependence and indigence and replace these with a spirit of prosperity, entrepreneurship and industriousness. We thank all our stakeholders, partners, clients, and well-wishers who have contributed to making the year 2016 the success that it was and look forward to your continued support in 2017 and beyond.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

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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, 2016, 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.

Auditors' 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, 2016, 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
September 7, 2017

KPB CHARTERED ACCOUNTANTS

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Commonwealth of Dominica Tel. 448 2511/2 Fax 448 5201
E-mail: kpbdm@cwdom.dm website: www.kpbcharteredaccountants.com
Partners: Marvlyn Estrado, Orlando Allan Richards
Associate: Kieron Pinard-Byrne



PrimeGlobal

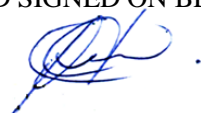
*An Association of
Independent Accounting Firms*

NATIONAL DEVELOPMENT FOUNDATION OF DOMINICA LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

	Notes	2016 EC\$	2015 EC\$
ASSETS			
Cash and Short-term funds	4	2,545,749	112,629
Short-term investments	5	100,966	100,922
Accounts receivable	6	699,708	481,184
Prepayments		13,079	10,517
Loans receivable/fund assets	7	14,398,307	12,184,346
Cash security on loans	8	980,882	940,252
Other assets	9	32,485	31,919
Property, plant and equipment	11	1,810,154	1,831,341
TOTAL ASSETS		20,581,330	15,693,110
LIABILITIES			
Bank overdrafts	4	-	4,317
Accounts payable and accruals	10	233,713	186,834
Cash security on loans	8	980,882	940,252
Long-term loans	12	8,825,312	4,979,442
Payable to funds	13	1,376,306	1,361,803
Fund liabilities	14	6,457,543	6,265,672
Total Liabilities		17,873,756	13,738,320
ACCUMULATED FUND			
Capital Grants	15	438,888	438,888
General Fund		1,272,951	520,167
Revaluation Surplus	11	995,735	995,735
		2,707,574	1,954,790
TOTAL LIABILITIES AND ACCUMULATED FUND		20,581,330	15,693,110

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

THESE FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF DIRECTORS ON SEPTEMBER 7, 2017
AND SIGNED ON BEHALF OF THE TRUSTEES BY



OLIVER HENDERSON
CHAIRMAN



NICHOLAS BRUNO
TREASURER

NATIONAL DEVELOPMENT FOUNDATION OF DOMINICA LIMITED

Statement of Comprehensive Income and General Fund

For the Year Ended December 31, 2016

	Notes	2016 EC\$	2015 EC\$
REVENUE			
Interest on loans		1,842,790	1,634,005
Interest on term deposits and treasury bills		6,690	16,908
Total interest and investment incomes		1,849,480	1,650,913
Membership dues/donations		4,450	2,400
Other income	16	491,952	486,297
Total Revenue		2,345,882	2,139,610
EXPENSES			
Salaries, staff benefits and allowances		757,873	707,872
Interest, bank charges and fees		235,608	162,979
Depreciation	11	61,610	85,451
Capital grant amortization	15	-	(12,962)
General and administrative expenses	17	546,136	431,240
Total Expenses		1,601,227	1,374,580
SURPLUS BEFORE THE FOLLOWING		744,655	765,030
Provision for loan loss	7	(200,000)	(371,680)
Loans written off		-	(10,835)
NET INCOME FOR THE YEAR		544,655	382,515
Other Comprehensive Income:			
Fund liabilities relieved		208,129	-
NET COMPREHENSIVE INCOME FOR THE YEAR		752,784	382,515
GENERAL FUND BEGINNING OF YEAR		520,167	137,652
GENERAL FUND END OF YEAR		1,272,951	520,167

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, 2016

Cash flows from operating activities		
Surplus before the following	744,655	765,030
Adjustments for		
Depreciation	61,610	85,451
Amortization of capital grant	-	(12,962)
Loans written off	-	(10,835)
Gain / (loss) on disposal of fixed asset	-	(10,000)
Provision for loan loss	(200,000)	(371,680)
Fund liabilities relieved	208,129	-
Cash flows before changes in operating assets and liabilities	814,394	445,004
Increase in short term investments	(44)	(79)
(Increase)/decrease in prepayments	(2,562)	3,062
(Increase)/decrease in accounts receivable	(218,524)	(131,732)
(Increase)/Decrease in loans receivable/fund assets	(2,213,961)	(1,349,503)
Increase in cash security on loans - assets	(40,630)	(72,222)
Decrease/(Increase) in other assets	(566)	(382)
(Decrease)/Increase in accounts payable and accruals	46,879	54,258
(Decrease)/Increase in cash security on loans - liability	40,630	72,222
Increase/(decrease) in amount payable to fund	14,503	72,222
(Decrease)/Increase in fund liabilities	191,871	-
Net cash from operating activities	(1,368,010)	(907,150)
Cash flow from investing activities		
Purchase of fixed assets	(40,423)	(63,040)
Proceeds on disposal of fixed assets	-	10,000
Net cash from investing activities	(40,423)	(53,040)
Cash flows from financing activities		
Loan proceeds	4,530,000	1,000,000
Long term loan repayment	(684,130)	(512,511)
Capital grants received	-	-
Net cash from financing activities	3,845,870	487,489
Net cash flows	2,437,437	(472,701)
Cash and cash equivalent at beginning of year	108,312	581,013
Cash and cash equivalent at end of year	2,545,749	108,312

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

NATIONAL DEVELOPMENT FOUNDATION OF DOMINICA LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2016

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 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.

(c) Summary of IFRS pronouncements effective for periods beginning on or after 1 January 2016

The following is a summary of IFRS for pronouncements that must be applied, if applicable in 2016 a business entity with a calendar year-end that is preparing financial statements in accordance with IFRS. The pronouncements are effective for years beginning on or after January 1, 2016:

- Annual Improvements to IFRS's 2012 – 2014 cycle.
- IFRS 14 Regulatory Deferral Accounts.
- Accounting for Acquisitions of Interests in Joint Operations (Amendments of IFRS 11).

National Development Foundation of Dominica Limited

Notes to the Financial Statements

For the Year Ended December 31, 2016

2. Summary of significant accounting policies cont'd

(c) Summary of IFRS pronouncements effective for periods beginning on or after 1 January 2016 cont'd

- Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38).
- Equity method in separate financial statements (Amendments to IAS 27).

(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.

(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 asset 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.

National Development Foundation of Dominica Limited

Notes to the Financial Statements

For the Year Ended December 31, 2016

2. Summary of significant accounting policies cont'd

(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.

(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.

National Development Foundation of Dominica Limited

Notes to the Financial Statements

For the Year Ended December 31, 2016

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.

National Development Foundation of Dominica Limited

Notes to the Financial Statements

For the Year Ended December 31, 2016

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.

National Development Foundation of Dominica Limited

Notes to the Financial Statements

For the Year Ended December 31, 2016

3. Financial Risk cont'd**Financial Risk Management cont'd****(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.

4. Cash and Cash Equivalent

	2016 EC\$	2015 EC\$
Cash and Short-term Funds		
National Bank of Dominica - Savings Account	605,341	39,958
Cash on hand	2,093	1,248
Current Accounts	1,938,315	71,423
	<u>2,545,749</u>	<u>112,629</u>
Bank Overdraft		
National Bank of Dominica - Current Account	<u>-</u>	<u>4,317</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	2,566	2,522
	<u>100,966</u>	<u>100,922</u>

National Development Foundation of Dominica Limited

Notes to the Financial Statements

For the Year Ended December 31, 2016

6. Accounts Receivable

	2016	2015
	EC\$	EC\$
Sundry persons	1,111	1,111
Other receivables/rent	48,860	41,064
Staff advances	10,233	11,018
Training program receivables	3,161	9,086
Late fee receivable	105,478	82,999
Interest receivable on loans	486,952	350,247
Other receivables	12,743	(14,341)
Client's other receivables	31,170	-
Less provision for doubtful accounts	-	-
	<u>699,708</u>	<u>481,184</u>

7. Loans Receivable/Fund Assets

	2016	2015
	EC\$	EC\$
Revolving Loan Fund/USAID	3,554,856	3,060,179
GOCD/DREP	24,209	28,898
Dominica Social Security Business Loans	78,462	98,143
STABEX Technical Assistance Fund	6,793	37,165
GOCD Agricultural loans	623,897	661,838
CAPT IN AGE	-	-
IICA	14,867	15,244
Micro Credit Facility	11,758	14,700
Social Protection Fund	5,052	7,218
GOCD Special Fund	697,373	853,031
Ready Cash	2,146,020	1,666,219
Young Farmers Credit Fund	42,112	57,590
Women's Bureau/DNCW	43,392	16,500
Dominica Aid Bank Fund	900,230	1,150,981
Dominica National Petroleum Company Limited	4,217,180	4,888,320
NBD Fund	2,023,275	-
Debt Consolidation	437,155	-
	<u>14,826,631</u>	<u>12,556,026</u>
Less provision for loan loss	<u>(428,324)</u>	<u>(371,680)</u>
	<u>14,398,307</u>	<u>12,184,346</u>
Provision for loan loss		
Balance - beginning of year	371,680	-
Accounts written off against the provision	(143,356)	-
Provision made for the year	200,000	371,680
	<u>428,324</u>	<u>371,680</u>
Balance - end of year	<u>428,324</u>	<u>371,680</u>

National Development Foundation of Dominica Limited

Notes to the Financial Statements

For the Year Ended December 31, 2016

8. Cash Security on Loans

	2016 EC\$	2015 EC\$
<hr/>		
This represents cash deposits made by clients as security on their loans		
Opening balance	410,228	410,228
Deposits made	1,673,258	1,647,131
Repayment	(1,102,604)	(1,117,107)
	<hr/>	<hr/>
	980,882	940,252
	<hr/>	<hr/>

Assets comprise of:

Term deposits	2,500	2,500
Receivable from general fund	979,597	938,967
Interest receivable	(1,215)	(1,215)
	<hr/>	<hr/>
	980,882	940,252
	<hr/>	<hr/>

9. Other Assets

Supplies	24,546	24,546
Uncollected cheques	75	75
Other	7,864	7,298
	<hr/>	<hr/>
	32,485	31,919
	<hr/>	<hr/>

10. Accounts Payable and Accruals

Trade Accounts payable	124,986	79,383
Commission payable	(4,331)	(4,322)
Clients' advance payments	116,748	112,743
Clients' legal liability	(9,710)	(6,990)
Rent deposit	6,020	6,020
Accrued expenses	-	-
	<hr/>	<hr/>
	233,713	186,834
	<hr/>	<hr/>

National +Development Foundation of Dominica Limited

Notes to the Financial Statements

For the Year Ended December 31, 2016

11. Property, Plant & Equipment

	Furniture &Equipment EC\$	Computer Software EC\$	Motor Vehicles EC\$	Building EC\$	Land EC\$	Total EC\$
COST/VALUATION						
Balance - December 31, 2014	889,028	172,510	148,500	894,088	891,800	2,995,926
Disposals	-	-	-	-	-	-
Additions	63,040	-	-	-	-	63,040
Balance - December 31, 2015	952,068	172,510	148,500	894,088	891,800	3,058,966
Additions	40,423	-	-	-	-	40,423
Balance – December 31, 2016	992,491	172,510	148,500	894,088	891,800	3,099,389
DEPRECIATION						
Balance - December 31, 2014	726,391	168,842	126,225	120,716	-	1,142,174
Elimination on disposal	-	-	-	-	-	-
Depreciation expense	38,468	2,356	22,275	22,352	-	85,451
Balance - December 31, 2015	764,859	171,198	148,500	143,068	-	1,227,625
Depreciation expense	38,233	1,025	-	22,352	-	61,610
Balance – December 31, 2016	803,092	172,223	148,500	165,420	-	1,289,235
NET BOOK VALUE						
December 31, 2014	162,637	3,668	22,275	773,372	891,800	1,853,752
December 31, 2015	187,209	1,312	-	751,020	891,800	1,831,341
December 31, 2016	189,399	287	-	728,668	891,800	1,810,154

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.

National Development Foundation of Dominica Limited

Notes to the Financial Statements

For the Year Ended December 31, 2016

12. Long-term loans

	2016 EC\$	2015 EC\$
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	-	299,834
4% National Bank of Dominica repayable over a maximum period of 10 years.	4,344,815	-
3% Dominica National Petroleum Company (DNPC) total loan \$5 million; repayable by monthly installments over 20 years	4,480,497	4,679,608
	8,825,312	4,979,442
Less current portion of long-term loans	526,682	498,945
Long-term portion	8,298,630	4,480,497

Security:

1. NBD Loan – (i) A first charge debenture over all fixed and floating current and future assets of the NDFD Ltd.
(ii) Certificate of Title to 644 sq. ft. land with building there on at Kings Lane, Roseau.

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	780,160	765,657
STABEX	20,373	20,373
FA/training	3,665	3,665
OAS Retrofit Administration	26,369	26,369
IICA/MOA 1 HUR REL	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)
	1,376,306	1,361,803

National Development Foundation of Dominica Limited

Notes to the Financial Statements

For the Year Ended December 31, 2016

14. Fund Liabilities

	2016 EC\$	2015 EC\$
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
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
GOCD/CPEC	-	55
STABEX EU/EDF	156,188	156,188
Social Protection/Micro Credit Fund	349,388	349,388
IICA Fund	61,047	61,047
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
Government of Dominica Boat Fund	400,000	-
	6,457,543	6,265,672

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

	2016 EC\$	2015 EC\$
Unamortized balance beginning of year	438,888	451,850
Capital grants received during the year	-	-
Amortized during the year	-	(12,962)
Unamortized balance end of year	438,888	438,888

National Development Foundation of Dominica Limited

Notes to the Financial Statements

For the Year Ended December 31, 2016

16. Other Revenue

	2016 EC\$	2015 EC\$
Loan processing fees	146,730	134,003
Rent revenue	27,560	26,955
Conference room revenue	16,373	4,695
Training fees	63,285	24,017
Bad debts recovered	137,065	190,517
Business support	40,611	32,680
Miscellaneous	60,328	63,430
Gain on disposal of fixed asset	-	10,000
	<u>491,952</u>	<u>486,297</u>

17. General and Administrative Expenses

Insurance	25,903	23,147
Advertising	18,138	14,015
Stationery and office expenses	88,975	91,612
Telecommunications	62,390	50,973
Utilities	52,692	55,647
Subscription	2,310	2,830
Motor vehicle expenses	15,499	18,116
Training services and related expenses	3,939	6,980
Security services	37,779	41,959
Conference room expenses	4,573	1,421
Repairs and maintenance	27,718	15,316
Annual General Meeting expenses	11,718	9,304
Computerization expenses	19,858	22,202
Travel and related expenses	32,362	24,239
Audit fees and related expenses	9,500	9,650
Hydro/water	4,192	3,819
Mini mall expenses	1,703	2,330
Legal and professional fees	79,059	1,240
Rent/rates	638	2,309
Donations	11,557	11,417
Board of Directors expenses	5,287	5,829
Anniversary expenses (Creole in the Streets)	30,346	16,885
	<u>546,136</u>	<u>431,240</u>

18. Contingencies and Commitments

As at December 31, 2016, twenty-six (26) loans amounting to \$ 575,927 (2015 - 7 loans; \$59,881) were approved and undisbursed.

19. Post Balance Sheet Events There were none.

STATISTICAL REPORTS FOR 2016

SELECTED PERFORMANCE INDICATORS FOR 2016

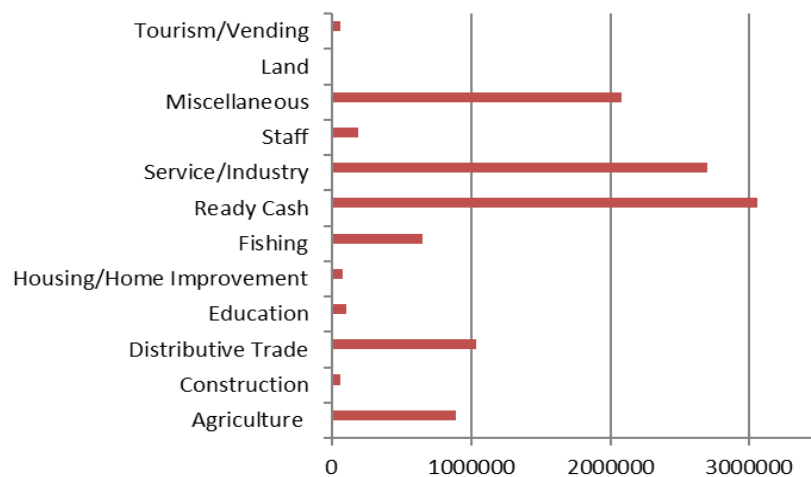
ITEMS	2016	2015	2014	2013	2011-1981
Number of loans Granted	1701	1451	1656	1468	13690
Value of Loans (\$)	10,906,879.98	8,215,977.02	9,526,398.00	6,669,729.00	64,465,362.40
Average Loan Size (\$)	6374.6	5,662.29	5,752.66	4,543.41	37,630.24
Number of Jobs created or sustained	678	655	820	235	11453
Average number of jobs per business loan	1.90	0.45	0.50	0.16	6.2
Effective Interest Rate	12.50%	12.50%	12.50%	12.50%	

CLASSIFICATION OF LOAN RECIPIENTS

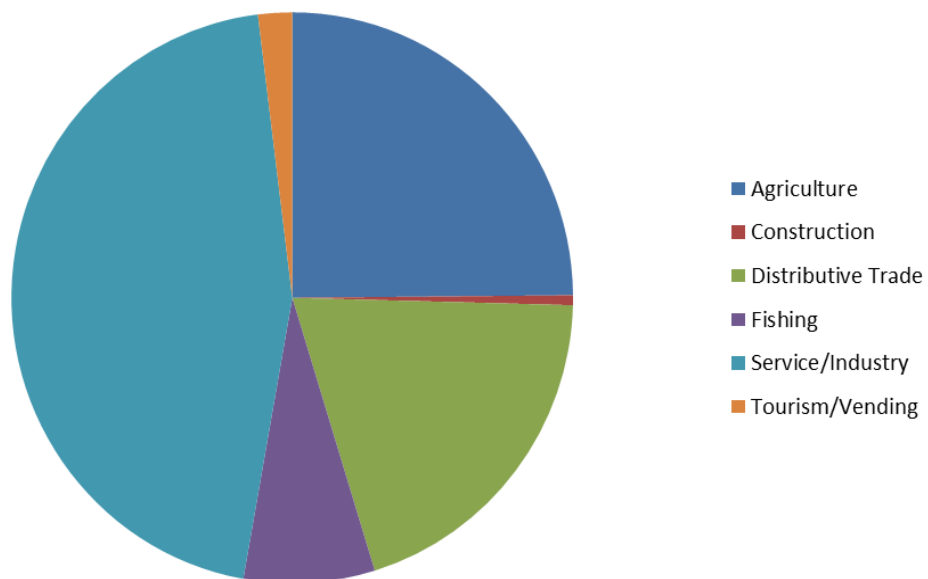
LOANS RECIPIENTS	2016	2015	2014	2013	2011-1981
Women	866	763	867	750	9239
Men	835	688	787	717	7252
Groups		0	1	1	35
Cooperatives		0	1	1	1
Companies/Associations		0			294
TOTAL	1701	1451	1656	1469	16821

APPROVALS/DISBURSEMENT FOR 2016

SECTOR	APPROVED	VALUE
Agriculture	89	\$ 891,204.43
Construction	2	\$ 61,250.00
Distributive Trade	71	\$ 1,035,129.05
Education	11	\$ 105,170.00
Housing/Home Improvement	8	\$ 80,300.00
Fishing	27	\$ 648,990.40
Ready Cash	1,070	\$ 3,057,188.07
Service/Industry	162	\$ 2,698,586.26
Staff	11	\$ 186,393.12
Miscellaneous	242	\$ 2,080,800.57
Land	1	\$ 1,200.00
Tourism/Vending	7	\$ 60,668.08
TOTAL	1,701	\$ 10,906,879.98

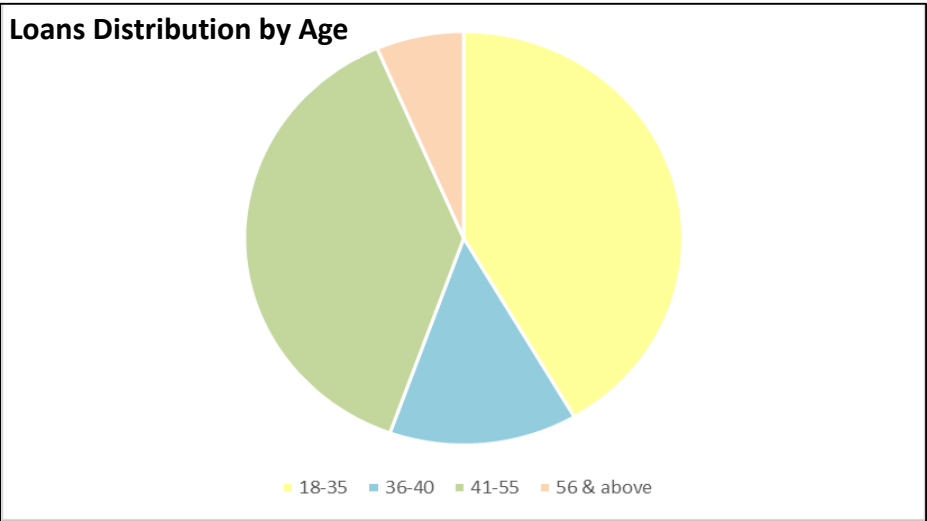
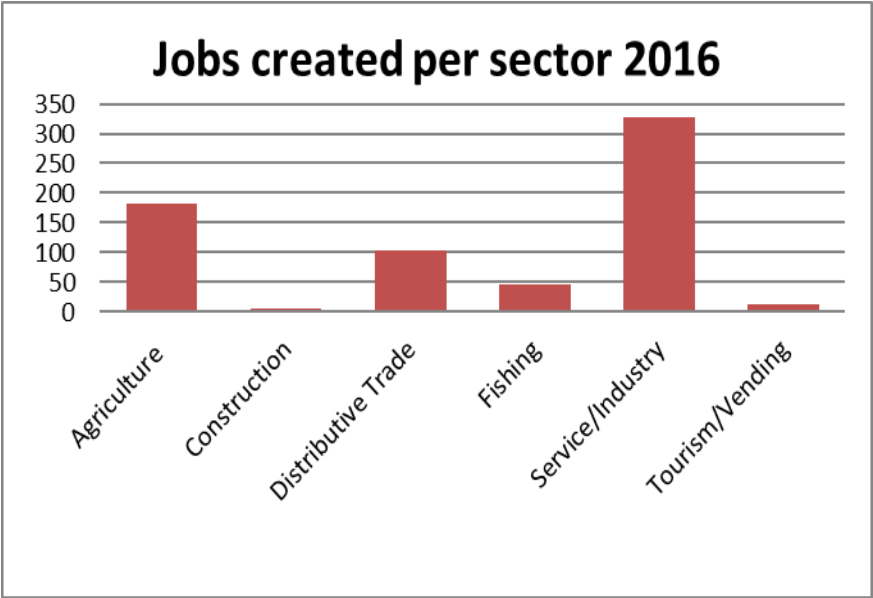
Value of All Loans Granted for 2016

Approval by Productive sectors 2016



JOBS CREATED PER SECTOR WITH GENDER DISTRIBUTION 2016

Sectors	No of Loans		Jobs Created			
		Male	Female		Male	Female
Agriculture	89	71	18	183	158	25
Construction	2	2	0	6	4	2
Distributive Trade	71	17	54	103	32	71
Fishing	27	25	2	46	44	2
Service/Industry	162	116	46	328	195	133
Tourism/Vending	7	1	6	12	5	7
Totals	358	232	126	678	438	240
		358			678	



NDFD STATISTICAL DIGEST (1981-2016)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	1981-2016
No. of loans granted	271	935	1234	1,236	1581	1,935	1,468	1,656	1,451	1,701	15,125
Value of loans (\$)	1,794,674	3,534,444	4,301,532.44	4,620,441	5,983,172	7,867,672	6,669,729	9,526,398	8,215,977	10,906,880	410,335,944
Average loan size (\$)	6,622	3,780	3,486	3,738.22	3,784.42	4,066.00	4,543.00	5,752.66	5,662.29	6,412.04	31,573
Operation Cost (\$)	964,942	760,395	901,598	992,384	1,148,796	1,200,891	1,195,138	1,462,362	1,374,580	1,601,227	22,445,527
Cost per loan (\$)	3,561	813	731	803	727	620.62	814.13	883.07	947.33	941.34	10,180
Cost/loan dollar (\$)	0.54	0.22	0.21	0.21	0.19	0.15	0.18	0.15	0.17	0.15	1.8
No. of jobs affected	296	644	832	626	630	610	235	820	697	678	13,113
Avg. no. of jobs/loans	1.10	0.69	0.67	0.51	0.40	0.32	0.16	0.5	0.48	1.9	6.12
Cost per job (\$)	3,260	1,181	1,084	1,585	1823	1969	5086	1783	1972	2362	12,213
<u>Gender</u>											
* Men	139	429	682	645	802	1045	750	867	763	835	6,898
* Women	131	506	552	591	779	888	717	787	688	866	5,505
Groups/Companies/ Cooperatives	1					2	1	2	0	0	179
<u>Location</u>											
* Rural	161	500	654	656		1022	778	993	871	1021	7,750
* Urban	110	435	580	580		913	690	663	580	680	6,047
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	83 81	117 234	49 98	68 136	13 146	112 224	110 95	148 311	135 274	153 310	2207 3856
Agriculture	37 48	26 78	173 346	165 330	130 260	108 216	100 88	134 297	105 239	89 183	1563 3177
Distributive Trade	41 44	44 88	77 231	42 84	57 114	41 82	53 37	66 114	50 96	71 103	1258 2840
Industry	20 20	19 57	00 00	00 00	00 00	3 6	2 2	18 36	9 15	9 18	29 61
Construction	02 04	02 06	08 24	00 00	8 16	2 4	2 1	2 00	0 0	2 6	218 682
Fishing	08 08	00 00	09 27	10 20	13 26	17 34	18 9	24 42	26 64	27 46	235 475
Retrofit/ Home improvement	09 12	24 72	38 76	26 52	10 20	15 30	4 00	5 00	2 0	8 0	352 646
Tourism	09 19	03 09	10 30	2 4	9 18	3 6	5 3	00 00	8 9	7 12	63 125
Other/Ready Cash	34 33	668 100	808 00	913 00	1258 8	1616 8	1167 00	1242 00	1098 0	1313 0	7330 382
Staff	06 00	03 00	01 00	00 00	7 0	9 00	2 00	13 00	10 0	11 0	81 10
Education	22 23	29 00	61 00	10 00	16 0	9 00	5 00	4 00	8 0	11 0	258 0
	246 296	935 644	1,234 832	1,236 626	1581 608	1777 602	1468 235	1656 820	1451 697	1701 678	13594 12254