



**BUSINESS  
DEVELOPMENT  
COMPANY LTD**

*Taking Your Business Further*

**BUSINESS  
DEVELOPMENT  
COMPANY LIMITED  
ANNUAL  
ADMINISTRATIVE  
REPORT  
2008**

## Table of Contents

1.0	MISSION STATEMENT AND VISION STATEMENT.....	3
2.0	STRATEGIC PLAN (SUMMARY).....	4
3.0	FINANCIAL OPERATIONS.....	10
4.0	BUDGET FORMULATION.....	11
5.0	DEBT POLICY.....	12
6.0	INVESTMENT POLICY AND PROCEDURES.....	12
7.0	HUMAN RESOURCES.....	19
8.0	PERFORMANCE MEASUREMENT TOOLS.....	20
9.0	ORGANIZATIONAL STRUCTURE (See Appendix 1).....	26
10.0	SERVICES/PRODUCTS PROVIDED.....	27
11.0	LEVELS OF AUTHORITY.....	31
12.0	CONDITIONS OF EMPLOYMENT (MONTHLY, CONTRACTED).....	34
13.0	TRAINING PROGRAMS.....	36
14.0	PROCUREMENT OF RESOURCES.....	38
15.0	REPORTING FUNCTIONS.....	48
16.0	INDUSTRIAL RELATIONS.....	48
17.0	COMMUNITY SERVICE PROGRAM OR POLICIES.....	49
18.0	AUDIT COMMITTEES OR INTERNAL AUDIT PROCEDURES.....	53
19.0	SPECIAL PLANS AND/OR PROJECTS FOR THE YEAR AND STATISTICS.....	60
20.0	PERFORMANCE ACCOMPLISHMENTS.....	60
21.0	RECOMMENDATIONS.....	63



## **1.0 MISSION STATEMENT AND VISION STATEMENT**

**BDC Vision:** To be the catalyst for growth and sustainability of businesses in Trinidad and Tobago leading to their international competitiveness.

**BDC Mission:** We are committed to partnering with medium and large enterprises in the non-energy sector to transform their operations with creative business solutions while providing them with high quality service.

**Subsidiary:** Caribbean Leasing Company Limited

**CLCL Vision:** To be the premier leasing Company in Trinidad and Tobago.

**CLCL Mission:** To facilitate the growth and competitiveness of enterprises by providing a range of quality leasing products and services.

### **Core Values:**

- Commitment
- Integrity
- Teamwork
- Excellence

## **2.0 STRATEGIC PLAN (SUMMARY)**

### **Operational Focus**

In keeping with our mandate we are focusing on Medium and Large customers, meeting with them to determine their needs and tailoring our products accordingly.

The key to long term success in exports is to know what we have in exports and to determine our companies' capacity to export and their state of readiness. Our focus is therefore to make our customers more ready and provide a route to success.

While determining the supply side readiness we will pick exporters with potential and significant export capacity and improve their performance to experience significant gains by efficiently delivering the products to their target market.

What is needed is an improvement in our turnaround time to ensure that the products are readily available to the market and to deliver them efficiently so that expectations can be met.

In 2010, we are seeking to determine new metrics and improve them to consistently monitor our performance over time to make significant and incremental improvements to achieve customer satisfaction.

### **Systems Focus**

Internally for effective delivery of business services the BDC needs to efficiently use resources available. We have defined financial accounting systems, customer relations systems and ISO Quality Management systems that need to be implemented and improved to deliver better service to customers. This entails continuing to learn on CRM, documenting accounting systems and documenting

other systems through ISO Quality Management 9001:2008 which will foster a corporate culture of implementation and efficiency.

### **Developmental Focus**

Coming out of our outreach to our Medium and Large customers together with the initiative for High Growth Potential Companies and the innovation initiative, we expect to develop new and better products for Medium and Large businesses and put down the foundation for significant innovation and a research and development culture.

On top of all of this we will be improving corporate branding to ensure consistency of message in Trinidad and Tobago.

## **SUMMARY OF OUTPUT GROUPS**

### **THE 2010-2012 PLAN**

#### **PRODUCTS**

##### **Leases**

	2010	%	2011	2012
Number	30	+275	30	30
Value	\$15,000,000	+233	\$20,000,000	\$25,000,000

The leasing product in 2010 will be significantly different from 2009. It is now a simplified product with a simplified contract and simplified payment structure. The leasing company is targeting key sectors of the economy and is assessing risk based on the particular sector. The approach is outward looking with Officers on the road converting business with equipment suppliers and users with CLCL as the funding intermediary. Because of the change in strategy the leasing product is expected to grow by over 200% in number and value.

### **Loan Guarantee**

	2010	%	2011	2012
Number	100	+43	120	140
Guarantee Value	\$10,000,000	+33	\$14,400,000	\$18,000,000
Value of Loans	\$16,000,000	+18	\$24,000,000	\$30,000,000

After a significant slowdown in 2008/2009 BDC is innovating and providing additional loan guarantee products through the provision of Loan Guarantee for Overdrafts for Medium size companies. The expectation is that there will be significant companies in this sector that will utilize loan guarantee facilities through Commercial Banks. Loan Guarantee numbers and value are expected to grow by 33%.

### **Approved Small Company Status**

The Ministry of Trade and Industry had been restricting issuance of approvals for Approved Small Company Status for most of 2008. With a change in policy in 2009/2010 we expect resurgence in this sector. This targets small companies which are not naturally our target market but we will continue to render this service on behalf of the Ministry of Trade and Industry.

### **Research and Development Fund**

	2010	%	2011	2012
Number	11	+37	11	15
Value	\$900,000	+29	\$2,000,000	\$3,000,000

It is hoped that 2009/2010 will bring changes to the Research and Development Fund structure to widen the scope, increase limits and make RDC more attractive to Medium and Large companies. With that expectation we are forecasting a 30% increase in performance in 2009/2010.

## Sector Development

	2010	%	2011	2012
Number of Companies	175	+17	11	15
Number of Individuals	830	+66	1,000	1,200

The Sector Development focus has changed from training in 2007 to implementation in 2008/2009. More in-house consulting is being conducted to improve the efficiency of target companies in Trinidad and Tobago. There has been a slow uptake of these programmes in 2008/2009 and we are expecting continued but slow growth in this area in 2009/2010. It is hoped that our review of Medium and Large businesses will bring to the fore new opportunities in Sector Development that we will be able to provide.

## smeXchange

	2010	%	2011	2012
Number	500	+67	1,000	2,000
Value of online transactions	\$75,000		\$150,000	\$300,000

2009/2010 provides a new opportunity for companies to begin online trading and online training. The smeXchange target market veers now towards exporters and modern entrepreneurs who are willing to undertake training without face to face interactions. The expectation is to further innovate on some platform to provide even more modern methods of conducting business in the next financial year.

### Consultancy and Business Advisory

	2010	%	2011	2012
Number of Companies	300	+20	120	160
Number of Individuals	400	+33	240	360

We have introduced a counterpart arrangement where BDC will support technical and commercial studies geared toward establishing new business in Trinidad and Tobago. This will continue and we expect that the thirty companies of the three hundred will benefit.

### Training

	2010	%	2011	2012
Number of Companies	240	0	240	240
Number of Individuals	500	-9	500	600
Revenue	\$600,000	-40	\$800,000	\$900,000

The market for training is still in decline with companies cutting back on budgets in all forms and fashions. Training is a challenging product but an excellent one which we hope we can market to produce results and come out with an enhanced reputation for renewed growth in later years.



### Export Certification

	2010	%	2011	2012
Number	32,000	+7	34,000	37,000
Value	\$2,400,000	+9	\$3,400,000	\$3,700,000

This product depends on the number and the volume of shipments, as well as, the general export activity of the country. That is to say, reduced number of exports certified does not mean that there have been fewer exports. It simply means that there has been a movement from small and individual cargo loads to bulk cargo loads. We do, however, expect an increase in 2010 as companies who have survived the economic downturn on the local market will look to export their goods in order to maintain employee levels and viability.

### Trade Promotion

	2010	%	2011	2012
Number of Companies	125	+270	200	300

One of the key areas in development of customers in Medium and Large companies will focus on manufacturing and facilitation of exporters. The Trade Promotion team will be focused on determining our export capability.

### Trade Information Facility

	2010	%	2011	2012
Number of Companies	250	+34	300	350

### 3.0 FINANCIAL OPERATIONS

The Consolidated Financial results for the year ended 30<sup>th</sup> September 2008 are as follows, shown in \$000's:

Income from Operations	14,929
Net Investment Income	7,137
<b>Total Income</b>	<b>22,066</b>
After Charging	
Depreciation	705
Audit Fees – current year	600
Audit Fees – prior year	420
Director's Fees	380
Staff costs	7,871
Other General and Administrative costs	4,674
Guarantee Loss Provision	579
Provision for Loss on delinquent Leases	619
Loss on Available for Sale Investment	-
<b>Total Expenditure</b>	<b>15,848</b>
<b>Net Income</b>	<b>6,218</b>

## 4.0 BUDGET FORMULATION

Table 11.1: Business Development Company Strategic Budgets ('000's)

	2007-2008
<b>Operating Income</b>	
Loan Guarantee Premia	550
Training	1,280
Project Management Fees	100
Consultancy and Business Advisory Fees	600
Sponsors – EBA	250
Approved Small Company Status	50
Export Certification	3,500
smeXchange fees	0
Other Income	200
TIC	120
PM Awards	225
<b>Total Operating Income</b>	<b>6,875</b>
<b>Operating Expenditure</b>	
Salaries and Benefits	7,400
General and administrative expenses	3,550
Training services	600
Consultancy services	300
Excellence in Business Awards	300
TIC	180
PM Awards	616
Donations/Corporate Social Responsibility	50
Marketing and Promotion	600
Staff training	300
Provision for guarantee losses	80
<b>Total Operating Expenditure</b>	<b>13,976</b>
<b>Operating Profit/(Loss) for the year</b>	<b>(7,101)</b>
Net Investment Income	3,500
<b>Net Profit/(loss) for the year</b>	<b>(3,601)</b>
Government Subvention	4,000
<b>Net position</b>	<b>399</b>

## **5.0 DEBT POLICY**

The Company has no approval to borrow.

## **6.0 INVESTMENT POLICY AND PROCEDURES**

### **1. THE FUND**

The Business Development Company Limited manages a Guarantee Fund, which serves to back loan guarantees issued to lending institutions.

### **2. INVESTMENT OBJECTIVE**

The objectives of the guarantee fund are:

- To maximize the Guarantee Investment Income
- To provide long term capital appreciation while preserving the value of the fund

The portfolio asset mix of the Guarantee Investment Portfolio will be balanced, consistent with the objectives employing prudent investment criteria. The overall policy is to choose investments based on their past record of steady growth and income, potential for appreciation of the capital value, with reasonable protection of the capital invested.

The Finance & Investment Committee shall review performance annually and if necessary invite submissions from at least three (3) Investment Fund Managers and shall choose from such an Investment Fund Manager to be recommended to the Board based on the following criteria:

- Fee structure
- Research capabilities
- Client relations
- Size of Investment Fund Manager's Portfolio

- Age of the Company
- Experience in handling similar portfolios
- Track record
- Advisory services
- Nominee and custodial services
- Reporting platform
- E-business capabilities
- Timeliness of reporting
- Company vision
- Composition, experience and qualifications of management
- Qualifications and experience of investment account managers
- Company's investment decision making structure
- Geographic locations
- Corporate governance
- Risk policies
- References

The F&I Committee shall review the performance of the Investment Fund Managers annually and shall report and make recommendations on such to the Board of Directors.

### **3. USE OF INVESTMENT INCOME**

The income earned from the investment of the Guarantee funds will be used to:

- a. Meet payments of Guarantee claims
- b. Pay Investment Management fees
- c. Pay a return to investors with deposits in the fund
- d. Defray operating costs of the BDC
- e. Reinvest to increase the value of the portfolio

The Board of Directors on the advice of the F&I Committee on an annual basis will

determine and approve the amounts required to be drawn-down to meet operating costs.

#### **4. AUTHORITIES TO INVEST**

The Board of Directors on the advice of the F&I Committee has the sole authority to invest.

The F&I Committee is authorized to approve and invest up to 10% of the book value of the investment portfolio. Such decision must be reported to the Board of Directors by notice within 3 days of investment or at the next board meeting whichever is earlier.

All investment decisions in excess of 10% of the book value of the portfolio must be referred to the Board of Directors for approval.

The placing of investments under the policy is the primary responsibility of the Investment Fund Managers, supervised and monitored by the F&I Committee. The placing of the investments by the Investment Fund Manager shall be consistent with the investment objectives as set out in this document, including analysis of performance of the various financial markets and of the economy generally. Provided however, that in the performance of its functions and in the exercise of its powers the Investment Fund Managers shall at all times act in accordance with instructions given by the Management of the BDC.

Performance of the investments under the policy will be reviewed annually by the F&I Committee to ensure the relevance of the policy with current market conditions.

#### **5. INVESTMENT GUIDELINES**

- I. The total investment resources must be invested in a range of instruments to ensure the projected yield is attained. The investment managers will directly oversee a minimum of 90% of the investment funds while the management of

the BDC will independently retain between 1%-10% of the total portfolio to cover guarantee payments.

- II. The actual amount retained by the SBDC will be based on a projection of annual provision for guarantee losses projected.
- III. To maintain a diversified portfolio, a combination of local and foreign currency Investments will be maintained. The ratio to be used as a guide is 75% (T&T dollar denominated), 15% (US dollar denominated) and 10% (Euro dollar denominated).
  - a. Criteria for the placing of investments in Equities based on the portfolio mix of this policy will be based primarily on stocks of companies trading on the Trinidad and Tobago Stock Exchange, with a yield of equal to or above the industry average. Nevertheless, this should not preclude the Investment Managers from taking opportunities that may exist in other regional markets (the latter to be approved by the Finance & Investment Committee of the Board of BDC).
- IV. Criteria for the placing of investments in corporate bonds based on the portfolio mix of this policy will be based primarily on companies incorporated in Trinidad and Tobago.
- V. Criteria for the placing of investments in corporate bonds, based on the portfolio mix of this policy, will be based primarily on countries suggested by CMMB/RBTT Trust after analysis and approval by Finance & Investment Committee of the Board of BDC.
- VI. Rebalancing of the Fund will be done on a six-month basis following a semi-annual review or as the need arises. Investment performance of the Fund will be evaluated against pre-specified benchmarks that will accurately reflect the

investment manager's performance. Some benchmarks proposed include:

- Bonds (local and overseas) – the return over rolling three-year periods on the aggregate bond index published by CMMB
- Local equities – the return over three-year periods on the TTSE Composite Index (with an allowance for the dividend income)
- Overseas equities – the return over three-year periods on the MSCI World Index.

## **6. INVESTMENT YIELD**

The annual weighted average rate of return on investments under this policy should be a minimum of 7.5%.

## **7. INVESTMENT MIX (TRINIDAD AND TOBAGO DOLLAR DENOMINATED) – 75%**

Common Stocks (equities): 20% of portfolio

Rationale:

- The outlook for local stocks continue to be bright while at the same time, stocks with above-average dividend yields can be included with a view to provide the cash requirements.
- While generally more volatile in price than debt securities, stocks have, over time, generally yielded higher returns than debt instruments.
- To facilitate long term capital gains with stocks that gradually increase in price keeping pace with their industries and the economy.
- It is possible to choose stocks that are long term winners based on their past record of steady growth and future potential.

Bonds: 60% of portfolio

- Trinidad and Tobago corporate bonds: 25% of portfolio
- Trinidad and Tobago government bonds: 35% of portfolio



Rationale:

- 'guaranteed' interest payments and a return of principal on maturity
- low default risk with government bonds
- provides predictable growth in capital to meet the yield objective
- funds short-term cash requirements

Minimum bond period: 3 years as a hedge against inflation. Amount invested in zero coupon bonds limited to 5% of the portfolio

Mutual Funds: 20% of portfolio

Rationale:

- This provides liquidity to fund the company's expenditure, as well as the ability to participate in professionally managed funds with a diverse range of debt instruments
- Provides current income at low risk
- Can be spread among several financial institutions to reduce risk

**8. INVESTMENT MIX (UNITED STATES AND EURO DOLLAR DENOMINATED)  
– 25% OF PORTFOLIO – 15% (US dollar denominated) and 10% (Euro dollar denominated)**

The portfolio should consist of the following:

- (a) Government bonds
- (b) Zero coupon bonds
- (c) Treasury bonds
- (d) Equity
- (e) Mutual fund

Rationale:

- Diversification of portfolio
- Provides a safety net against foreign exchange risk

With the uncertainty of the level of US interest rates over the short to medium term, the bonds acquired should have a relatively short duration. Inter-market spreads, can at the same time, however, generate some trading gains in the short-term until a more accurate forecast of rates can be made. Diversify into Euro dollar-denominated assets given the outlook that the US dollar will continue to depreciate against other major currencies. It is also recommended that global security market be included in the portfolio to attain further diversification benefits.

### **SUMMARY OF COMPOSITION OF INVESTMENTS**

<b>Type of Investment</b>	<b>TRUST</b>
Investment Mix TT dollar portfolio – 75% <ul style="list-style-type: none"> <li>○ Equities</li> <li>○ Bonds</li> <li>○ Mutual Funds</li> </ul>	<ul style="list-style-type: none"> <li>○ 20%</li> <li>○ 60%</li> <li>○ 20%</li> </ul>
Investment Mix US dollar (15%) and EURO dollar (10%) portfolio – 25% <ul style="list-style-type: none"> <li>○ Government bonds</li> <li>○ Zero coupon bonds</li> <li>○ Treasury bonds</li> <li>○ Equity</li> <li>○ Mutual fund</li> </ul>	Composition to be determined by Investment Manager

## **7.0 HUMAN RESOURCES**

### **7.1 Career Path Systems**

The Organization structure was changed to provide opportunities for Business Development Officers or any other staff member who is suitably qualified to move in to senior positions. The organization chart included the following new positions:

- Senior Certification Officer
- Senior Human Resource Officer
- Senior Marketing Officer

Additional positions:

- Senior Business Development Officer (Financial Products)
- Senior Business Development Officer (Trade Assistance)
- Administrative Officer
- Marketing Officer

Position descriptions for Business Development Officer have been revised to give Officers the opportunity to move between functions. Officers have more exposure to other units are encouraged to develop more collaborative approaches to doing business.

**See Appendix 1 for a copy of the Company's Organizational Chart**

## **8.0 PERFORMANCE MEASUREMENT TOOLS**

Performance is measured at the BDC utilizing a Performance Management Programme. The Policy governing this programme is as follows:

### **PERFORMANCE MANAGEMENT POLICY**

#### **Performance Management Programme (PMP)**

The primary aim of the Performance Management Programme (PMP) is to facilitate and promote improvement in organizational performance through the work of employees. The PMP also seeks to enhance job satisfaction, as well as support staff development and career advancement.

The Performance Management Programme is intended to be an ongoing process of communication between the supervisor and the employee, focused on helping the employee achieve his or her best workplace results. It is a joint responsibility between an employee and their supervisor. This provides an opportunity for employees and supervisors to work together in a structured way to identify and describe work expectations, discuss learning and development needs, recognize achievements and plan for future individual and organizational growth. The PMP therefore, provides the framework within which employees can be assessed and employee development strategies designed specifically to improve performance in pursuit of the organization's objectives.

#### **Guidelines**

- It is the policy of the Business Development Company to conduct quarterly performance review for all staff members to ensure that good performance is rewarded, reinforced and developed; and poor performance is corrected through training, development, coaching, mentoring or any other intervention identified by the Manager / Supervisor. The purpose of the formal performance review can be:

- Quarterly
- Mid Year
- Year End
- Probation
- Extension of Probation
- Other

The performance review consists of:

1. Key Result Areas (KRAs) which are critical/important projects and activities that the employee has to perform during the course of the performance assessment period and
2. Key Work Behaviors (KWBs) which are defined as behavioral competencies that the employee is expected to exhibit on the job over the period.

The Key Result Areas (KRAs) and Key Work Behaviors (KWBs) have a weighting of 60% and 40% respectively.

A Rating Scale of 1-5 is used with 1 being the lowest and 5 being the highest as follows:

- 5 = Exceptional
  - 4 = Very Good
  - 3 = Good
  - 2 = Fair
  - 1 = Unsatisfactory
- The process involves continuous informal evaluation of the employee's performance as well as coaching during each quarter

Responsibility for ensuring that employee performance is reviewed in keeping with this policy resides with the manager and will form part of every manager's / supervisor's job requirements and their own performance review.

## **Procedure:**

- All appraisers and employees will be receiving guidance in using the performance appraisal system and this will be part of the orientation exercise for new employees.
- There are two main phases of the PMP- the performance planning phase and the performance review phase.
- The first phase, the performance planning phase, identifies the main activities, tasks and work attitudes that will be assessed over the 12-month period. The performance planning section of the PMP document must be completed by the Manager and supervisor with the employee at the start of each 12-month period.
- In the performance review phase the employee prepares a draft of the review section of the Key Results Area of PMP document which is to be submitted to his/her Manager/supervisor, before the review session. The Manager/supervisor then meets with the employee to discuss his/her performance and rates the employee utilizing the rating scale of 1-5, as defined above. A developmental plan with specific actions to improve performance must be identified.
- The Developmental Plan must be practical and may include coaching, on-the-job training, self-study, or class room training.
- The Manager/supervisor must indicate recommendations and additional comments with a view to rewarding or developing the employee.
- A performance rating of 3 = Good and above may qualify an employee for a performance increment.
- The Employee is required to indicate by signing the review document that the completed assessment was discussed with him/her.

- The Employee must be given the opportunity to add his/her comments before signing the review document.
- The Manager/supervisor must submit the signed Performance Management document to the Manager-Corporate Services in accordance with the set deadline date.
- An employee who is in disagreement with his/her performance review can lodge an appeal with their Department Head. If the matter cannot be resolved at this level, then it should be forwarded to the Manager-Corporate Services for final resolution.

## **8.1 PROMOTION POLICY**

The Company makes every effort to fill positions by promoting from within. Key considerations for promotion are:

- Qualifications and suitability for the position under consideration- specifications for the position sought;
- Current performance;
- Demonstrated potential to undertake the duties and responsibilities of the position sought – e.g. technical skills, leadership, human relations skills, conceptual and analytical skills.

The Company may promote an employee internally if a qualified employee is available within the Department/Unit/Section. Where there are two (2) or more candidates, after evaluation, possessing equal skill, competence, efficiency and merit, seniority of service shall be the determining factor.

If no qualified employee is available within the department or unit, the Company shall advertise the vacancy internally and the process described above shall apply.

Promotions are linked to performance, which will be monitored by the Company's Performance Management Programme.

## 8.2 RECRUITMENT & SELECTION PROCEDURES

Where possible the Business Development Company Limited will seek to recruit from existing staff to fill vacancies. Notice of Vacancies with the deadline date for application and circulated to all Departments of the Company for the attention of all employees. Interested staff members may apply observing the procedure outlined in the Notice of the Vacancy.

Applicants are short listed in accordance with the requirements and qualifications as advertised and will be requested to attend an interview.

If no suitably qualified persons are identified internally, the GM or Manager in consultation with the relevant personnel in the Human Resource Section will review the position description. The position is advertised externally through the media via the Marketing Department. On line recruitment resources are also utilized.

Applicants will be short listed in accordance with the requirements and qualifications as advertised and will be requested to attend an interview.

Should there be insufficient or unsuitable candidates the Company will advertise a second time, repeating the process.

At least three persons are short listed and interviewed.

The interview panel for full time positions is convened as outlined below:

President	- Board of Directors
Vice President	- Board of Directors and President
Managerial Staff	-President, Vice Presidents and Board Member if deemed necessary



Professional, Technical and Administrative Staff      -Vice President – Finance and Administration Vice President – Business Development, Manager Corporate Services, GM of the relevant subsidiary or their respective designates and/or Head of Department to which the employee will be deployed (A professional in the area of expertise may be included on the panel).

Temporary Employment      -Vice President – Finance and Administration will determine the composition of the panel, which should comprise a minimum of three (3) persons.

Once a preferred candidate is identified from the interview process, a psychometric assessment is administered by a service provider. The report is sent to the Human Resources department then sent to the panel for their review.

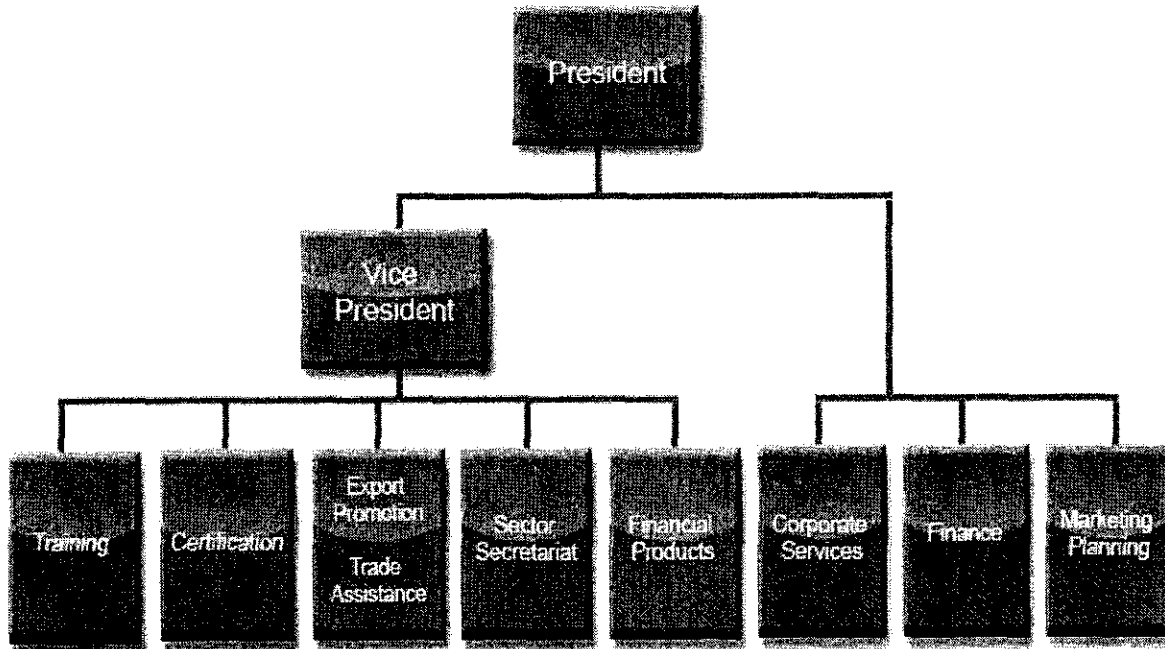
Reference checks are completed using the candidate's last supervisor as the main reference.

A second interview will be conducted if necessary to clarify issues that may arise out of the report on the psychometric assessment.

Information gathered from the interview, psychometric assessment and reference checks are used by the panel to make a final decision on whether the candidate should be hired.

## 9.0 ORGANIZATIONAL STRUCTURE (See Appendix 1)

### 9.1 CORPORATE STRUCTURE



## **10.0 SERVICES/PRODUCTS PROVIDED**

Established in August 2002, the Business Development Company Limited (BDC) is the implementing agency for the Government of Trinidad and Tobago's policy for enterprise development.

The **BDC** is also the official trade promotion organization of Trinidad and Tobago, assuming the international business promotion and export certification functions once directed by the Tourism and Industrial Development Company of Trinidad and Tobago Limited, which ceased operation in 2006.

The **BDC** offers an impressive and comprehensive portfolio of solution-driven products and services. These include Consultancy Services, Export Certification, Financial Support Services, International Business Promotion Support Services, Trade Assistance and Training and Business Advisory Services.

The **BDC** also has a wholly owned subsidiary, Caribbean Leasing Company Limited (**CLCL**), charged with the responsibility of providing equipment and machinery leasing facilities to companies in Trinidad and Tobago.

This facility allows businesses to become more competitive through the upgrading and modernizing of their operations and systems. They are better equipped to compete locally as well as internationally, producing goods and services with cutting edge machinery. Cash conservation, one of the major benefits of leasing, has allowed businesses to invest in other areas of their operations such as working capital, expansion and employee benefits geared toward staff retention.

**CLCL** continues to grant leases to the country's agricultural, food processing, printing and packaging, manufacturing, construction and personal services sectors.

These sectors, among others, have also benefited from the BDC's Trade Assistance services. Under this component, the Company assists enterprises in the following areas:

- The acquisition of loans from commercial lenders, with the BDC funding part of the collateral through its loan guarantee facility;
- An understanding of the “best practices” locally and internationally for targeted industries;
- The administration of productivity and capacity building initiatives which serve to enhance companies’ ability to compete and remain competitive in their respective markets; and
- The strengthening of the participation of local companies in global online trade through the [smeXchange.com](http://smeXchange.com), a business-to-business portal.

The **smeXchange.com** online business platform was launched on January 25 2006 and boasts of more than 700 registered companies from across the globe. These entities are currently benefiting from being a member of a premier online market space, which is positioned as the first port of call for:

- Buyers who are seeking suppliers and vice versa;
- Networking opportunities with SMEs locally and internationally;
- A low cost means of having a website from which to market goods and services;
- Best practices in the e-business industry; and
- Discounts on all e-business training programmes offered by the **BDC**.

The **smeXchange.com** also allows SMEs to access the online e-business guide, examine case studies, upload company and product information, retrieve a list of e-business service providers, compare hardware and software costs, access the e-business activity schedule and view the e-business glossary of terms.

Key to the **BDC’s** trade support services is Trade Certification. The Trade Certification Office certifies goods for export to countries with which CARICOM has trade agreements. These are Canada, the Dominican Republic, Costa Rica, Venezuela, Colombia, Cuba and the CARICOM Member States. This certification reduces the tariffs that are charged by the Customs Division when these goods enter the importing market.

The **BDC's** Trade Promotion Office provides general trade information services and can assist companies with market intelligence reports and explanatory documents on CARICOM's trade agreements. The Office also supports companies through its International Business Promotion support services such as participation in international trade fairs and exhibitions.

**BDC's** financial support services are among the Organization's most sought after by entrepreneurs and business owners in Trinidad and Tobago.

The Loan Guarantee Programme is specially designed to assist businesses in securing loans from lending agencies by providing part collateral, since a lack of collateral has been identified as the major constraint to obtaining the finances needed for business establishment and expansion. The Loan Guarantee provides support for existing and expanding businesses as well as new or start-up businesses. The facility supports the need for working capital, inventory purchases, revolving loan facilities, purchase of an existing business as a going concern and the purchase of equipment.

Another financial service offered by the **BDC** is the Approved Small Company Status where Companies who qualify for this certification benefit from a twenty-five percent (25%) tax break and in effect, pay no corporation taxes for a period of five (5) years.

The **BDC** is also responsible for managing the Research and Development Facility (RDF), which is targeted to businesses that need to acquire specialized technology or introduce innovative ideas into their operation in order to improve profitability and competitiveness. Under the RDF, companies in the manufacturing and services sectors can access a maximum grant of \$100,000, to cover up to two-thirds of the cost of their research and development projects. The business would be expected to cover the remaining project costs.

The **BDC's** Training Services are unique, placing its emphasis on "Training for Impact". Training interventions are needs driven and results oriented, addressing the root causes of a company's shortcomings or faltering performance. Some training

initiatives include leadership training, innovation and entrepreneurship, marketing management customer relationship management, strategic management, managing performance, financial management, management decision-making and professional ethics.

Other productivity and capacity building initiatives, include: ISO 14001 Environmental Standard, Hazard Analysis Critical Control Points Food Safety Standard, Health Safety and Environment, Occupational Health and Safety, Good Agricultural Practices and Good Manufacturing Practices, to name a few.

To complement its outstanding suite of products and services, the BDC's Consultancy Services team works with clients by providing assistance in strategic business planning, performance management, management decision support systems, change management, business research (supporting access to improved technologies; and supply and output markets), operations research (improved logistics management) and industrial engineering (plant layout, process optimization, health and safety management).

The Business Development Company Limited is the first stop for all the information, support and guidance for Trinidad and Tobago companies that are seeking to become internationally competitive.

## **11.0 LEVELS OF AUTHORITY**

The following limits apply to the award of contracts for goods or services:

- (i) President– up to \$50,000
- (ii) Tenders Management Sub-Committee - \$50,001 - \$150,000
- (iii) Tenders Committee - \$150,001 - \$250,000
- (iv) Board – over \$250,000

Within the above limits, the President, Tenders Management Sub-Committee or Tenders Committee has authority to award contracts without approval of the Board.

The Tenders Committee will administer the procedures and make recommendations to the Board for contracts that require the Board's approval.

### **EXCEPTIONS**

All contracts for the supply of goods, provision of services, or the undertaking of works of all kinds necessary for carrying out the functions of the Company shall be tendered out in accordance with the above provisions, although exceptions may be permissible under the following conditions:

- (i) Contracts for the supply of goods or services within the limits of the President (i.e. \$50,000 or less). Quotations should be invited from at least three tenderers and the lowest quotation should be accepted if all conditions of performance are acceptable.
- (ii) In cases of genuine emergencies, the President is empowered to award contracts provided that where the value of the works exceeds \$50,000, the Chairman or Deputy Chairman of the Company should be consulted in advance of award.
- (iii) Work to be carried out on a site where a contractor is already operating and where the employment of a second contractor would hinder the progress of the project. In these cases, the contractor occupying the

site may be employed for other jobs on the site with prior approval of the Chairman of the Committee/Sub-Committee.

- (iv) Services provided by highly specialized contractors/consultants where no competing services exist and negotiations with a sole tenderer are appropriate.

In instances of approval over \$25,000, quotations should be invited from at least three (3) suppliers and the lowest quotation should be accepted if all conditions of performance are acceptable.

**A. BDC FINANCIAL PRODUCTS LIMITS OF AUTHORITY**

1. The overall authorities to be exercised in the approval of financial products for Business Development Company Limited (BDC) reside in the Board and are delegated to the following subcommittees:
  - (a) Board Credit Committee;
  - (b) Management Credit Committee;
  - (c) President;
  - (d) Vice Presidents;
  - (e) Managers;
2. The Executing Departments shall be responsible for the initiation of all requests for approval together with the preparation of relevant documentation.
3. The Executing Department shall be responsible for the administration of financial products.

**B. FINANCIAL PRODUCT APPROVAL**

Committees with varying financial authority levels have been established to approve financial products, taking into consideration the recommendations



made by the Executing Department. For this purpose, there are the following six (6) levels of authority:

- (1) The Board of Directors;
- (2) The Board Credit Committee (BCC);
- (3) The Management Credit Committee (MCC);
- (4) The President;
- (5) The Vice Presidents;
- (6) The Managers.

**C. THE LIMITS OF APPROVAL**

Approval of financial products shall be in accordance with the following approval limits:

- (a) **Board of Directors** No Limits
- (b) **BCC** Five Hundred Thousand Dollars (TT\$500,000) up to One Million Dollars (TT\$1,000,000).
- (c) **MCC** Two Hundred and Fifty Thousand Dollars (TT\$250,000) up to Five Hundred Thousand Dollars (TT\$500,000).
- (d) **President** One Hundred and Fifty Thousand Dollars (TT\$150,000) up to Two Hundred and Fifty Thousand Dollars (TT\$250,000).
- (e) **Vice Presidents** Up to One Hundred and Fifty Thousand Dollars (TT\$150,000).

## **12.0 CONDITIONS OF EMPLOYMENT (MONTHLY, CONTRACTED)**

### **Full time permanent employees**

Salaries are paid monthly and set by the Public Sector Negotiating Committee

Annual Vacation	20 working days per anniversary date – Professional Staff 15 working days per anniversary date – Administrative Staff 25 working days per anniversary date - President
Urgent Personal Business	5 working days per calendar year
Paid Sick Leave	15 working days per calendar year
Pension Plan	Compulsory and Contributory: Employee – approximately 4.5% Company – 7.44% of gross Salary
Group Life	Sponsored
Group Health Plan	Voluntary and Contributory
Probationary period	Three (3) months for support staff; six (6) months for professional and management

### **Full time contract employees**

Period of engagement	Two (2) years
Annual Vacation	Twenty (20) working days to be taken after the eleventh (11th) month of employment
Personal Leave	Up to five (5) working days; personal leave granted shall be deducted from vacation leave
Transport Allowance	Two thousand (\$2,000.00) dollars

## **Temporary workers**

Engagement Determined by the needs of the organization; the Department/Unit completes the temporary requisition document for approval from the President; the Board must be advised of the intention to hire

Period of engagement      No more than three (3) months;

Leave                              Not entitled to any leave of absence with pay

## **13.0 TRAINING PROGRAMS**

### **Training Policy and Programmes**

It is the policy of the Company to ensure that its employees' skills are developed to keep up-to-date with new methods, procedures, concepts and technologies in their field. Employees will therefore be encouraged to participate in courses of study relevant to the needs of the Company, at recognized educational establishments or delivered by recognized professionals.

#### *Procedure for attendance at Training Courses*

Where the employee is chosen by the Company to attend a training programme or course of study derived from a needs analysis conducted by the Company or from recommendations emanating from the Performance Management Programme, the employee will be so informed by his/her supervisor at least one pay period prior to the starting date of the course so that he/she can make the necessary work and/or domestic arrangements. In such cases, the employee will be granted leave for the course of study and the course fee, travel costs and direct costs. The Company will meet subsistence costs. The employee's normal salary or wage will also be paid.

Where the employee has chosen the course of study, he/she shall apply in writing to his/her immediate supervisor for leave to pursue the training in question, at least one pay period prior to the date of the leave. The application shall state the nature of the training to be pursued, the name of the establishment and the length of the absence required. The supervisor, in consultation with the Manager and President will determine each such application based on its merit. Where granted, such leave will normally be granted without pay. Where however, it is agreed that the course of study will make the employee more valuable to the Company, the Company will reimburse the employee 80% of the tuition fees of such courses on successful

completion. In these cases, the application must be accompanied by evidence of actual tuition sums expended and the outline and contents of the course(s) pursued.

Where the training is done in-Company, all employees selected will be expected to attend. All such training costs will be borne by the Company and the employee will receive full pay while attending the course.

Copies of all training materials obtained on training courses paid for by the Company must be placed in the Information Centre.

### **Personal Development Grant**

The Company will make available the maximum sum of one thousand dollars (\$1,000.00) **annually** to each member of staff to pursue any course/s he/she may select in the pursuit of personal development.

#### **Procedure for Accessing the Personal Development Grant**

- Application for this Grant shall be made on the prescribed form
- The details of the course, the bona fides of the provider and registration information shall accompany the application.
- The application must be made at least one month prior to the registration date for the course, to allow time for processing and preparation of payment.
- All payments for such courses will be made by cheque to the organization providing the course.

Time off for attendance at such courses, if held during working hours, shall be with the approval of the Manager of the Department taking into account the exigencies of the business.

- Originals of Certificates or awards received must be presented to the Company for relevant copies to be included in the employee's file, on the completion of the course.

## **14.0 PROCUREMENT OF RESOURCES**

### **14.1 INVENTORY CONTROL**

#### **Procurement practices – Inventory Control**

A Requisition form is prepared by the relevant Supervisor or Department Head and submitted to the relevant Department. The relevant Department reviews the form for completeness and adequacy and if satisfied submits it to a Manager or the designated appointee for approval. The Requisition form contains where required the identity/name of the item, quantity, grade, any required specification, standards, drawings, process or inspection instructions to which the product must comply, date required, fabrication or machine shop corresponding job number. Where appropriate the Purchase Requisition may also include additional information such as any requirements for approval of product, procedures, processes and equipment, and any requirements for qualification of personnel or conformance to quality management system requirements.

For products and services, the relevant Department either directly selects a supplier from the approved suppliers listing or requests quotations from various approved suppliers after receipt of the approved internal requisition form. For non-critical products and services, suppliers may be selected after receiving verbal quotations and using price and/or availability as the criteria for selection.

Suppliers are evaluated and re-evaluated and placed on the list which is maintained by the Corporate Services (Purchasing unit) based on one or more of the following:-

- Past demonstrated performance in meeting contract requirements
- The results of supplier audits.
- Inspection and/or testing of the materials or components to be procured;

All procurement of goods and services which directly affect the quality of BDC's work are made from suppliers on the approved list. Procurement of goods and services which are not crucial to the quality of work performed may be purchased from suppliers who are not on the approved suppliers listing such as public utilities supplying water, and electricity are not included on the approved listing.

The performance of suppliers on the approved list is monitored based on the results of nonconforming material reports emanating throughout the Company and submitted to the relevant Department. Any supplier who delivers nonconforming materials or services and who has not instituted corrective action to prevent its recurrence, or where the corrective action has proven to be ineffective over a reasonable period of time is removed from the list. This list is up-dated as necessary to reflect additions to the list based on evaluation of new suppliers and the removal of unsatisfactory suppliers based on re-evaluations or the delivery of unsatisfactory products or services. The up-dating of the list is done by collaboration between the Corporate Services Manager and the Administrative Officer.

For quick buying purposes, the Administrative Officer may evaluate a new supplier of critical products and services and select them if acceptable, or select a supplier that is approved, issue a purchase order and carry out the other necessary transactions (i.e. monies) to purchase the product or service.

### **Procedure**

Amendment to a purchase order shall require the cancellation of the original purchase order, a new purchase requisition, and where appropriate new quotations from approved suppliers, and a new purchase order.

The original purchase order shall be returned to the Corporate Services, where it shall along with the other (i.e. pink & yellow) copies be secured together and cancelled by means of writing the word "cancelled" across the page and stapled in the purchase order book.

Suppliers are informed of any cancellation of original P.O's and any subsequent order. Purchase Orders may be faxed to the supplier to expedite fast delivery.

## **PURCHASE ORDER DISTRIBUTION AND RECORDS**

P.O's are printed in triplicate with the original copy (white) issued to the supplier, the duplicate copy (pink) is attached to the original invoice and submitted to the Finance department for processing. The triplicate copy (yellow) remains in the purchase order book to be reviewed during Audit.

Requisitions emanating from the field through electronic medium for purchasing requisition are verified by the relevant Department or their designated appointee prior to preparing a bid analysis and developing request for quotations from suppliers.

Quotations from a supplier or various approved suppliers may be waived in the case of emergency or after normal working hours.

These records are maintained for a minimum period of five (5) years.

## **14.2 TENDERING PROCEDURES**

### **1.0 TENDERS COMMITTEE**

The responsibility for the administration of the Tender Procedures and award of contract shall be that of the Company's Tenders Committee and shall be exercised in accordance with the limits of authority established under Clause 10.

### **1.1 MEMBERSHIP AND POWERS**

- (i) The Tenders Committee shall consist of:
  - (a) The Chairman or the Deputy Chairman of the Company
  - (b) Three other Directors
  - (c) The President



- (ii) The Committee may from time to time co-opt other members of Company's staff.
- (iii) The Chairman of the Committee shall be the Chairman or Deputy Chairman of the Company
- (iv) In the absence of the Chairman of the Committee at any meeting or part thereof, the Committee may elect from among the members present one of the other Directors to perform the function of the Chairman
- (iii) The Company's Secretary shall attend meetings of the Committee and act as Secretary to the Committee
- (iv) The Company may appoint a Tenders (Management) Sub-Committee which shall function for all intent and purposes in a manner similar to the Committee itself within the limits of authority established under Clause 10.

The Tenders (Management) Sub-Committee shall comprise the following four members

- The President– Chairman
- The Company Secretary
- The Accountant
- One other member of Management to be appointed by the Chairman of the Tenders (Management) Sub-Committee

The Company Secretary shall act as Secretary to the Sub- Committee and the Tenders Committee.

## **2.0 INVITATION OF TENDERS**

The Committee or Sub-Committee, as appropriate, through its Secretary, shall invite and consider offers and tenders for the supply of goods and

services and the undertaking or works of all kinds necessary for carrying out the functions of the Company and shall make recommendations or decisions on the acceptance or rejection of such offers in accordance with these procedures.

The Committee/Sub-Committee shall sell or dispose of surplus or unserviceable goods belonging to the Company in accordance with the procedures established by the Board for disposal of assets.

### **3.0 MEETINGS**

The Committee/Sub-Committee shall meet as often as is necessary or expedient for the transaction of its business.

The Secretary, in consultation with the Chairman, shall fix the dates, time and place at which the Committee/Sub-Committee shall meet and may call special meetings of the Committee/Sub-Committee for the consideration of any urgent matter.

Except as otherwise determined by the Chairman, notice and agenda of meetings shall be circulated to members of the Committee/Sub-Committee at least forty-eight (48) hours before the time fixed for such meetings.

At any meeting of the Committee/Sub-Committee or for the purpose of voting on papers circulated, three members shall constitute a quorum.

A member of the Committee/Sub-Committee who:

- (i) Is a Member of a Company or other body; or
- (ii) Is a Partner in a Firm, or Partnership; or
- (iii) is employed by a Company, other body, Firm or Partnership; or
- (iv) has a financial interest in a Company, other body, Firm or Partnership;  
or
- (v) is married to a person, or
- (vi) is married to a person who has an immediate family member;

that has submitted an offer for the supply or purchase of goods or the undertaking of works or services which are the subject or consideration by the Committee/Sub-Committee, shall disclose that fact, and, shall not take part in the consideration or discussion of the offer, nor vote on any question concerning the offer.

#### **4.0 PROCEEDINGS AT MEETINGS**

Minutes of each meeting or decision arrived at by the circulation of papers among the members shall be prepared in proper form and be confirmed by the Committee/Sub-Committee and certified by the Chairman at the next succeeding meeting, and kept at the Company's registered office.

Copies of confirmed minutes of the committee/Sub-Committee shall be submitted for the information of the Board.

Decisions of the Committee/Sub-Committee shall be taken at meetings or in cases where the Chairman shall so direct, by the circulation of papers among the members.

Where papers are circulated among members for decision, any members of the Committee/Sub-Committee may request the Chairman, via the Secretary, to reserve any matter for discussion at the next meeting of the Committee.

Where papers are circulated among the members, the Chairman may direct that the papers shall not be circulated to any member who, through declared interest is in the opinion of the Chairman precluded from voting.

The decision of the Committee/Sub-Committee shall be by a majority of votes and for the purpose the Chairman shall have both an original and a casting vote.

Any member of the Committee/Sub-Committee who dissents from a decision may request the Chairman to record such dissent, and the Chairman shall

authorize that such dissent and the reason therefore be recorded in the Minutes.

## **5.0 PREQUALIFICATION**

At the discretion of the Committee/Sub-Committee the Company or consultants appointed by the Company may pre-qualify prospective contractors and following pre-qualification, a minimum of three contractors should be invited to tender, which, upon receipt shall be subjected to the evaluation process.

## **6.0 OPENING OF TENDERS**

Tenders must be deposited at the Company's place of business within the date and time stipulated.

Tenders must be opened by at least two (2) members of the Committee/Sub-Committee and a record of the tenders received completed. The Committee/Sub-Committee may reject any offer which does not comply with any of the provisions of the tender.

After the offers have been opened, noted, dated and signed and a summary of Bids compiled, the Committee/Sub-Committee shall, at such time or times as may be deemed necessary or expedient, consider the offers so received. Meanwhile, the offers shall be placed in a safe place to the satisfaction of the Chairman.

All documents relating to offers shall be handled so as to maintain strict confidentiality.

## **7.0 EVALUATION OF A DECISION ON OFFERS**

At any time after the offers have been opened, noted and signed, the Tenders Committee/Sub-Committee may appoint an Evaluation Committee with authority to:

- (i) consult with any Officer of the Company's staff, or any Officer of Government or of a Statutory Body, or such other person or persons as the Committee/Sub-Committee in its discretion may consider proper and desirable;
- (ii) require any person who has made an offer to the Committee/Sub-Committee to attend a meeting of the Committee/Sub-Committee and to furnish the Committee/Sub-Committee within a specified time with such information with respect to that person's finances, equipment or professional or technical qualifications as the Committee/Sub-Committee may require or any other information that in the opinion of the Committee/Sub-Committee is necessary for the proper assessment of the offer or offerer's capacity to execute the same;
- (iii) make inspections, and arrange for the Chairman or another member of the Committee/Sub-Committee if considered desirable, so to do;
- (iv) require samples to be submitted for test or examination.

In evaluating offers and deciding on acceptance, the Committee/Sub-Committee shall consider the following:

- (a) Where there is no significant difference in the quality of goods or in the capacity for undertaking works or services between any tenderers, the lowest offer shall be accepted.
- (b) Where the quality of goods differs significantly between offers, the Committee/Sub-Committee shall take account of:
  - (i) price quoted;
  - (ii) evidence of reliability of performance;
  - (iii) any warranty or guarantee given;
  - (iv) maintenance or repair services to be provided;
  - (v) compatibility with other goods, works or services used by the company;
  - (vi) adequacy of stocks or spares held in Trinidad and Tobago; or

- (vii) any other matter related to the quality, reliability or adequacy of the goods.
- (c) Where there is significant difference in the capacities of persons making offers to undertake works or services, the Committee/Sub-Committee shall take account of:
  - (i) price quoted;
  - (ii) evidence of previous performance of similar works or services;
  - (iii) any warranty or guarantee given;
  - (iv) technical skills, adequacy of supporting staff, arrangements available in Trinidad and Tobago to the persons making the offer;
  - (v) compatibility with other goods, works and services used by the Company;
  - (vi) or any matter related to the quality or adequacy of performance of the works or services.
- (d) The evaluation process is concluded with a report being prepared by the Evaluation Committee covering the following areas:
  - (i) Tender invitation
  - (ii) Tender period and other stipulations
  - (iii) Tender Evaluation of each Tender
  - (iv) Tender results
  - (v) Recommendation
- (e) When a decision has been made by the Committee/Sub-Committee letters must be sent to all the persons whose offers have not been accepted advising them accordingly.

## **8.0 NOTIFICATION OF ACCEPTANCE**

Where an offer has been accepted, the person who has submitted the offer shall be notified by the President of its acceptance, and where appropriate a

formal contract should be entered into for the supply of the goods or the undertaking of the works or services.

## **9.0 THE CONTRACT**

A formal contract shall be in such form, and contain such terms, and conditions and provisions as the Company may determine, and shall specify, inter alia, whenever applicable:

- (i) a description of the goods to be supplied or the works or services to be undertaken;
- (ii) the price to be paid for the supply of such goods or the undertaking of such works or services;
- (iii) the period within which the matters contemplated by the contract are to be performed;
- (iv) performance bonds and insurances where appropriate;
- (v) where applicable the amount of damages payable by the contractor for delay or non-completion within the period stipulated;
- (vi) provision for termination on breach;
- (vii) provisions for determination of disputes.

## **15.0 REPORTING FUNCTIONS**

### **DEPARTMENTAL REPORTS and REPORTS TO MINISTRIES, PRESIDENT/PARLIAMENT**

Each Unit within the BDC Reports to the President. The President in turn reports to the Board of Directors and its relevant Committees at the various meetings. The BDC has specific reports that it submits to the MTI as follows:

- PSIP Monthly Report
- Monthly Board Minutes to MTI and MoF

## **16.0 INDUSTRIAL RELATIONS**

The Corporate Services Unit is responsible for managing industrial relations matters with guidance from the President.



## **17.0 COMMUNITY SERVICE PROGRAM OR POLICIES**

The company currently abides by its donations policy and is working on its CSR policy to govern how we interact with our communities. Below is the Company's Donation Policy.

### **STRATEGIC DONATION POLICY**

#### **Objective:**

In recognition of its responsibility as a corporate citizen to positively impact the business community, the Business Development Company Limited (BDC) will support initiatives which are consistent with its strategic direction in the areas of:

Arts and Culture

Business Education

Collaborative Efforts / Partnerships

Seminar and Conferences

Fraternal Associations, Schools, Homes and Orphanages

#### **CRITERIA FOR SUPPPORT: Organizations to be considered for support:**

Must be:

Recognized institutions/registered companies

- Incorporated e.g.NGO's, CBO's

Must NOT be:

Political parties or affiliated with such organizations or initiatives

Companies which produce sell or promote the use of alcoholic beverages, tobacco, or illicit drugs

- Non-Charitable Organizations: Requests that fall within this bracket come from community groups, company organizations, community associations and normally relate to fund-raising events, as well as self-help projects. Depending on the time of Year, requests will come in from, Emancipation groups, religiously affiliated groups/organizations. In general, these requests will not be entertained however, in isolated cases, once the organization has been verified as outlined

above; assistance may be given at our discretion via sponsored radio or press spots or through corporate giveaways. Cheques should be made payable to the registered or incorporated organization as identified above

Individuals: Requests for fundraisers for example, a Book launch or travel for a Convention/Seminar/Medical requirements etc. Donations are not—as a rule—to be given to individuals who walk into the offices. However, donations may be made to non-governmental charitable organizations, which may request on behalf of the individual. On the odd occasion that individuals are considered (e.g. through an employee or retiree), cheques will not be made payable to the individual or to a bank account, but to the organization on the individual's behalf.

Also, donations may not generally be considered in cases where general requests have been sent to various organizations: the “To Whom It May Concern” letter.

**Consideration will be given to requests forwarded from organizations under official cover signed by their:**

- Chairman
- CEO/President
- Corporate Communications Unit
- Head of Organization/Institution/Legal Representatives

**Official cover (letters) must:**

- Be addressed to the “Manager–Market Planning and Development”
- Have an organizational letterhead
- Have an original signature and position designation and/or
- Have an original organizational stamp
- Clearly state the event/purpose for which the donation is required

**FOCUS OF SUPPORT: Donations may be entertained for the following:**

- 1 **Arts and Culture:** We focus our support on requests aimed towards promoting

local music, dance works, theatrical productions, locally produced films by local film producers/directors, cultural programmes/shows such as musicals featuring local musicians, vocalists, choirs, and steel-band ensemble

2 **Business Education**: BDC supports institutions and/or organizations that directly link their educational programming with schools by providing teacher support materials, workshops, or in-school or on-site exposure to the development of business skills. We promote the development of leadership skills through our participation in recognized Mentoring Programmes and Career Workshops/Fairs at the tertiary level

3 **Collaborative Efforts / Partnerships**: Local, regional and international efforts geared towards the development of businesses in Trinidad and Tobago

4 **Seminars and Conferences**: Business development seminars and conferences in which the BDC has preferred coverage and prominence

5 **Fraternal Associations, Schools, Homes and Orphanages**: Requests for purchase of equipment etc. must come with an invoice payable to a supplier. If this is not done, at least three quotations from reputable suppliers are to be provided. Cheques will be payable directly to the supplier.

Use of sponsored radio news programmes, press spots, and/or corporate giveaways are preferred.

Priority will also be given to organizations / activities which clearly demonstrate the achievement of any of the following **objectives**: -

- 1 The promotion of value for life and respect for the law
- 2 The promotion of a country culture that values and rewards innovation, creativity, entrepreneurship and productivity
- 3 The promotion of monetizing indigenous knowledge which contributes to the conservation of natural resources
- 4 The promotion of innovative ways of using local resources sustainably
- 5 The promotion of best practices for sustainable resource use in communities
- 6 The promotion of the use of clean technologies, fuels, recycling, eco-

friendly and conservatory practices

**Special Notes:**

When donations are promoted in the press, the BDC's name and logo must be used. Additionally, in cases where the company which benefited from donations is developing advertisements, the Market Planning and Development Unit (MPDU) of the BDC must approve the artwork, and be allowed to utilize all related information for BDC promotional activities. The company's "visual manifesto" outlining the logo's standards and guidelines must be utilized in determining the relevant course of action. The BDC reserves the right to make the final decision regarding any request. As such, some requests which do fulfill all criteria for support mentioned above may be denied.

# 18.0 AUDIT COMMITTEES OR INTERNAL AUDIT PROCEDURES

## TERMS OF REFERENCE FOR AN AUDIT COMMITTEE OF THE BOARD

### 1. **Mandate**

The Committee is appointed by the Board to assist the Board in monitoring:

- (a) the financial reports and other financial information provided by the Company to any Governmental body or the public;
- (b) the Company's systems of internal controls regarding finance, accounting, legal, compliance and ethics that management and the Board have established; and
- (c) the Company's auditing, accounting and financial reporting processes generally.

Consistent with the function, the Committee should encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- (i) Serve as an independent and objective party to monitor the Company's financial reporting process and internal control system.
- (ii) Review and appraise the audit efforts of the Company's Statutory Auditors and Internal Audit.
- (iii) Provide an open avenue of communication among the Statutory Auditors, financial and senior management, the internal auditing department, and the Board of Directors.

To act in a consultative capacity to the Board in respect of those activities throughout the Company that give rise to credit, market and liquidity risks; to be fully apprised of these risks; to recommend a general risk management mandate to govern these activities; to re-evaluate regularly the risk exposure to the Company, its risk tolerance and the established mandate and to review policies to control risk exposure.

## **2. Composition**

The Committee shall consist of at least two and not more than three Directors, each of whom shall be independent non-executive Directors, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. All members of the Committee shall have a working familiarity with basic finance and accounting or related financial management expertise.

## **3. Quorum**

Two members of the Committee shall constitute a quorum. If there is no quorum available from the members of the Committee for any meeting of the Committee, any other Director or Directors of the Company who are not officers or employees of the Company or any of its subsidiaries and who is or are requested by the Chair of the Board to attend such meetings shall have the right to attend and shall thereupon be a member or members of the Committee for the purpose of attending and constituting a quorum at such meeting.

## **4. Appointment of Committee Members**

Members of the Committee shall be appointed by the Board and shall hold office until their successors are appointed, or until they cease to be Directors of the

Company.

#### 5. **Committee Chair**

The Board shall appoint a Chair for the Committee, who will be a non-executive Director of the Company.

#### 6. **Absence of Committee Chair**

In the absence of the Committee Chair, one of the other members of the Committee present shall be chosen by the Committee to preside.

#### 7. **Calling of Meetings**

Meetings of the Committee may be called by the Chair of the Committee or by any two members of the Committee, and meetings shall be not less than four times per year. The Meeting Schedule and Agendas of the standard four meetings shall be as follows:

- (a) **Quarter 1:** Annual audited financial statements and accounts to be published.  
Independent auditors report.  
Review independent auditors' management letter for last audited period.  
Compliance Report, including compliance with Code of Conduct and Annual Compliance Statements from operating subsidiaries  
Litigation Report.  
Internal Audit Report, including key risks, and plan for the year.  
Performance, and recommendation for appointment at AGM, of Independent Auditors. Any other matters, including any regulatory changes.
- (b) **Quarter 2:** First Quarter unaudited financial statements and accounts.  
Compliance Report.

Litigation Report.

Internal Audit Report, including key risks.

Receivables Review.

Any other matters, including any regulatory changes.

(c) **Quarter 3:** Half-year unaudited financial statements and accounts;

Compliance Report.

Litigation Report.

Internal Audit Report, including key risks.

Any other matters, including any regulatory changes.

(d) **Quarter 4:** Third Quarter unaudited financial statements and accounts.

Independent Auditors' proposed audit scope and approach.

Independent Auditors' fee arrangements.

Compliance Report.

Litigation Report.

Function of Audit & Compliance Committee, terms of reference and procedures.

Internal Audit Report, including key risks.

Receivables Review.

Any other matters, including any regulatory changes.

## 8. Responsibilities and Duties

### (a) Internal Control

(i) Evaluate whether management is setting the appropriate tone at the top by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;

(ii) Focus on the extent to which internal and independent auditors review



computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of a systems breakdown;

- (iii) Gain an understanding of whether internal control recommendations made by internal and independent auditors have been implemented by management; and,
- (iv) Ensure that the independent auditors keep the Committee informed about fraud, illegal acts, deficiencies in internal control, and certain other matters that the Committee determines.

#### **(b) Financial Reporting**

- (i) Review the Company's annual audited financial statements prior to filing or distribution. This review should include discussion with management and independent auditors of significant issues regarding accounting principles, practices and judgments;
- (ii) In consultation with the management, the independent auditors, and the internal auditors, consider the integrity of the Company's financial reporting processes and controls;
- (iii) Discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures;
- (iv) Review significant findings prepared by the independent auditors and Internal Audit together with management's responses;
- (v) Review how management develops and summarizes quarterly financial information, the extent to which the external auditors review quarterly financial information, and whether that review is performed on a pre- or post- issuance basis;
- (vi) Meet with management and the independent auditors to review the interim financial statements and the results of the review;
- (vii) Establish procedures for the receipt, retention and treatment of complaints

received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and

- (viii) Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports, which raise material issues regarding the Company's financial statements or accounting policies.

### **Independent Auditors**

- (i) The independent auditors are ultimately accountable to the Committee, the Board of Directors and the Shareholders. The Committee shall review the independence and performance of the auditors, in particular the lead partner of the audit team, and annually recommend to the Board of Directors the appointment of the independent auditors or approve any discharge of auditors when circumstances warrant;
- (ii) Ensure the rotation of the lead audit partner at least every five years;
- (iii) Approve the fees and other significant compensation to be paid to the independent auditors;
- (iv) On an annual basis, the Committee should review and discuss with the independent auditors all significant relationships they have with the Company that could impair the auditors' independence;
- (v) Review the independent auditors audit plan to discuss scope, staffing locations, reliance upon management, and internal audit and general audit approach; and
- (vi) Ensure, in relation to the next planned audit, that the CEO, CFO or person serving in a similar position in the Company did not participate in any capacity in the audit of the Company as a member of that auditing firm in the one-year period preceding the initiation of that planned audit.

**(c) Compliance with Laws and Regulations**

- (i) Review the Company's effectiveness of the system for monitoring compliance with laws and regulations including money laundering and the results of management's investigation and follow-up (including disciplinary action) on any fraudulent acts or accounting irregularities;
- (ii) Periodically obtain updates from management, general counsel, and Manager -Compliance regarding compliance;
- (iii) Be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (iv) Review the findings of any examinations by regulatory agencies.

**Compliance with Code of Conduct:**

- (i) Ensure that a Code of Conduct is formalized in writing and that all employees are aware of it;
- (ii) Evaluate whether management is setting the appropriate tone at the top by communicating the importance of the Code of Conduct and the guidelines for acceptable business practices.

## **19.0 SPECIAL PLANS AND/OR PROJECTS FOR THE YEAR AND STATISTICS**

There were no special plans or projects for the fiscal under review and all normal activities were reported in the monthly reports sent to MTI.

## **20.0 PERFORMANCE ACCOMPLISHMENTS**

### **SECTOR DEVELOPMENT ACTIVITIES**

These activities sought to focus on the seven priority sectors identified by the Government of Trinidad and Tobago – food and beverage, printing and packaging, music, film, fish and fish processing, yachting and merchant marine. Most of the programmes however, cut across all sectors and were therefore not sector specific. The Company also sought to work closely with the respective Committees and Companies set up to treat with each of these sectors.

Overall for the fiscal under review five hundred and ninety seven (**597**) individuals benefited from the sector development programmes. Some of the areas covered include:

- Hazard Analysis Critical Control Points for the food and beverage sector
- Good Agricultural Practices (Tobago) for the agricultural sector
- Occupational Safety and Health which impacted all sectors
- ISO 14001 Environmental Management which impacted the manufacturing sectors
- ISO 22000 Food Safety Standard which impacted the food and beverage sector.
- Business Mentorship

Another area of focus for the Company was that of Information and Communication Technology (ICT) as a tool for business development. In this regard the Company developed its ICT Action Plan. Coming out of this Plan was the identified need for a functional business to business portal where businesses can transact business. The smexchange was developed and launched in January 2006. The total number of companies registered to the portal is two hundred and fifty five **(255)** to date there are more than seven hundred and fifty **(750)** members. Work commenced on the development of the portal into a full e-commerce website and steps were taken towards introducing an e-learning platform hosted on the site.

## **LOAN GUARANTEE**

The BDC is also responsible for the management of the LOAN GUARANTEE facility. For the fiscal under review the following are the results:

1. One hundred and forty nine **(149)** loan guarantees were issued over the fiscal 2007/2008
2. Total guaranteed value TT\$9,845,712
3. Number of Approved Small Company Status certificates approved: 10

## **CONSULTANCY SERVICES**

Thirty six **(36)** companies and twenty seven **(27)** individuals benefited from Consultancy and Business Advisory services.

## **TRAINING SERVICES**

The training services offered by the Company focuses on business management and employee enhancement training in areas including – professional telephone etiquette, customer service excellence, Supervisory Skills, Corporate Branding, Customer Service Excellence, Corporate Etiquette & Protocol, Effective Business Writing and Enhancing Managerial Effectiveness.

	BUDGETED	ACTUAL
REVENUE GENERATION	1.2 MILLION	\$601,135
NUMBER OF PARTICIPANTS	900	380

### RESEARCH AND DEVELOPMENT FACILITY

5 applications were approved and disbursed with a value of \$392,500.

### EXPORT CERTIFICATION

39,276 Certificates of Origin were stamped, resulting in revenue of \$2,826,025

### CLCL ACHIEVEMENTS FOR FISCAL 07-08

There was a total of twelve (12) lease applications approved during the fiscal under review. The corresponding value of these approvals was **\$10,985,794** in the sectors including construction, health services, food and beverage and printing and packaging.

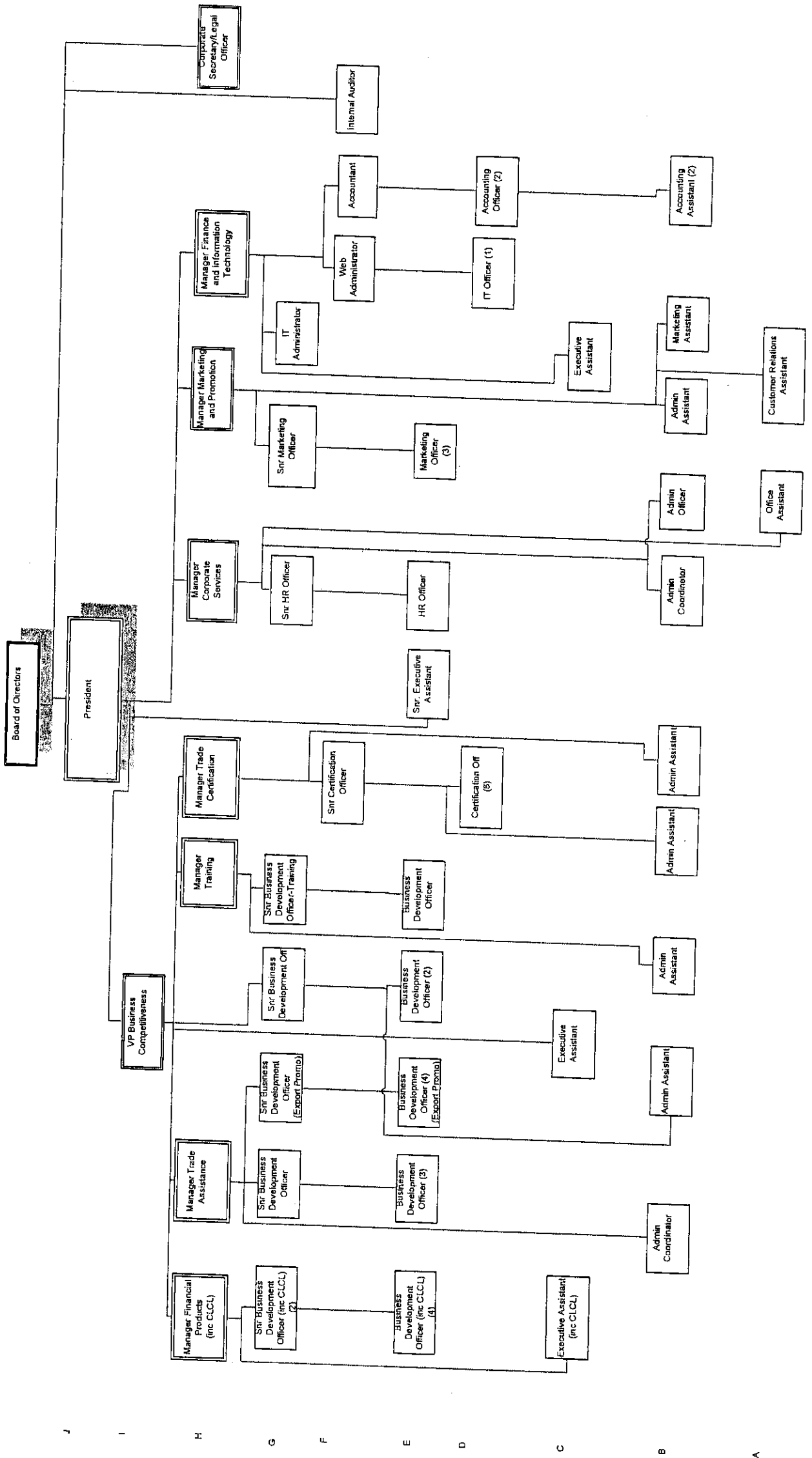
## **21.0 RECOMMENDATIONS**

The Company continues to remain focused on its objectives and sees no immediate reason why they cannot be accomplished. There are some proposals before the MTI which, if accepted, would result in the Company's improved position in the market place, chief among them are the increase in the RDF limit and an increase in the loan guarantee limit.

## **APPENDICES**

### **Appendix 1 – Organizational Chart**





J  
I  
H  
G  
F  
E  
D  
C  
B  
A