



**Soufriere Regional  
Development Foundation**

# REPORT

March 2007 – March 2010

***“COMMUNITY PARTICIPATION IN REGIONAL DEVELOPMENT”***

*"BY OUR ACTIONS WE HAVE GIVEN A WHOLE COMMUNITY HOPE"*

*Lyton Lamontagne, Chairman, SRDF*

*"YOU ARE ALL SOLDIERS IN A WAR AGAINST POVERTY,  
UNDERDEVELOPMENT AND SOCIAL INJUSTICE. AND SO YOU MUST  
RELENT UNTIL YOU REDEFINE THE SOCIAL, ECONOMIC AND CULTURAL LANDSCAPE OF SOUFRIERE"*

*Jimmy Haynes, Deputy Chairman, SRDF*

*"AT THE SOUFRIERE FOUNDATION WE DON'T JUST DREAM THINGS WE MAKE THEM HAPPEN"*

*Dominic Alexander, General Manager*

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## **MISSION STATEMENT**

*To foster social, economic and cultural development in the Soufriere region in a manner that is responsive to the needs and aspirations of the community, while preserving and enhancing the natural and cultural assets upon which that development is based.*

## **VISION STATEMENT**

*To be a financially viable organization contributing toward the development of the community's human resources, vibrant local economy driven by tourism and the preservation of the natural, historical and cultural heritage of Soufriere.*

## **STRATEGIC OBJECTIVES**

- ▣ *Promotion and Marketing*
- ▣ *Economic Development*
- ▣ *Social and Cultural Development*
- ▣ *Infrastructural Development*
- ▣ *Preservation of Natural/Historical Assets*
- ▣ *Human Resource Development*
- ▣ *Community Relations*
- ▣ *Asset Management*

## BOARD OF DIRECTORS

### *LYTON LAMONTAGNE*

*Chairman  
Businessman*

### *JIMMY HAYNES*

*Deputy Chairman  
Community Activist*

### *GREGOR WILLIAMS*

*Director  
Chairman- National Trust*

### *MARIUS FELIX*

*Director  
Former Principal–Soufriere Comprehensive School*

### *PETER JACKSON*

*Director  
Photographer - Piton Net*

### *KENNETH CAZAUBON*

*Director  
Former General Manager-Coconut Growers Association*

### *JAMES CHARLES*

*Director  
Electrical Engineer*

### *JOYCE ALEXANDER STOWE*

*Director  
Businesswoman–Hummingbird Beach Resort*

### *ALFRED ALCIDE*

*Director  
Barrister–Alcide & Associates*

### *NIGEL GEORGE*

*Director  
Banker –Bank of Saint Lucia*

**SOUFRIERE FOUNDATION'S BOARD OF DIRECTORS**  
MARCH, 2007 - 2010



## MANAGEMENT TEAM



**DOMINIC ALEXANDER**  
*General Manager*



**FRANKLYN SOLOMON**  
*Accountant/Operations Manager*



**CLEVANA NICHOLAS**  
*Office Manager*

## SUPERVISORS

**MALCOLM MATHURIN**  
*Tour Coordinator  
Sulphur Springs Park*

**EUSEBIA JN. BAPTISTE**  
*Senior Projects Officer  
Projects Department*

**CORNELIUS D'AUVERGNE**  
*Senior Warden  
Sulphur Springs Park*

**ALBERT CONSTANTINE**  
*Dock Master  
Soufriere Jetty*

**SHARON THEODULE**  
*Tour Coordinator  
Tet Paul Nature Trail*

**VALARIE ANDREW**  
*Senior Attendant  
Comfort Centre*

## OVERVIEW

*In February 2007, a new board of directors was appointed to serve the people of Soufriere by then Prime Minister, Sir John Compton. After a legal challenge by two ex-directors, the board was regularized, its tenure extended to three years and the power to appoint directors vested with the prime minister.*

*On assuming office the board inherited an almost dysfunctional organization with a myriad of problems, namely;*

- ▢ Poor Financial Management – all company funds were held on non-interest bearing chequeing account*
- ▢ Low Annual Income – mismatch between user fee and demand for Sulphur Springs tourism product*
- ▢ Low Revenue Base – depended solely on gate receipts at Sulphur Springs Park, jetties and Comfort Centre to generate revenues*
- ▢ Decaying Infrastructure – key infrastructure were unsuitable for use e.g main trail from Gazebo to main gate at Sulphur Springs Park*
- ▢ Absent Infrastructure – inadequate facilities for vendors and absence of proper footpaths, lighting and railings*
- ▢ Low Staff Morale – low pay, lack of internal consistency and external equity, antiquated job descriptions, unsuitable working conditions and absence of performance management system*
- ▢ Low Staff Productivity – poorly trained staff who were expected to perform in roles that their skill set was sometimes incongruent with*
- ▢ Low Project Delivery Rate – interventions within the community were sporadic and far apart*
- ▢ Self-Financed Interventions – more than 90% of interventions were directly financed by the organisation's revenues*
- ▢ Town-Biased Development Programmes – all of the organisation's interventions were undertaken in the town centre at the detriment of the rural communities*
- ▢ Poor Public Relations – public was largely unaware of the work of the organization and perceived the board to be a boy's club*
- ▢ Lack of strategic vision and direction – organization operated from day to day without any SMART goals*

*Within months of assuming office the board attempted to correct the weaknesses, consolidate on the strengths, neutralize the threats and take advantage of the opportunities. After three years, the board has been able to turn the fortunes of the organization around. Today, there is little doubt even amongst its staunchest critics that the Soufriere Foundation experienced its best three years between the period, 2007 – 2010.*

*During that period the organization invested its revenue; increased its income; expanded its revenue base; significantly improved and built new and much needed infrastructure at Sulphur Springs Park; increased its number of staff by 70%; improved staff morale through payment of higher wages and improvements in working conditions and fringe benefits; improved staff*



*efficiency and productivity through training; improved the organisation's project delivery rate through recruitment and selection of project officers; incorporated and attracted grant funding as a mechanism for project financing; employed a Rural Community Liaison Officer and started interventions in marginalized communities. In addition, the board modernized the computer system; improved product offering; vigorously took up the responsibility of marketing the community; met with stakeholders to develop a strategic plan and throughout it all tried at every step to keep the stakeholders informed.*

***Today the Soufriere Foundation stands confidently poised ready to usher our community into the years 2010 – 2013.***

## **FINANCIAL PERFORMANCE**

*Between 2006 and 2007, the organisation's revenue position improved by over EC\$600,000 from EC\$1,938,658 to EC\$2,591,892. This was largely due to an increase in Sulphur Springs Park user fees from October 2007 for foreign adults from EC\$7.50 to EC\$12.50 and foreign children from EC\$2.50 to EC\$5.00. The increase in revenue generation was also accounted for by an increase in visitation at Sulphur Springs Park over the period 2006/2007. Sulphur Springs Park revenue accounted for 64.8% of total revenue in 2007.*

*During this two year period, company expenditure increased from EC\$1,591,430.00 to EC\$2,079,977. A significant portion of this increase was accounted for by an increase in employee benefits payments and an astronomical increase in project spending over the previous year.*

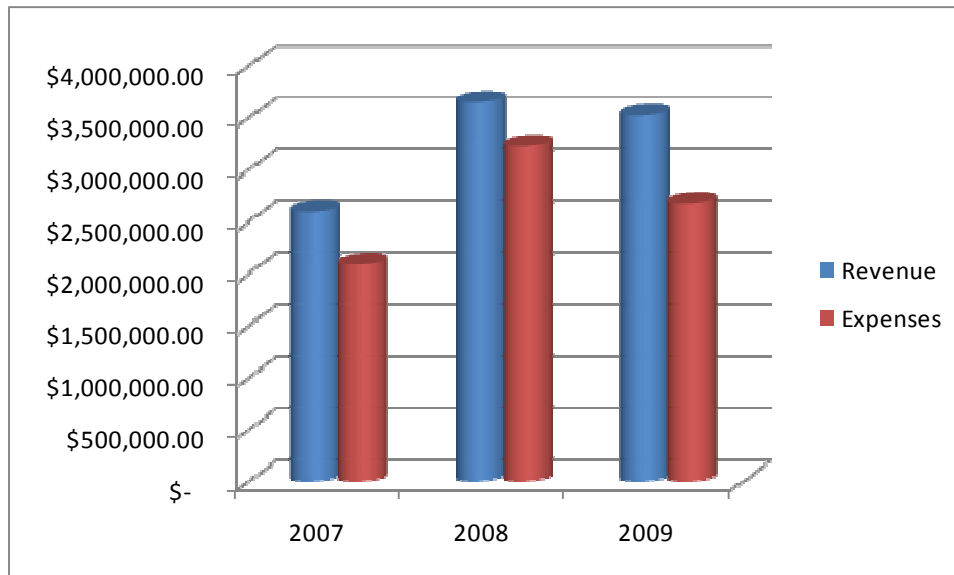
*The full effect of the October 2007 Sulphur Springs Park price increase was felt in 2008 and as expected the organisation's revenue grew considerably in that year. In 2008, the organization realized revenues of EC\$3,650,316; a 40.8 % increase over 2007. This time Sulphur Springs revenue accounted for 76.7% of overall revenue collected. Government of St. Lucia refund, St. Lucia Tourist Board and Cultural Development Foundation donations, United Nations Educational, Scientific and Cultural Organisation grant funding and jazz sponsorship monies were also responsible for the large increase in revenue collected. Table 1 below illustrates the sources of the organisation's revenue.*

*Table 1. Sources of Company Revenue*

	2007	2008	2009
<b>Jetty Revenue</b>	\$ 899,979.00	\$ 581,828.00	\$ 537,203.00
<b>Sulphur Springs Revenue</b>	\$ 1,678,621.00	\$ 2,799,361.00	\$ 2,795,183.00
<b>Other Income</b>	\$ 13,292.00	\$ 269,127.00	\$ 190,234.00
<b>TOTAL</b>	<b>\$ 2,591,892.00</b>	<b>\$ 3,650,316.00</b>	<b>\$ 3,522,620.00</b>

*With the increase in generated revenue came a likewise increase in project expenditure. In fact expenditure increased from EC\$2,079,977 to EC\$3,228,361. The increase in expenditure was accounted for by a 220% rise in project expenses; jetty repair works; revaluation of the residual life of the jetties and consequent increase in depreciation; increase in the numbers of Administrative, Operations and Project staff, etc.*

*Chart 1. Graph of Revenue vs. Expenditure*



*Our draft unaudited management accounts reveal that company revenue dropped marginally in 2009. This was largely due to the lack of refunds and a reduction in collection of outside donations, grant funding and sponsorship.*

*It also revealed that expenditure in 2009 was slightly lower than in 2008. Unfortunately, in the absence of an audited financial statement not much information can be given on the financial performance of the organisation in 2009.*

## **INVESTMENTS**

*Before FEBRUARY 2007, the Soufriere Foundation held all of its funds on a no interest bearing chequeing account at the Bank of Saint Lucia. In order to strengthen the organisation's cash position and to grow its income the organization purchased several fixed deposits (3% interest) and 20, 000 shares from the East Caribbean Financial Holdings Ltd. In addition, a Super Saver account attracting interest at a rate of 3.7% per annum was opened. In order to optimize the use of all newly generated funds, all amounts in excess of the requisite working capital deposited to the chequeing account are transferred to the Super Saver account.*

*As of May 1<sup>st</sup> 2010, the organization held EC\$250,000 in time deposits, over EC\$1,000,000 in savings and EC\$290,000 worth of ECFH shares at today's share value. This marks a significant improvement to the EC\$550,000 that the board inherited on assuming office in February 2007.*

## ADMINISTRATION

### Operations

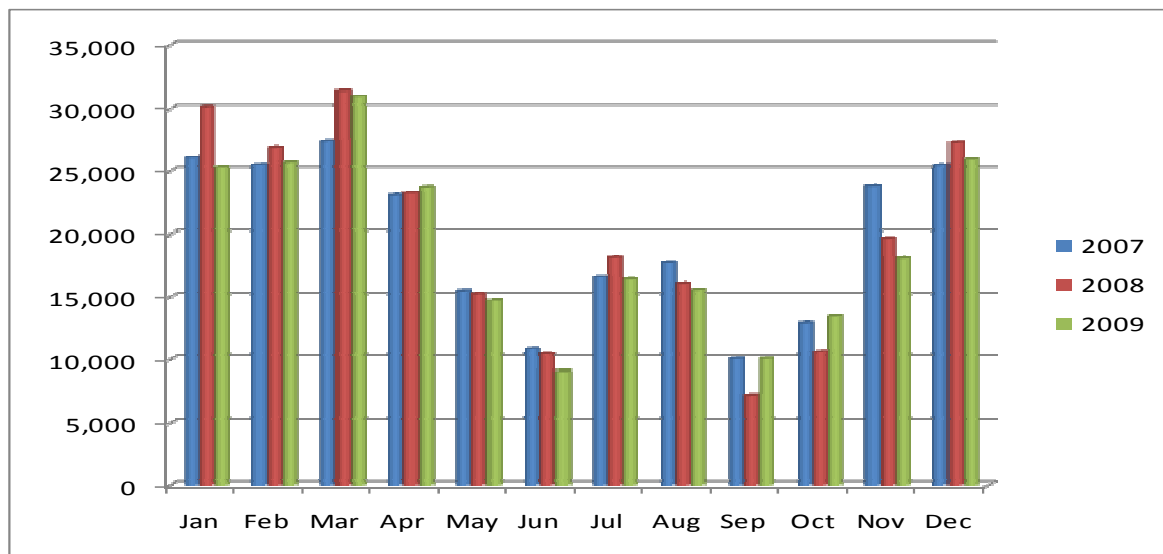
#### Sulphur Springs Park

*Sulphur Springs Park is a 45-hectare property managed by the Soufriere Foundation. The property is leased by the St. Lucia Government to the Soufriere Foundation. The specific objectives of the Soufriere Foundation as it pertains to Sulphur Springs Park are to:*

- ▣ *Protect the natural vegetation and preserve the biodiversity of the area*
- ▣ *Use the natural and cultural resources of the area in a sustainable manner*
- ▣ *Promote the area's geological features as tourist attractions*
- ▣ *Support the area's use as an outdoor scientific and educational laboratory*
- ▣ *Facilitate use of the area for recreation*

*The park represents the primary income earner for the Soufriere Foundation. Revenue is generated at this facility through gate fees collected for tours of the geothermal system and flora and fauna. During the review period the number of visitors to the park rose between 2007 and 2008 but fell between 2008 and 2009. See Chart 2 below. The 3% drop between 2008/2009 is consistent with the industry performance as a whole and was as a result of the financial meltdown of 2008/2009 and its resultant economic downturn.*

Chart 2. Park Visitation 2007 - 2009



*During 2007 to March 2010, major rehabilitation works were undertaken at Sulphur Springs Park. The works included, inter alia, the following:*

- ▣ *Reconstruction of uneven, water terraced and potholed trail to world class standards*
- ▣ *Construction of two, cobble-stone footpaths to waterfall and pool to replace uneven, earthen footpaths*

- ▣ *Construction of a Vending Village to accommodate ten (10) vendors who were previously operating in the open and without an appropriate means of display*
- ▣ *Construction of two snackettes to accommodate two food vendors who were previously serving from two unhygienic (without pipe borne water), unsightly and earthen floored structures.*
- ▣ *Illumination of footpaths to waterfall and pool to facilitate night time access*
- ▣ *Construction of 4 changing rooms near pool*

### **Sulphur Springs Park Pool**

*In November 2009, the Soufriere Foundation introduced a user fee for use of the pool at Sulphur Springs Park, while the waterfall area was maintained as a non-paying area. This has resulted in an additional EC\$10,000 monthly being generated from pool revenue. In order to fully service the needs of the facility, five (5) new employees were hired.*

#### *Pool Area*



### **Sulphur Springs Park Souvenirs**

*In November 2009 and early 2010, the Soufriere Foundation marketed its own patented and the first ever souvenir material (polo shirts, cups, mouse pads, etc) for Sulphur Springs Park. It is anticipated that with adequate advertising the products will net in excess of EC\$50,000 annually.*

## Jetty

*Port Soufriere is owned but not operated by the St. Lucia Air and Seaports Authority (SLASPA). In 1994, following an amendment to the SLASPA ACT No.10 of 1983, the Seaport of Soufriere became a Port under SLASPA's jurisdiction. The main jetty and boardwalk jetty at Port Soufriere are owned and operated by the Soufriere Foundation and represent a key source of revenue for the organization. User fees are collected from catamarans and leisure craft that use the two facilities.*

*In August 2007 (Hurricane Dean) and again in November 2008 (Hurricane Omar), the boardwalk jetty suffered extensive damage during the passage of two hurricanes. Both hurricanes affected the overall performance of the jetties resulting in a marginal decline in performance in 2008 when compared to 2007. During the periods of repair many vessels began using the Fisheries Complex jetty as an alternative jetty. They continued to use the latter facility cost free until November 2009 when the Soufriere Foundation established a Memorandum of Understanding with the Soufriere Fishermen's Cooperative Society for co-management of the Soufriere Fisheries jetty. This immediately resulted in the users of the Fisheries jetty returning to use the boardwalk jetty and its services and overall jetty visitation for 2009 rising by 4.2%. Table 2 below captures comparative jetty visitation.*

*Table 2. Jetty Visitation 2007 - 2009*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2007	7,421	7,609	8,435	6,267	6,068	4,691	5,148	4,127	3,458	4,541	7,920	7,237	74,929
2008	9,053	9,001	7,846	7,091	5,280	2,823	4,361	4,208	3,016	5,684	6,562	7,769	74,702
2009	7,825	8,415	9,226	7,346	5,101	4,596	5,348	3,855	3,400	4,011	7,204	9,490	77,826

## Comfort Centre

*This toilet facility on lower Bridge Street, Soufriere was built in 2001. The facility is largely unprofitable and is maintained as a public good by the Soufriere Foundation. This facility's expenses far outweigh its revenue.*

## Technological Improvements

*Unlike the previous years, an earnest effort was made during the years 2007 to 2010 to allow the organization to adapt some of the recent technological changes. In the 2009, all of the organisation's computers were networked and all key staff members provided with company email addresses. The former has led to improvements in information security, storage, transfer and access.*

*However, all was not always well with our computer system and the network failed twice in 2009 and several of its processing files were corrupted on another occasion. Unfortunately, our network consultant was never able to explain the reason for the failures. All three failures resulted in lost data and an enormous amount of time having to be spent to recover the lost data. The backlog created still affects our data entry even today.*

*Towards the end of 2009, the accounting software, Peachtree Complete was upgraded from a single user version to a multiple user version. This led to an immediate acceleration in the rate of data entry due to the absence of the previous single user constraint.*

## **Our People**

### **Staffing**

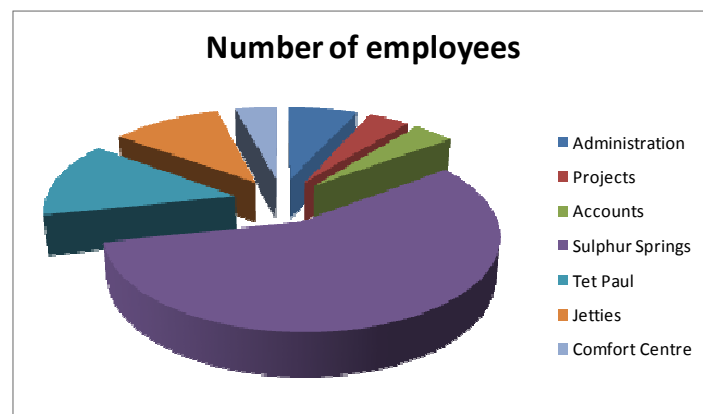
*The Soufriere Foundation established itself as an employment trend setter in the community of Soufriere and over the last three years added an additional thirty-one (31) staff to its February 2007 compliment of forty four (44). The Soufriere Foundation underwent some restructuring and positions of Accountant/Operations Manager, Tourism Development Officer, Rural Community Liaison Officer, Assistant Tour Coordinator, Administrative Assistant and Training Executive were created and filled. In addition, the position of Chief Executive Officer was changed to General Manager to better reflect the functions carried out by the holder. Today the organisation employs a total of seventy four (74) persons in the following departments (see below):*

*Table 3. Employees per Department*

Department	Number of employees
Administration	5
Projects	3
Accounts	3
Sulphur Springs	42
Tet Paul	10
Jetties	8
Comfort Centre	3
<b>TOTAL</b>	<b>74</b>

*The increase in staff complement has allowed the Soufriere Foundation to extend its outreach and improve its performance in the areas of accounting, project implemetation, human resource management and training.*

*Chart 3. Graph of Distribution of Employees by Department*





## **Training**

*Over the last two years the organisation placed great emphasis on staff training so as to improve staff productivity and efficiency. This new thrust resulted in many staff benefitting from training in areas such as Project Management, Customer Service, Supervisory Skills, Spanish and First Aid/CPR. To compliment our training initiatives several staff have enrolled and are presently pursuing personal development courses in the Association of Business Executive programmes in Business Management, Human Resource Management and Tourism and Hospitality.*

## **Performance Appraisal & Reclassification**

*In August 2009, a consultant was hired to develop a Performance Appraisal System for the organisation. The appraisal document is presently being piloted.*

*Most recently, requests for proposals were sent out to five (5) short listed consultants for a consultancy for a reclassification of the positions within the organisation. This exercise is expected to be completed in June 2010.*

## **Staff Awards**

*After a six (6) year hiatus the Soufriere Foundation reintroduced the Staff Awards Programme. This exercise culminated with a Staff Awards dinner in December 2010.*

### *Our Valued Staff*



## **Compensation Management**

*Over the last three years the Soufriere Foundation agreed to two (2), 20% increases in staff salaries over a six year period. This was largely done to establish external equity between the staff of the organisation who in relative and absolute terms were underpaid when compared to other tourism industry employees.*

***All of these activities/actions have led to a significant increase in staff morale, productivity and commitment to the organisation.***

## **PROJECTS**

*In November 2007, the board and management met with stakeholders at a strategic planning session. According to the Soufriere Foundation's Strategy and Action Plan 2007 developed from the Stakeholder Forum, the stakeholders expressed the following views about the organisation:*

- ▣ Very little focus on the development of industry and agriculture*
- ▣ Foundation not meeting its full potential in the development of the community*
- ▣ Lack of focus on non-tourism aspects of the economy – Foundation needs to pay greater attention to agriculture and education*
- ▣ Foundation should be more active in the management of the community and undertake small projects in infrastructure and tourism*

*The Strategy and Action Plan 2007 goes on to say that the stakeholders felt that the Soufriere Foundation should:*

- ▣ Help create employment in the community*
- ▣ Become a conduit for community development and an advocate for social development*
- ▣ Take charge of and develop natural resources in Soufriere*
- ▣ Employ a holistic development of Soufriere; it must develop human resources together with natural and resources and foster greater community interaction*

*At the end of the session the stakeholders developed and agreed to eight (8) key areas they wanted the organisation to focus on namely; promotion and marketing, economic development, social and cultural development, infrastructural development, preservation of natural/historical assets, human resource development, community relations and asset management.*

*Having received its mandate from the stakeholders and knowing full well the high level of empathy within the community, the board and management immediately set out to diligently meet its mandate. **We attempt to capture a few of our key achievements below, however, please find attached a more complete summary of our accomplishments for the last three years in our Project Summary sheets.***



## Promotion and Marketing

*This largely underperformed role was given a fillip from the visit of Prince Charles and the Taiwanese president in 2008. Immediately after their visit, the Soufriere Foundation assumed full responsibility for Soufriere jazz, transforming the event from a purely cultural expose to as*

*much a marketing tool for the community. Last year, at the behest of the Soufriere Foundation, Soufriere hosted over 20 cruise executives from the Florida Caribbean Cruise Association Conference. Over the last few months Soufriere has been advertised daily in documentary form as a tourist destination on the Visitor Channel.*

*Presently, the Soufriere Foundation website is being redesigned. The old site was woefully inadequate and a very poor reflection of the organisation. Furthermore, it did nothing to promote the tourism potential of the community. The new site will be a data management system which will showcase the Soufriere Foundation's projects and programmes and the community as a desirable tourist destination. It will facilitate online scholarship, grant funding and ABE course applications; contain a section about Soufriere detailing the history, culture and people of the community. In addition, the accommodation, entertainment, sites and attractions and transportation sectors of the community will be advertised to viewers who may be seeking information on the community.*

*Our efforts at marketing the community does not stop there as presently work is underway to develop a Soufriere Tours brochure, a Soufriere Town Walk, etc.*

## Economic Development

*Over the last three years the organisation has grown to become the fourth largest employer in Soufriere creating thirty-one (31), new and permanent jobs in three years. We wish to note that the greatest number of our staff were hired during the economic downturn of 2009; a period in which most organisations established a freeze on hiring or reduced their staff complement. Our additions were as follows:*

*Table 4. Number of Persons Employed Yearly*

Year	Number Employed
2007	3
2008	8
2009	20

*Of note is the development of the Tet Paul Nature Trail at Chateau Belair, Soufriere. This project is a living testimony of people participation in community development and has led to the creation of ten (10) jobs for residents of the area.*

View from Tet Paul



Tet Paul Trail



*Other residents benefit from the trail through the sale of snacks, refreshments and receipt of quarterly lease payments.*

*The organisation is presently working with the Department of Forestry to enhance the En Bas Saut trail and the St. Lucia Social Development Fund to build a Vending Village at Toraille. It is also working on a number of new initiatives which are at the planning stage.*

### **Infrastructural Development**

*Over the last few years the organisation has undertaken many infrastructure projects, however, most of our efforts were focused on rehabilitating Sulphur Springs Park. The organisation is regularly responsible for replacing damaged grills and slabs within the community. In 2007/2008 the organisation built a concrete road to Fond Belle Fond to allow the farmers of the area to access their farms and transport their produce to the port and markets. Most recently, the organisation built over 70 metres of footpath at Migny, Fond St. Jacques. Presently, the staff is working with the community of Bois Den/Belfond to do likewise.*

### **Social and Cultural Development**

*The organisation plays a key role in the social and cultural development of the people and its community. It donates regularly to noteworthy social causes, emergency medical cases and is presently attempting to get funding for a Diamond Water Project. For as long as one can remember the town of Soufriere has been overrun by ubiquitous mentally challenged persons, drug addicts and mendicants. Over the last few years the problem has gotten worse resulting in the townspeople and visitors being held ransom to the above persons.*

*In the past, inadequate attention was paid to these characters and their needs. In an effort to remedy the situation, the Soufriere Foundation commenced working with a group, Living Water Community, to reduce the number of these individuals who roam the streets. Through a mix of spiritual, physical, mental and medical therapy the group attempts to rehabilitate these patients by giving them hope, building their self esteem, providing them with medication, meals and a bath and reconnecting them with their families. The hope is that with time some of these patients may correct their way of life and return to being productive citizens.*

*From 2007, the organisation became the annual sponsor and promoter of Soufriere Creole Jazz. The organisation is also responsible for hosting an annual Childrens Underprivileged Party and is a regular sponsor of Christmas Jab Dwo and Jounen Creole celebrations.*

*During the last few years the organisation has become the main sponsor of sporting events within the community. In fact, our funding facilitated the revival of the ladies netball competition after a 5 year break and senior men's football after 3 years.*

### **Human Resource Development**

*This area represents a key investment area for the organisation. Within the last two years over EC\$185, 000 worth of scholarships and bursaries have been offered to the community. This figure is significantly higher than the EC\$1,000 which was spent annually on bursaries by the predecessor board.*

*In 2004, Sir Arthur Lewis Community College closed its Soufriere campus and in the process denying residents the opportunity to avail themselves of a tertiary level education. The board on its appointment immediately set about to remedy the situation and provide Soufrierians with the opportunity to continue their education. In this regard the Soufriere Foundation has for the last two years been offering tertiary level schooling through the Association of Business Executive programmes in Hospitality Management, Business Management and Human Resource Management.*

*The organisation also runs yearly a College Fair to provide information to residents on available schooling options. Furthermore, it facilitates community training workshops in tour guiding, association management, customer service, etc and sponsors school quizzes.*

### **CONCLUSION**

*By all measures the board, management and staff have worked diligently to transform this organisation into a stellar Caribbean organisation and one that is the pride of the community.*

# **PROJECT SUMMARY SHEETS**

## **2007-2009**

### ***March to December 2007***

<b>PROJECT NAME</b>	<b>DESCRIPTION</b>	<b>MONTH (S) UNDERTAKEN</b>
<b><i>PROJECT TYPE : ECONOMIC DEVELOPMENT</i></b>		
Petit Piton Trail	Worked collaboratively with other organizations to explore possibility of constructing proper trail	May - December 2007
Soufriere Vendors Association	Commenced work on formation of Soufriere Vendors Association	May - December 2007
ECFH Share Purchase	Purchased 20,000 shares with East Caribbean Financial Holdings	June-07
SETGA Tour Guide Association	Moved to reorganize and strengthen local tour guide association	June - August 2007
Fond Belle Fond Road Rehabilitation	Assisted farmers in building road to area	August-07
SS Park Price Increase	Increased entry fee to SS Park from EC\$7.50 to \$12.50	October-07

<b>PROJECT NAME</b>	<b>DESCRIPTION</b>	<b>MONTH (S) UNDERTAKEN</b>
<b><i>PROJECT TYPE : HUMAN RESOURCE DEVELOPMENT</i></b>		
Job Creation	Created and filled 3 new positions in organisation including position of Rural Community Liaison Officer	March-December 2007
Summer Workshops	Sponsored summer workshops for Soufriere Library, SAT and Baron's Drive Youth Group	July-August 2007
Scholarships	Provided scholarships worth EC\$6,500 each to three students from Soufriere to attend SALCC	August-07
Collective Agreement	Agreed to pay staff salary increase of 20% over a 3-year period to staff	August-07

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b>PROJECT TYPE : HUMAN RESOURCE DEVELOPMENT</b>		
First Aid/CPR Training	Conducted First Aid/CPR Training for Soufriere tour guides	August-07
SCSS Computer Lab	Donated EC\$15,000 towards the cost of equipment purchase for a computer lab	September-07
College Fair	Brought together tertiary and financial institutions in one location to provide information on educational possibilities to interested residents of Soufriere	December-07

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b>PROJECT TYPE : PROMOTION AND MARKETING</b>		
Magazine Ads	Advertised Soufriere in several major magazines	March-December 2007
2007 Soufriere Jazz	Organised and funded Soufriere Jazz-Activity used to provide local artists with an opportunity to showcase local talent and to market the town to nationals and visitors	May-07

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b>PROJECT TYPE : SOCIAL AND CULTURAL DEVELOPMENT</b>		
Fond St. Jacques Jounen Kweyol	Helped organize and part sponsor activity	October-07
Soufriere Christmas Decorations	Decorated town, installed lights on Waterfront, Square and Bridge Street for Christmas	December-07

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b>PROJECT TYPE : INFRASTRUCTURAL DEVELOPMENT</b>		
Roads and Sidewalk Improvements	Built several grills for drains and undertook repair works on several sidewalks in Soufriere	March- December 2007
Fond Bernier Park Project	Donated towards start up cost of project	April-07
SS Park Visitor Trail	Redesigned and constructed major visitor trail at Sulphur Springs Park	May-07
Baron's Drive Improvement Works	Undertook infrastructural development works in Baron's Drive	October-07
Jetty Rehabilitation	Repaired portions of the boardwalk after it was damaged by Hurricane Dean	November-07

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b>PROJECT TYPE : DONATIONS</b>		
Soufriere Schools Sports Meet	Donated towards the purchase of medals for most Soufriere schools for their Annual School Sports Meets	March-April 2007
Other Donations	Provided other assistance to residents of Soufriere and environs for educational assistance, medical assistance, etc.	March - December 2007

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b>PROJECT TYPE : OTHER PROJECTS</b>		
Other Projects	Undertook other projects in Soufriere and environs related to sustainable development, etc.	March - December 2007
Traffic Management Plan	Worked in collaboration with Transport Board to develop Traffic Management Plan for Soufriere	March - July 2007

### *January to December 2008*

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b><i>PROJECT TYPE : ECONOMIC DEVELOPMENT</i></b>		
Chateau Belair Tet Paul Nature Trail Phase I	Built an eco-tourism trail in Chateau Belair which presently provides employment for seven tour guides and two maintenance personnel	January-December 2008
Petit Piton Trail	Examined the possibility of placing the Petit Piton Trail under SRDF's management	March-08
Viewing Point Beautification Programme	Repaired and beautified the viewing points at Stonefield, Quatre Chemin and Colombette	August - November 2008
Rain Forest Trail	Started discussing with the Ministry of Forestry the possibility of the SRDF managing the En Bas Saut Forest Trail	August-08

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b><i>PROJECT TYPE : PROMOTION AND MARKETING</i></b>		
Taiwanese President's Visit	Undertook all local arrangements for visit	January-2008
Magazine Advertisements	Developed magazine advertisements promoting Soufriere	January - December 2008
Prince Charles' Visit	Undertook all local arrangements for visit	March-2008
SRDF Website	Redeveloped website advertising SRDF and Soufriere	September-2008
SRDF Brochure	Developed a company brochure	December-2008



PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b>PROJECT TYPE : HUMAN RESOURCE DEVELOPMENT</b>		
ABE Programme	Offered ABE Certificate programmes in Hospitality and Business Management to over 30 residents of Soufriere	January 2008 - Present
Summer Enrichment Programme	Provided self-improvement workshops to young residents of Soufriere and environs	July-2008
Scholarship Programme	Provided 32 scholarships to children of employees and residents of Soufriere to undertake Primary, Secondary and Tertiary level schooling at a cost of over EC\$65,000	August-2008
Tour Guide Training	Trained in excess of 30 tour guides in areas such as Delivery Skills, History, Flora and Fauna, etc.	September-2008
Vendor Training	Provided training to 25 vendors in Customer Service Skills	October-2008
College Fair	Brought together tertiary and financial institutions in one location to provide information on educational possibilities to interested residents of Soufriere	November-2008
NSDC/SRDF Collaboration	Recruited participants for NSDC Youth Skills Training Programme in Choiseul	November-2008
SRDF Resource Room	Refurbished board room and installed two desktop computers to assist students within the ABE programme with research and study	December-2008

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b>PROJECT TYPE : OTHER PROJECTS</b>		
Soufriere Mother's and Father's Group	Donated towards New Year's Fair	December-2008
Other Projects	Undertook other projects in Soufriere and environs related to sustainable development, etc	January - December 2008

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b>PROJECT TYPE : SOCIAL AND CULTURAL DEVELOPMENT</b>		
2008 Soufriere Jazz	Managed and part-funded activity designed to bring nationals and visitors to Soufriere. Activity also geared towards providing residents with the opportunity to enjoy jazz and local talent	May-2008
2008 Soufriere Carnival	Managed and part-funded Soufriere Carnival	July-2008
Yaticka Youth Group	Donated towards Yaticka's representation of St. Lucia at CARIFESTA 08	August 2008
Children's Christmas Party	Held party for over 175 underprivileged children of Soufriere town and environs	December-2008
Jab Dowo	Part-funded SAT facilitated Christmas/New Year cultural activity	December-2008

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b>PROJECT TYPE : INFRASTRUCTURAL DEVELOPMENT</b>		
Fond Belle Fond Road Rehabilitation	Assisted Belfond farmers in the rehabilitation of an agricultural feeder road	September-2008
Street Light Project	Lobbied for and had Ministry of Communication and Works improve street lighting at Chateau Belair	November -December 2008
Jetty Rehabilitation	Repaired portions of the jetty destroyed after the passage of Hurricane Omar	November 2008-January 2009
Jetty Gatehouse	Built working area for wardens near jetty	November - December 2008
Sulphur Springs Park Vending Complex	Built vending complex to accommodate ten (10) vendors	November - December 2008
Soufriere Waterfront Rehabilitation	Repaired waterfront to its former glory after the passage of Hurricane Omar in October 2008, left it in a deplorable condition	December 2008

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b>PROJECT TYPE : DONATIONS</b>		
Other Donations	Provided assistance to residents of Soufriere and environs for educational assistance, medical assistance, etc.	January- December 2008
Soufriere Library Resource Room Project	Donated one desktop computer and a printer/copier/fax combo to the public library to start up a Resource Centre	March-2008
District 8 Education Office	Provided financial assistance for District School Sports Meet	"March-2008
Fond Bernier Park Project	Provided financial assistance for renovation of the park	June-2008
Soufriere Town Council	Donated towards 'Reconnect' activity	September-2008
Bouton Combined School	Donated towards the purchase of stationary for school	September-2008
Fire Relief	Provided financial assistance and otherwise to fire victims	October-2008
Soufriere Catholic Church	Donated towards the repair of the old convent building	November-2008
Soufriere Comprehensive Secondary School	Donated one laptop computer to the school	November-2008
Soufriere Infant School	Donated two desktop computers and one laptop computer to the school's resource room	November-2008
Soufriere Special Education Centre	Donated relevant equipment to the school	November-2008
Baron's Drive Rehabilitation	Provided assistance to rebuild damaged homes in Baron's Drive after the passage of Hurricane Omar	November-December 2008

## *January to December 2009*

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b><i>PROJECT TYPE : ECONOMIC DEVELOPMENT</i></b>		
Chateau Belair Tet Paul Nature Trail Phase II	Managed and paid salaries of nine (9) staff at Tet Paul Nature Trail, Chateau Belair	January - December 09
SS Park Souvenir Project	Developed souvenirs to be resold as uniquely Sulphur Springs Park souvenirs	July - October 09
Soufriere Fishermen's Cooperative	Made EC\$5,000 donation towards the purchase of a fish aggregate device	October-09
HOPE Employment Project	Partnered with St. Lucia Social Development Fund to provide 6 months employment for 20 unemployed youth, all of whom now have permanent employment with the organisation	October-09
Sulphur Springs Park Pool User Fee	Introduced user fee for Sulphur Springs pool from November 1, 2009	November-09
Forest Trail Project	Commenced construction of Interpretation Centre at En Bas Saut Forest Trail	November-09
Derache Road	Lobbied Ministry of Communication and Works for paving of Derache and Forest road. Construction of both roads undertaken in December	November-09
Soufriere Fishermens' Cooperative Jetty	Developed MOU with Fishermens' Cooperative for collection of jetty user fee	November-09
Toraille Vending Facility	Developed MOU with SSDF to build vending facility opposite Toraille Waterfall to accommodate five (5) vendors. Work is to be undertaken in 2010.	October 09- Present

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b>PROJECT TYPE : HUMAN RESOURCE DEVELOPMENT</b>		
ABE Programme	Offered ABE programmes in Hospitality and Business Management to Soufriere residents at diploma level	January 08 - Present
Soufriere Education Office	Sponsored Independence Day Quiz Competition	February-09
Soufriere Netball Association	Provided supplies for fund raising event	April-09
Soufriere Library	Part-sponsored summer youth camp	July-09
Fond St. Jacques	Part-sponsored summer youth camp	July-09
Grant Proposal Writing Workshop	Facilitated workshop in grant proposal writing for community groups	July-09
Summer Enrichment Programme	Sponsored youth summer camp	July-09
Barons Drive Youth Organisation	Part-sponsored summer youth camp	August-09
Scholarships Programme	Provided EC\$120,000 worth of scholarships to Soufriere Students to facilitate attending Primary, Secondary and Tertiary school	August-09
Fond St. Jacques Resource Centre	Sought funds for construction of Computer Resource Centre. Work is to be undertaken in 2010	September-09
Soufriere Netball Association	Funded Netball Competition after a lack of competition for over 3 years	October-09
Soufriere Football Association	Funded premier football competition	October-09
Exercise Book Donations Project	Donated two (2) exercise books to every school child in Soufriere, donating in excess of 3,700 overall	October-09

<b>PROJECT NAME</b>	<b>DESCRIPTION</b>	<b>MONTH (S) UNDERTAKEN</b>
<b><i>PROJECT TYPE : HUMAN RESOURCE DEVELOPMENT</i></b>		
Tertiary Education and Trades Fair	Brought together tertiary and financial institutions in one location to provide information on educational and financial options available	October-09
First Aid/CPR Training	Provided training to 15 residents in First Aid and CPR	October-09
Association Management	Facilitated workshop in Association Management for community groups	November-09
Customer Service Training	Facilitated workshop in Customer Service for staff and 20 members of the public	November-09

<b>PROJECT NAME</b>	<b>DESCRIPTION</b>	<b>MONTH (S) UNDERTAKEN</b>
<b><i>PROJECT TYPE : PROMOTION AND MARKETING</i></b>		
2009 Soufriere Jazz	Managed and part-funded activity designed to bring nationals and visitors to Soufriere. Activity also geared towards providing residents with the opportunity to enjoy jazz and local talent	May-09
Destination Soufriere Advert	Produced TV documentary and advertisement to promote Soufriere's sites and attractions as part of a "destination within a destination" project.	August-09
FCCA Conference and FCCA executives visit to Soufriere in October 09	Hosted 17 cruise ship owners in Soufriere at the end of the FCCA conference. At that event SRDF marketed Soufriere's tourism product to the owners with a view to making Soufriere a port of call.	October-09
SRDF Website Improvement	Started rebuilding SRDF website to include all sites and attractions of Soufriere	August 09- Present

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b>PROJECT TYPE : DONATIONS</b>		
Housing assistance	Assisted several poor residents with repairs to their homes	January- December 09
Medical assistance	Helped several poor persons in meeting part of their medical cost	January- December 09
SMMA	Helped finance cost of major marine sign	July-09

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b>PROJECT TYPE : SOCIAL AND CULTURAL DEVELOPMENT</b>		
Fond St. Jacques Youth and Sports Council	Sponsored Independence Day Sports Meet	February-09
Malgretoute Senior Citizens Home	Provided food supplies for home during civil service strike	June-09
Living Water Community	Funded programme to remove mentally challenged persons off the streets and reconnect with families	July 09- Present
Soup Kitchen	Commenced year long sponsorship of programme that delivers meals to mentally challenged, destitute and poor residents	July-09
Catholic Youth Group	Part-sponsored participation of member at a youth conference in Jamaica	July-09
La Rose Group	Assisted in the purchasing of uniforms	August-09
Diamond Water Project	Sought funds to bring water to unsupplied part of Diamond. Work is to be undertaken in 2010.	October-09

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b>PROJECT TYPE : SOCIAL AND CULTURAL DEVELOPMENT</b>		
Jounen Kweyol	Sponsored Soufriere's Jounen Kweyol Activity	October-09
Underprivileged Children Christmas Party	Held Christmas Party for over 175 underprivileged children of Soufriere at the Sulphur Springs Interpretation Centre	December-09

PROJECT NAME	DESCRIPTION	MONTH (S) UNDERTAKEN
<b>PROJECT TYPE : INFRASTRUCTURAL DEVELOPMENT</b>		
Sulphur Springs Pool Improvement Project	Built railings, paved walkway and built changing rooms at Sulphur Springs Park.	December 08 - July 09
Waterfront Improvement Project	Restored waterfront gardens and infrastructure after destruction by high seas during Hurricane Omar.	December 08 - March 09
Sulphur Springs Snackette Project	Extended snackette to house two (2) vendors.	February 09 - August 09
Hummingbird Beach Park Project	Worked with SSDF and NCA to complete designs and build beach park with changing rooms, seating areas, restaurants, gazebo, etc. Work is to be undertaken in 2010.	October-09
Square Enhancement Project	Sought funding for start up of phase I of Square Enhancement Project.	November-09
Soufriere Bridge Enhancement Project	Lobbied Ministry of Communication and Works for expansion of Soufriere bridge to dual carriageway. Work is to be undertaken in 2010.	November-09



# **FINANCIALS**

## **2007**

**SOUFRIERE REGIONAL DEVELOPMENT  
FOUNDATION LIMITED**

Financial Statements  
For the Year Ended December 31, 2007  
(Expressed in Eastern Caribbean Dollars)

# **SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**

Index to the Financial Statements  
For the Year Ended December 31, 2007

**(Expressed in Eastern Caribbean Dollars)**

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Notes to the Financial Statements



**PKF PROFESSIONAL SERVICES**

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## **Independent AUDITOR'S REPORT**

To the Directors of Soufriere Regional Development Foundation Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Soufriere Regional Development Foundation Limited, which comprise the balance sheet as at December 31, 2007, statement of changes in equity, income statement, 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *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 whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

## INDEPENDENT AUDITOR'S REPORT

### *Auditor's Responsibility (cont'd)*

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Soufriere Regional Development Foundation Limited as of December 31, 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



Chartered Accountants  
Castries, St. Lucia  
March 26, 2009

**SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**

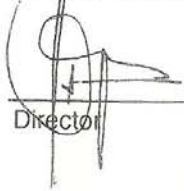
## Balance Sheet

As at December 31, 2007

(Expressed in Eastern Caribbean Dollars)

	Note	2007 \$	2006 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalent	5	187,694	539,179
Accounts receivable and prepayments	6	460,853	204,778
Held to-maturity investment	7	170,000	-
Available for sale investment	8	375,000	-
		<u>1,193,547</u>	<u>743,957</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	<u>4,639,484</u>	<u>4,677,376</u>
<b>Total assets</b>		<u><u>5,833,031</u></u>	<u><u>5,421,333</u></u>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Accounts payable and accruals	10	587,055	518,943
Current portion of long-term loans	11	<u>237,817</u>	<u>220,810</u>
		<u>824,872</u>	<u>739,753</u>
<b>Non-current liabilities</b>			
Long-term loans	11	1,339,135	1,618,287
Deferred income	12	<u>992,821</u>	<u>1,024,005</u>
		<u>2,331,956</u>	<u>2,642,292</u>
<b>Equity</b>			
Fair value reserve		125,000	-
General fund		<u>2,551,203</u>	<u>2,039,288</u>
		<u>2,676,203</u>	<u>2,039,288</u>
<b>Total liabilities and equity</b>		<u><u>5,833,031</u></u>	<u><u>5,421,333</u></u>

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

**SIGNED ON BEHALF OF THE BOARD**  
\_\_\_\_\_  
Director  
\_\_\_\_\_  
Director

**Soufriere Regional Development Foundation**  
**Statement of Changes in Equity**  
**For the Year Ended December 31, 2007**  
**(Expressed in Eastern Caribbean Dollars)**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Fair value reserve</b>		
At beginning of year	-	-
Fair value gain	125,000	-
	<u>125,000</u>	<u>-</u>
<b>General fund</b>		
At beginning of year	2,039,288	1,692,060
Surplus for the year	511,915	347,228
	<u>2,551,203</u>	<u>2,039,288</u>
<b>Fund balance, end of year</b>	<u><u>2,676,203</u></u>	<u><u>2,039,288</u></u>

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

# **SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**

## **Income Statement**

**For the Year Ended December 31, 2007**

**(Expressed in Eastern Caribbean Dollars)**

	Note	<b>2007</b> \$	<b>2006</b> \$
<b>Jetty revenue</b>		899,979	514,491
<b>Sulphur Springs revenue</b>		1,678,621	1,394,130
<b>Other income</b>		13,292	30,037
		<u>2,591,892</u>	<u>1,938,658</u>
<b>Jetty expenditure</b>	13	234,482	182,728
<b>Sulphur Springs expenditure</b>	14	909,930	731,585
<b>Project and general expenditure</b>	15	780,763	499,824
<b>Finance costs</b>		154,802	177,293
		<u>2,079,977</u>	<u>1,591,430</u>
<b>Surplus for the year</b>		<u>511,915</u>	<u>347,228</u>

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



# Soufriere Regional Development Foundation Limited

## Cash Flow Statement

**For the Year Ended December 31, 2007**

**(Expressed in Eastern Caribbean Dollars)**

	Note	2007 \$	2006 \$
<b>Cash flows from operating activities</b>			
Surplus for the year		511,915	347,228
<b>Adjustments for:</b>			
Depreciation	9	170,050	167,303
Amortisation of deferred income	12	(31,184)	(31,184)
Interest expense		154,802	177,293
<b>Cash flows before operating assets and liabilities</b>		805,583	660,640
Increase in accounts receivable and prepayments		(256,075)	(64,800)
Increase in accounts payable and accruals		68,112	56,252
<b>Cash generated from operations</b>		617,620	652,092
Interest paid		(154,802)	(177,293)
<b>Net cash generated from operating activities</b>		462,818	474,799
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	(132,158)	(65,568)
Purchase of investments - held-to-maturity	7	(170,000)	-
Purchase of available-for-sale investments	8	(250,000)	-
<b>Net cash used in investing activities</b>		(552,158)	(65,568)
<b>Cash flows from financing activities</b>			
Repayment of long-term loans		(262,145)	(239,651)
<b>(Decrease)/increase in cash and cash equivalents</b>		(351,485)	169,580
<b>Cash and cash equivalents - beginning of year</b>		539,179	369,599
<b>Cash and cash equivalents - end of year</b>	5	187,694	539,179

The accompanying notes form an integral part of these financial statements

# **SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**

Notes to the Financial Statements

For the Period from Incorporation to December 31, 2007

(Expressed in Eastern Caribbean Dollars)

## **1. Introduction and principal activity**

The Foundation was continued under the Companies Act 1996 of St. Lucia as a company without share capital (a non-profit company) on December 29, 2000.

The main activity of the Foundation is to act as a conduit and provide a mechanism for community participation in the development of the Soufriere region.

On September 1, 1997 the assets and liabilities of Soufriere Development Programme were transferred and the Foundation then assumed responsibility for the operations of the Soufriere Jetty. The sum of \$557,309 was added to the general fund being the net book value of the assets and liabilities transferred.

The registered office and place of business is situated on Bay Street, Soufriere.

The financial statements were approved by the Board of Directors and authorized for issue on March 26, 2009.

## **2. Significant financial reporting policies**

### **(a) Overall policy**

The principal financial reporting policies adopted are stated in order to assist in a general understanding of the financial statements.

#### **Basis of preparation**

These financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRS) and the historical cost convention.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### **(b) Foreign exchange**

#### **Functional and presentation currency**

Items in the financial statement are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Eastern Caribbean dollars, which is the Foundation's functional and presentation currency.

## **2. Significant financial reporting policies (cont'd)**

### **(b) Foreign exchange (cont'd)**

#### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

### **(c) Standards, amendment and interpretations, effective in 2007**

*IFRS 7, 'Financial Instruments: Disclosures, and the complementary amendment to IAS 1, Presentation of financial statements - Capital disclosures'*, introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Foundation's financial instruments.

### **(d) Standards, amendment and interpretations, effective in 2007 but not relevant**

The following standard, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after January 1, 2007 but they are not relevant to the Foundation's operations:

- IFRIC 8, 'Scope of IFRS 2',
- IFRIC 10, 'Interim Financial Reporting and Impairment'
- IFRIC 7, 'Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies'; and
- IFRIC 9, 'Reassessment of Embedded Derivatives'.

## 2. Significant financial reporting policies (cont'd)

### (e) **Standard amendments and interpretation to existing standards that is not yet effective and have not been early adopted by the Association**

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Foundation's accounting periods beginning on or after January 1, 2008 or later periods, but the Foundation has not early adopted:

- *IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations'* (effective from July 1, 2009). IFRS 5 amendment requires an entity that is committed to a sale plan involving loss of control of a subsidiary to classify all the assets and liabilities of that subsidiary as held for sale. The entity shall also disclose separately in the income statement the revenue, expenses and taxes of the discontinued operations.
- *IFRS 8, 'Operating Segments'* (effective from January 1, 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirement of the US Standard SFAS 131, '*Disclosures about Segments of an Enterprise and Related Information*'. The new standard requires a 'management approach', under which segment information presented on the same basis as that used for internal reporting purposes.

## 2. Significant financial reporting policies (cont'd)

### (e) Standard amendments and interpretation to existing standards that is not yet effective and have not been early adopted by the Foundation (cont'd)

- *IAS 1 'Presentation of Financial Statements' (effective from January 1, 2009).* The amendment to this standard will see changes to the presentation of all non-owner changes in equity either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income may not be presented in the statement of changes in equity. A statement of financial position (balance sheet) shall be presented as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes a retrospective restatement. Income tax relating to each component of other comprehensive income and reclassification adjustments relating to components of other comprehensive income shall be disclosed.

IAS 1 changes the titles of financial statements as they will be used in IFRSs:

- 'balance sheet' will become 'statement of financial position'
- 'income statement' will become 'statement of comprehensive income'
- 'cash flow statement' will become 'statement of cash flows'
- *IAS 23 (Amendment), 'Borrowing Costs' (effective from January 1, 2009).* The amendment to the standard is subject to endorsement by the European Union. It requires an entity to capitalize borrowing cost directly attributable to the acquisition, construction or production of a qualifying asset (one that a substantial amount of time is expended on creation for use or sale) as part of the cost of that asset. The previous option of immediately expensing these borrowing costs will be removed.
- *IFRIC 11, IFRS 2 – 'Group and Treasury Share Transactions'.* (effective for annual periods beginning on or after March 1, 2007). IFRIC 11 provides guidance on whether share-based transaction involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted or as equity-settled or cash-settled share-based payment transaction in the stand-alone accounts of the parent and group companies. The Company will apply IFRIC 11 from January 1, 2008, but it is not expected to have any impact on the Foundation's accounts.

## **2. Significant accounting policies (cont'd)**

### **(e) Standard amendments and interpretation to existing standards that are not yet effective and have not been early adopted by the Foundation (cont'd)**

- *IFRIC 14, IAS 19 – ‘The Limited on a Defined Asset, Minimum Funding Requirement and their Interaction’* (effective from January 1, 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The Foundation will apply IFRIC 14 from January 1, 2008, but it is not expected to have any impact on the Foundation's accounts.

### **(f) Standards and interpretation to existing standards that is not yet effective and not relevant for the Foundation operations**

The following standard and interpretations to existing standards have been published and are mandatory for the Association's accounting period beginning on or after January 1, 2008 or later periods but are not relevant for the Foundation's operations:

- *IFRIC 12, ‘Service Concession Arrangements’* (effective from January 1, 2008). IFRIC 12 applies to contractual arrangement whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services.
- *IFRIC 13, ‘Customer Loyalty Programmes’* (effective for annual periods beginning on or after July 1, 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example loyalty point or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement in using fair values.

### **(f) Cash and cash equivalents**

Cash and cash equivalent are carried on the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise balances with a maturity of three months or less from the date of acquisition including: cash on hand, deposits held on call with banks and bank overdraft.

### **(g) Accounts receivable**

Accounts receivable are measured at amortised cost less, where applicable, an allowance for impairment.

## **2. Significant financial reporting policies (cont'd)**

### **(h) Financial assets**

The Foundation classifies its financial assets in the following categories: receivables held-to-maturity and available-for-sale.

#### **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Foundation's management has the positive intention and ability to hold to maturity. Were the Foundation to sell other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available for sale.

#### **Available-for-sale investments**

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Purchases and sales of financial assets at fair value through profit or loss, held to maturity and available for sale are recognized on trade-date, the date on which the Foundation commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs. Financial assets are de-recognized when the rights to receive cash flows from the financial assets have expired or where the Foundation has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Held-to-maturity investments are carried at amortized cost using the effective interest rate method. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized directly in equity, until the financial asset is de-recognized or impaired at which time the cumulative gain or loss previously recognized in equity will be recognized in the income statement. However, interest calculated using the effective interest rate is recognized in the consolidated income statement. Dividends on available-for-sale equity instruments are recognized in the income statement when the Foundation's right to receive payment is established.

The fair values of quoted investments in active markets are based on bid prices. If the market for a financial asset is not active (and for unlisted securities), the Foundation establishes fair value by using valuation techniques. These include recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

## **2. Significant financial reporting policies (cont'd)**

### **(i) Impairment of assets**

The Foundation assesses at each balance sheet date whether there is objective evidence that an asset is impaired. An asset is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and those events have had a negative impact on the estimated future cash flows of the asset that can be reliably estimated.

### **(j) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation.

Depreciation is calculated on the straight line basis, so as to write off the cost of property, plant and equipment over their estimated useful lives as follows:-

Office equipment	3 - 6 2/3 years
Furniture and fittings	10 years
Jetty development	50 years
Sulphur Springs development	20 years
Sulphur Springs complex	3 -20 years
Leasehold improvements	20 years

### **(k) Accounts payable**

Accounts payable are measured at amortised cost.

### **(l) Capital grant**

Capital grants are accounted for under the income approach.

Capital grants are presented in the balance sheet as deferred income and amortised against Sulphur Springs' expense at the Sulphur Springs Complex depreciation rate.

### **(m) Revenue recognition**

Revenue derived from the operation of the Sulphur Springs and the Soufriere Jetty is recognised in accordance with the visitation and usage of these facilities.

### **(n) Income tax**

The Foundation is a non-profit company and is therefore not subject to income tax.



### **3. Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management does not consider that there are estimates and assumptions that will have a significant risk, causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### **4. Financial instruments**

In accordance with provisions of International Financial Reporting Standard No. 7, disclosure is required regarding credit risk, liquidity risk, market risk and fair values of financial assets and liabilities.

#### **(a) Credit risk**

Credit risk arises from the possibility that counterparties may default on their obligations to the Foundation. The amount of the Foundation's maximum exposure to credit risk is indicated by the carrying amount of its financial assets.

The Foundation is engaged in the management of the Soufriere Sulphur Springs and Jetty by charging tour operators/visitors for the use of these facilities. Tour operators who represent more than 80% of total business to the Foundation are sold ticket books on credit; this potentially exposes the Foundation to credit risk on receivables. The Foundation performs periodic credit evaluations of its customers' financial condition. Management does not believe that significant credit risk exists at December 31, 2007.

#### **(b) Liquidity risk**

Liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of credit facilities. Based on the nature of the business the Foundation tries to manage liquidity by timing payments to creditors with receipts from its customers.

#### 4. Financial instruments (cont'd)

##### (b) Liquidity risk (cont'd)

The table below analyses the Foundation's financial instruments into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months are estimated to equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year \$	Within 1 - 2 years \$	Within 3 - 5 years \$	Over 5 years \$
<b>As at December 31, 2007</b>				
Cash and cash equivalents	187,694	-	-	-
Accounts receivable	418,995	-	-	-
Held-to-maturity	170,000	-	-	-
Available-for-sale investment	375,000	-	-	-
Accounts payable and accruals	(587,055)	-	-	-
Loans	(416,944)	(416,944)	(1,242,833)	(782,026)
<b>Net liquidity gap</b>	<b>147,690</b>	<b>(416,944)</b>	<b>(1,242,833)</b>	<b>(782,026)</b>
<b>As at December 31, 2006</b>				
Cash and cash equivalents	539,179	-	-	-
Accounts receivable	171,426	-	-	-
Accounts payable and accruals	(518,943)	-	-	-
Loans	(416,947)	(416,944)	(1,242,833)	(1,198,970)
<b>Net liquidity gap</b>	<b>(225,285)</b>	<b>(416,944)</b>	<b>(1,242,833)</b>	<b>(1,198,970)</b>

##### (c) Market risk

Market risk is the risk that changes in market price, such as interest rate, foreign exchange rates and equity prices will affect the value of the Foundation's assets, the amount of its liability and/or the Foundation's income. Market risk arises from fluctuations in the value of liabilities and the value of investments held. There is no significant exposure to market risk.

#### **4. Financial instruments (cont'd)**

##### **(c) Market risk (cont'd)**

- **Interest rate risk**

Difference in contractual re-pricing or maturity dates and changes in interest rates may expose the Foundation to interest rate risk. The Foundation's exposure to interest rate risk on its financial assets and liabilities are disclosed in notes 5, 7 and 11.

- **Currency risk**

This is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. There is no significant exposure to foreign currency risk. At the year end date the significant financial assets and liabilities were denominated in its functional currency or United States currency to which the Eastern Caribbean dollar is pegged. Management does not believe significant currency risk exist at December 31, 2007.

- **Other price risk**

The risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and the Foundation risk), whether those changes are caused by factors specific to the individual financial instrument or its issues, or factors affecting all similar financial instruments traded in the market. There is no significant exposure to other price risk

##### **(d) Fair value of financial instruments**

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists. The Foundation's financial assets and liabilities are not traded in a formal market, their fair values are assumed to approximate their carrying values.

##### **(e) Capital management**

The Foundation's objective when managing Capital is; to safeguard the Foundation's ability to continue as a going concern, so that it can continue to provide benefits for its stakeholders.

**5. Cash and cash equivalent**

Cash and cash equivalent comprise the following:

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	187,694	539,179

The Foundation earned interest at 3.5% (2006 - 3.5%) on its savings account.

**6. Accounts receivable and prepayments**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	544,131	323,785
Less: allowance for impairment	(125,136)	(152,359)
	418,995	171,426
Other receivables	21,765	13,700
Prepayments	20,093	19,652
	460,853	204,778

The fair values of trade and other receivables approximate their carrying values. Accounts receivables that are categorized as active and less than 30 days past due are not considered impaired. As of December 31, 2007, accounts receivable of \$121,323 (2006 - \$32,400) were past due but not impaired. The aging analysis of these trade receivables are as follows:

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
61 - 90 days	57,712	13,041
91 days and over	63,611	19,359
	121,323	32,400

## 6. Accounts receivable and prepayments (cont'd)

Movement on the Foundation's provision for impairment of trade receivables are as follows:

	2007	2006
	\$	\$
Balance at beginning of the year	152,359	152,359
Bad debt recovery	(27,223)	-
Balance at end of year	125,136	152,359

The creation and release of provision for impaired receivables have been included in Project and general expenditure (note 15). Amounts to the allowance accounts are generally written off when there is no expectation of recovering additional cash.

The other classes within trade receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

## 7. Held-to-maturity investment

	2007	2006
	\$	\$
Balance at the beginning of the year	-	-
Additions for the year	170,000	-
Balance at end of year	170,000	-

Investments held to-maturity earned interest at a rate of 3% per annum.

**8. Available-for-sales investment**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Balance the beginning of the year	-	-
Additions for the year	250,000	-
Fair value gain	125,000	-
Balance at end of year	375,000	-

The investment represents shares in Eastern Caribbean Financial Holdings Ltd. The investment is valued at the quoted price for the shares on the Eastern Caribbean Stock Exchange at December 31, 2007. The fair value gain is reflected in the equity section under fair value reserve.

## 9. Property, plant and equipment

	Town Property (Land) \$	Office Equipment \$	Furniture and Fittings \$	Jetty Development \$	Sulphur Springs Development \$	Sulphur Springs Complex \$	Leasehold Improvements \$	Total \$
<b>As at December 31, 2005</b>								
Cost	173,265	237,791	31,965	1,562,664	396,902	3,443,927	8,498	5,855,012
Accumulated depreciation	-	(204,448)	(26,497)	(450,505)	(110,566)	(280,537)	(3,348)	(1,075,901)
Net Book Value	173,265	33,343	5,468	1,112,159	286,336	3,163,390	5,150	4,779,111
<b>For the year ended December 31, 2006</b>								
Opening net book value	173,265	33,343	5,468	1,112,159	286,336	3,163,390	5,150	4,779,111
Additions in the year	3,000	14,042	4,120	110	44,296	-	-	65,568
Depreciation charge for the year	-	(19,230)	(2,635)	(32,093)	(25,396)	(87,524)	(425)	(167,303)
Closing net book value	176,265	28,155	6,953	1,080,176	305,236	3,075,866	4,725	4,677,376
<b>As at December 31, 2006</b>								
Cost	176,265	251,833	36,085	1,562,774	441,198	3,443,927	8,498	5,920,580
Accumulated depreciation	-	(223,678)	(29,132)	(482,598)	(135,962)	(368,061)	(3,773)	(1,243,204)
Net book value	176,265	28,155	6,953	1,080,176	305,236	3,075,866	4,725	4,677,376
<b>For the year ended December 31, 2007</b>								
Opening net book value	176,265	28,155	6,953	1,080,176	305,236	3,075,866	4,725	4,677,376
Additions in the year	-	19,790	2,576	6,500	103,292	-	-	132,158
Depreciation charge for the year	-	(18,122)	(1,382)	(32,223)	(30,560)	(87,338)	(425)	(170,050)
Closing net book value	176,265	29,823	8,147	1,054,453	377,968	2,988,528	4,300	4,639,484
<b>As at December 31, 2007</b>								
Cost	176,265	271,623	38,661	1,569,274	544,490	3,443,927	8,498	6,052,738
Accumulated depreciation	-	(241,800)	(30,514)	(514,821)	(166,522)	(455,399)	(4,198)	(1,413,254)
<b>Net book value</b>	<b>176,265</b>	<b>29,823</b>	<b>8,147</b>	<b>1,054,453</b>	<b>377,968</b>	<b>2,988,528</b>	<b>4,300</b>	<b>4,639,484</b>

**10. Accounts payable and accruals**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Accounts payable and accruals	151,277	113,142
Due to Government of China	20,000	20,000
Undistributed grant funds	4,213	4,213
Provision for gratuities	399,005	367,988
Scholarship fund	12,560	13,600
	<u>587,055</u>	<u>518,943</u>

**11. Long-term loans**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<u>Bank of St. Lucia Limited - Jetty Loan</u>		
9% loan payable in monthly installments of \$15,062 until 2016	732,957	943,865
<u>Bank of St. Lucia Limited - Sulphur Springs Loan</u>		
9% loan payable in monthly installments of \$19,683 until 2011	843,995	895,232
	<u>1,576,952</u>	<u>1,839,097</u>
Less: Amount due within twelve months and shown under current liabilities	237,817	220,810
	<u>1,339,135</u>	<u>1,618,287</u>

The securities offered for the long-term loans are as follows:-

- (a) Guarantees by the Government of St. Lucia, amounting to EC\$2.7 million;
- (b) Guarantee by the government of St. Lucia amounting to EC\$1.4 million by resolution of statutory instruction 39/98 dated 13 June 1998;
- (c) Assignment of insurance policies over Soufriere jetties for \$2.3 Million, expiring April 6, 2008 and
- (d) Assignment of Sagicor Insurance Policy over building, furniture and fittings and machinery and equipment for \$2,347,800.



**11. Long-term loans (cont'd)**

Principal repayments on the Foundation's existing long-term loans are expected as follows:-

	<u>\$</u>
Year ending December 31, 2008	237,817
Year ending December 31, 2009	260,126
Year ending December 31, 2010	284,527
Year ending December 31, 2011	311,218
Year ending December 31, 2012	340,412
Due thereafter	<u>142,852</u>
	<u><u>1,576,952</u></u>

**12. Deferred income**

	Note	<u>2007</u> \$	<u>2006</u> \$
Balance, beginning of year		1,024,005	1,055,189
Amortisation for the year	14	<u>(31,184)</u>	<u>(31,184)</u>
Balance, end of year		<u><u>992,821</u></u>	<u><u>1,024,005</u></u>

The amount represents grants received from the Governments of St. Lucia and Canada towards the cost of the Sulphur Springs Complex.

The grants are being amortised to income at the same rate as depreciation is calculated on the Sulphur Springs Complex.

### 13. Jetty expenditure

	Note	2007 \$	2006 \$
Depreciation		32,223	32,093
Employee benefits	17	85,626	79,416
Insurance		76,345	62,677
Legal and professional fees		10,032	-
Miscellaneous expense		7,295	725
Printing, stationery and supplies		2,830	2,290
Repairs and maintenance		17,474	1,712
Travel and entertainment		527	138
Utilities		2,130	3,677
		<u>234,482</u>	<u>182,728</u>

### 14. Sulphur Springs expenditure

	Note	2007 \$	2006 \$
Amortisation of deferred income	12	(31,184)	(31,184)
Depreciation		117,898	87,524
Employee benefits	17	588,271	475,561
Insurance		21,786	25,669
Lease payments		77,443	69,058
Miscellaneous expenses		3,826	3,160
Printing, stationery and supplies		19,479	21,482
Repairs and maintenance		32,512	29,102
Security		7,800	6,600
Transportation		31,299	20,517
Travel and entertainment		11,746	1,229
Utilities		29,054	22,867
		<u>909,930</u>	<u>731,585</u>

## 15. Project and general expenditure

	Note	2007 \$	2006 \$
Audit and accounting fees		23,378	28,600
Bank charges		30	1,040
Comfort centre maintenance	16	35,163	31,003
Depreciation		19,929	47,686
Directors' expenses		25,936	22,121
Donations		38,887	37,765
Employee benefits	17	267,943	202,752
Equipment repairs		49,728	8,581
Impairment recoveries		(27,223)	-
Insurance		6,111	4,191
Legal and professional fees		7,680	801
Miscellaneous projects and expenses	18	190,972	26,786
Office rent		28,350	28,350
Printing, stationery and office supplies		36,132	15,554
Public relations		32,896	7,665
Subscriptions		-	2,088
Travel and entertainment		3,210	6,612
Utilities		41,641	28,229
		<u>780,763</u>	<u>499,824</u>

## 16. Comfort centre maintenance

	Note	2007 \$	2006 \$
Comfort centre income		(4,527)	(7,240)
Comfort centre supplies		13,317	11,794
Employee benefits	17	<u>26,373</u>	<u>26,449</u>
		<u>35,163</u>	<u>31,003</u>

**17. Employee benefits**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Salaries and wages	781,944	664,459
Staff bonus	47,607	41,643
Gratuity	66,254	53,643
Other staff costs	72,408	24,433
	<u>968,213</u>	<u>784,178</u>

The number of employees as at December 31, 2007 was 40 (2006 - 43).

**Key management compensation**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Salaries and other short-term benefits	109,201	108,001
Post employment benefits	5,062	12,484
	<u>114,263</u>	<u>120,485</u>

**18. Miscellaneous projects and expenses**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Jazz in the south	31,751	11,758
Springs enhancement	63,843	-
Jounen kweyol	8,727	-
Christmas decorations	50,701	-
Other projects	35,950	15,028
	<u>190,972</u>	<u>26,786</u>

## 19. Operating lease

The Foundation has a 99 year non-cancelable operating lease for the Sulphur Springs with the Government of St. Lucia. Lease payments are based on 5% of the Sulphur Springs' revenue. An initial 5% is calculated on budgeted revenue and adjusted at year end to reflect actual revenue.

Future minimum lease payments not later than one year

	<u>\$</u>
Projected Sulphur Springs revenue for 2008	2,591,892
Minimum lease payments	129,595

The Foundation's budgetary period covers 12 months; therefore, only minimum lease payments not later than one year can be determined.

# **FINANCIALS**

## **2008**

**SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008**

## **SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**

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1	Auditor's Report to the Directors
2	Balance Sheet
3	Statement of Change in Equity
4	Statement of Income
5	Statement of Cash Flows
6	Notes to Financial Statements



# *Emile & Associates*

**INCORPORATED FINANCIAL ACCOUNTANTS  
BUSINESS & TAX CONSULTANTS**

**P.O. Box 1319  
Castries  
St. Lucia W.I.**

**Telephone: (758)4518912  
(758) 452 8180  
Fax: (758) 451-8912**

## **ACCOUNTANT'S REPORT**

We have prepared the Balance Sheet of Soufriere Regional Development Foundation Limited and the Statement of Income and Retained Earnings set out on pages S-2 to S-10 for the year ended 31st, December 2008.

These financial statements have been prepared from information and explanations given to us and as shown by the books of the company, and in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

.....  
25th. May 2009  
Castries  
St.Lucia

ASSOCIATES: AUGUSTIN EMILE A.C.E.A; A.F.A  
MEMBER OF: The Institute of Financial Accountants (U.K.)  
The Institute of Cost & Executive Accountants

SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED  
BALANCE SHEET  
AS AT 31ST DECEMBER 2008  
WITH COMPARATIVE FIGURES FOR 2007

		2008	2007
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash at Bank		66,713	187,694
Investments		1,179,530	545,000
Accounts Receivable & Prepayments		531,092	460,853
		<u>1,777,335</u>	<u>1,193,547</u>
<b>Long Term Assets</b>			
Property, Plant & Equipment	Note 4	4,371,939	4,639,484
<b>TOTAL ASSETS</b>		<u><b>6,149,274</b></u>	<u><b>5,833,031</b></u>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Current Liabilities</b>			
Accounts Payable & Accrued Liabilities	Note 5	799,397	587,055
Current Portion of Long-term Loans	Note 6	260,126	237,817
		<u>1,059,523</u>	<u>824,872</u>
<b>Long-term Liabilities</b>			
Long-term Loans	Note 6	1,029,958	1,339,135
		<u>2,089,481</u>	<u>2,164,007</u>
<b>Capital Grants</b>	Note 7	961,637	992,821
<b>General Fund</b>		2,973,156	2,551,203
<b>Fair Value Reserve</b>		125,000	125,000

**TOTAL LIABILITIES  
& EQUITY**

4,059,793  
  
6,149,274

3,669,024  
  
5,833,031

**APPROVED ON BEHALF OF THE BOARD**

.....  
Director

.....  
Director

.....  
Director

**The annexed notes form an integral part of these financial  
statements.**

**SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31ST DECEMBER 2008**

	<b>Capital Grants \$</b>	<b>General Fund \$</b>	<b>Total \$</b>
<b>Balance as at 31st December 2006</b>	1,024,005	2,039,286	3,063,291
Grant Received <b>Note 7</b>	0	0	0
Amortisation of Capital Grants <b>Note 7</b>	(31,184)	0	(31,184)
<b>NET SURPLUS FOR THE YEAR</b>		<u>511,915</u>	<u>511,915</u>
<b>Balance as at 31st December 2007</b>	992,821	2,551,201	3,544,022
Capital Grant Received	0		0
Amortisation of Capital Grants <b>Note 7</b>	(31,184)	0	(31,184)
<b>NET SURPLUS FOR THE YEAR</b>		<u>421,955</u>	<u>421,955</u>
<b>Balance as at 31st December 2008</b>	<u>961,637</u>	<u>2,973,156</u>	<u><b>3,934,793</b></u>

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

**SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER 2008**  
**WITH COMPARATIVE FIGURES FOR 2007**

<b><u>INCOME</u></b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Jetty Revenue	581,828	899,979
Sulphur Springs Revenue	2,799,361	1,678,621
Other Income	269,127	13,292
<b>Total Income</b>	<b>3,650,316</b>	<b>2,591,892</b>
Jetty Expenditure	351,661	234,482
Sulphur Springs Expenditure	1,054,654	894,255
Project & General Expenditure	1,691,969	796,438
Finance Costs	130,076	154,802
	<b>3,228,361</b>	<b>2,079,977</b>
<b>NET SURPLUS FOR THE YEAR</b>	<b>421,955</b>	<b>511,915</b>

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

**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31ST DECEMBER 2008  
WITH COMPARATIVE FIGURES FOR 2007**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the Year	421,955	511,915
<b>Adjustment for</b>		
Depreciation & Amortisation	299,266	170,050
Amortisation of Capital Grants	(31,184)	(31,184)
Interest Expense	130,076	154,802
	<hr/>	<hr/>
<b>Operating Surplus Before Working Capital Changes</b>	820,113	805,583
(Increase)/Decrease in Accounts Receivable & Prepayments	70,239	(256,074)
Increase in Investments	(634,530)	(420,000)
(Increase)Decrease in A/P & Accrued Liabilities	(212,342)	68,113
<b>Cash Generated from Operations</b>	327,687	197,622
Interest Paid	130,076	154,802
	<hr/>	<hr/>
<b>Net Cash Generated from Operating Activities</b>	(197,611)	42,820
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	31,722	132,160
Decrease in construction-in Progress	0	0
	<hr/>	<hr/>
<b>Net Cash Used in Investing Activities</b>	31,722	132,160
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Long-term Loans	286,870	262,145
Capital Grants Received	0	0
	<hr/>	<hr/>
<b>Net Cash Used in Financing Activities</b>	286,870	262,145
	<hr/>	<hr/>
<b>Decrease in Cash</b>	120,981	

		(351,485)
Cash - beginning of Year	187,694	539,179
Cash - End of Year	<u>66,713</u>	<u>187,694</u>

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

**SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2008**

**1. INTRODUCTION AND PRINCIPAL ACTIVITY**

The company was continued under the Companies Act 1996 of St. Lucia as a company without share capital (a non profit company) on December 29<sup>t</sup> 2000. The main activity of the foundation is to act as a conduit and provide a mechanism for community participation in the development of the Soufriere region.

On September 1, 1997 the assets and liabilities of Soufriere Development Programme were transferred and the foundation then assumed responsibility for the Soufriere Jetty operations. The sum of \$557,309 was added to the general fund being the net book value of the assets and liabilities transferred.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Overall Policy**

The principal accounting policies adopted are stated in order to assist in a general understanding of the financial statements.

These Financial Statements have been drawn up in accordance with International Accounting standards.

There have been no changes in accounting policy with the previous years.

These Financial Statements have been prepared in accordance with the historical cost convention.

**(b) Property, Plant and Equipment**

Property, plant and equipment are stated at historical cost less depreciation.

Depreciation is calculated on the straight line basis, so as to write off the cost of property, plant and equipment over their estimated useful lives as follows.

Office Equipment	15 – 33%
Furniture & Fittings	10%
Jetty Development	10%
Sulphur Springs Development	05%
Sulphur Springs Complex	2 – 33%
Leasehold Improvements	05%



**(c)      Income Tax**

The Foundation is a non-profit company and is therefore not subject to income tax.

**SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2008**

**2. SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**(d) Foreign Exchange**

Assets and liabilities expressed in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Transaction arising during the year involving foreign currencies are translated and recorded at the rate of exchange prevailing on the dates of the transaction. Differences arising from fluctuations in exchange rates are included in the Statement of Income.

**(e) Accounts Receivable**

Trade accounts and other receivables represent the principal amounts due at the balance sheet date and where applicable, any unearned income and provisions for doubtful accounts.

**(f) Accounts Payable and Accrued Liabilities**

Trade accounts and other payables and accrued liabilities represent the principal amounts outstanding at the balance sheet date plus, where applicable, any accrued interest.

**3. ACCOUNTS RECEIVABLE AND PREPAYMENTS**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>Trade Receivables</b>	618,847	544,131
Less: Provision for doubtful debts	<u><b>(125,136)</b></u>	<u><b>(125,136)</b></u>
	493,711	418,995
<b>Other receivables</b>	22,031	21,765
Prepayments	<u>15,250</u>	<u>20,093</u>
	<u><b>531,092</b></u>	<u><b>460,853</b></u>

**SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2008**

**4. PROPERTY, PLANT & EQUIPMENT**

	Town Property \$	Office Equipment \$	Furniture & Fittings \$	Jetty Development \$	Sulphur Springs Development \$	Sulphur Springs Complex \$	Leasehold Improvements \$	Total \$
Cost/Valuation								
Balance - beginning of year	173689	271623	38661	1569274	544490	3443927	8498	6050162
Additions	0	18825	0	0	12897	0	0	31722
Balance - end of Year	173689	290448	38661	1569274	557387	3443927	8498	6081884
Accumulated depreciation								
Balance - beginning of year	-2576	241795	30517	514818	166526	455401	4198	1410679
Depreciation charge for year	0	23609	1358	156927	29608	87338	425	299266
Balance - End of year	-2576	265404	31875	671745	196134	542739	4623	1709945
Net Book Value -								
End of Year	176265	25044	6786	897529	361253	2901188	3875	4371939
Net Book Value -								
Beginning of Year	176265	29828	8144	1054456	377964	2988526	4300	4639483

**SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2008**

**5. ACCOUNTS PAYABLE & ACCRUED LIABILITIES**

	<b>2008</b>	<b>2007</b>
	\$	\$
General Payables & Accrued Liabilities	194,648	151,277
Due to Government of China	20,000	20,000
Undisguised grant funds	4,213	4,213
Provision for Gratuities	567,977	399,005
Scholarship fund	12,560	12,560
	<u><b>799,397</b></u>	<u><b>587,055</b></u>

**6. LONG-TERM LOANS**

	<b>2008</b>	<b>2007</b>
	\$	\$
<u>Bank of St. Lucia – Jetty Loan</u>		
11.75% loan payable in monthly installments of \$15,062 until 2016	734,967	732,957
<u>Bank of St. Lucia – Sulphur Springs Loan</u>		
11.25% loan payable in monthly installments of \$19,683 until 2011	<u>555,117</u>	<u>843,995</u>
	1,290,084	1,576,952
<b>Less:</b> Amount due within twelve months and shown under current liabilities	<u>(260,126)</u>	<u>(237,817)</u>
	<u><b>1,029,958</b></u>	<u><b>1, 339,135</b></u>

The securities offered for the Long-term loans are as follows:

- (a) Guarantees by the government of St Lucia, amounting to \$2.7 million.
- (b) Assignment of statutory insurance policies over Soufriere jetties.
- (c) Resolution of statutory instructions 39/98 dated June 13, 1998 in favour of Soufriere Regional Development Foundation by Government of Saint Lucia for \$1.4 million dollars.

**SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2008**

**6. LONG-TERM LOANS (cont'd)**

Principal repayments on the foundation's existing long-term loans are expected as follows:

	\$
Year ending December31, 2009	260,126
Year ending December31, 2010	284,527
Year ending December31, 2011	311,218
Year ending December31, 2012	340,412
Due thereafter	<u>93,801</u>
	<b><u>1,290,084</u></b>

**7. CAPITAL GRANTS**

The amount represents grants received from the Government of St. Lucia and Canada towards the cost of the Sulphur Springs Complex.

The grants are being amortized to income at the same rate as depreciation is calculated on the Sulphur Springs Complex.

**SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION  
LIMITED  
ADDITIONAL INFORMATION  
TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008**

**SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2008**

Additional Comments of Auditors

Schedule of Jetty Expenditure

Schedule of Sulphur Springs Expenditure

Schedule of Project & General Expenditure

Schedule of Miscellaneous Projects

**SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**  
**SCHEDULE OF JETTY EXPENDITURE**  
**FOR THE YEAR ENDED 31ST DECEMBER 2008**  
**WITH COMPARATIVE FIGURES FOR 2007**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Depreciation	156,927	32,223
Insurance	42,242	76,345
Legal & Professional Fees	0	10,032
Miscellaneous Expenses	4,646	7,296
Printing & Supplies	770	2,830
Repairs & Maintenance	41,074	17,474
Salaries & Benefits	96,917	85,626
Scholarship Expenses	2,400	0
Travel & Entertainment	115	527
Utilities	4,802	2,130
Staff Expenses	1,769	
	<b><u>351,661</u></b>	<b><u>234,482</u></b>



**SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**  
**SCHEDULE OF SULPHUR SPRINGS EXPENDITURE**  
**FOR THE YEAR ENDED 31ST DECEMBER 2008**  
**WITH COMPARATIVE FIGURES FOR 2007**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Amortisation of Capital Grants	(31,184)	(31,184)
Depreciation	116,947	117,898
Insurance	23,169	6,111
Lease Payments	139,720	77,443
Security	0	7,800
Miscellaneous	5,011	3,824
Printing, Stationery & Supplies	36,458	19,479
Repairs & Maintenance	34,742	32,512
Salaries & Benefits	627,181	588,271
Scholarship Expenses	7,200	
Transportation	40,045	31,299
Travel & Entertainment	8,500	11,746
Utilities	28,291	29,054
Staff expenses	18,574	
	<b><u>1,054,654</u></b>	<b><u>894,255</u></b>

**SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**  
**SCHEDULE OF PROJECT & GENERAL EXPENDITURE**  
**FOR THE YEAR ENDED 31ST DECEMBER 2008**  
**WITH COMPARATIVE FIGURES FOR 2007**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Audit & Accounting fees	30,600	23,378
Bad Debts Recovered	0	(27,223)
Bank Charges	11,147	30
Comfort Center Maintenance	53,875	35,163
Depreciation	25,392	19,929
Directors' Expenses	37,507	25,936
Donations	84,099	38,887
Equipment Repairs	31,830	49,728
Insurance	17,243	21,786
Legal & Professional Fees	14,300	7,680
Miscellaneous Projects & Expenses	677,392	211,645
Office Rent	29,700	28,350
Printing, Stationery & Office Supplies	51,593	36,132
Public Infrastructure	0	0
Public Relations	35,624	32,896
Salaries & Benefits	453,169	247,270
Subscriptions	0	0
Travel & Entertainment	5352	3210
Scholarship Expenses	49547	0
Utilities	66841	41641
Staff Expenses	15700	0
Medical Expenses	1058	0
	<u>1,691,969</u>	<u>796,438</u>

**The annexed notes form an integral part of these financial statements.**

**SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**  
**COMFORT CENTRE MAINTENANCE**  
**FOR THE YEAR ENDED 31ST DECEMBER 2008**

	\$
Comfort Centre	
Income	(8,881)
Employee Benefits	45,533
Supplies	16,323
Projects	900
	<hr/>
Total	<b><u>53,875</u></b>

**SOUFRIERE REGIONAL DEVELOPMENT FOUNDATION LIMITED**  
**MISCELLANEOUS PROJECTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2008**

	\$
Projects - Barons Drive	3,687
Projects - Yakita Youth Program	20,000
Projects - Waterfront	27,010
Projects - Jazz in the South	130,796
Projects - Springs Enhancement	27,058
Projects - Comfort Centre	12,955
Projects - Sidewalks	2,445
Projects - Christmas Decorations	4,107
Projects - ABE Courses	30,602
Projects - Viewing Point	8,034
Projects - Fond Belle Fond Road	8,123
Projects - Town Square	1,319
Projects - Prince Visit	108,511
Projects - Fond Benier Park	14,913
Projects - Community Radio	6,983
Projects - Chateau Belair Trail	83,568
Projects - Summer Workshop	9,999
Projects - Enbas Saut Rain Trail	2,066
Projects - Website	3,277
Projects - College Fair	522
Barons Drive Rehabilitation	45,523
Projects - Tour Guide Training	7,382
Projects - Carnival	77,810
Projects - Crime Workshop	4,664
Projects - Hurricane Omar	14,035
<b>TOTAL</b>	<b><u>655,387</u></b>





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