



Enterprise St Helena

Annual Report 2016-2017

(T) +290 22920
(F) +290 22166
(E-mail) info@esh.co.sh

Development & Investment: www.investinsthelenas.com
Tourism: www.sthelenatourism.com

Enterprise St Helena
Head Office
ESH Business Park
Ladder Hill
St Helena Island
STHL 1ZZ

Enterprise St Helena

Annual Report

| | |
|---------------------------------------|----|
| Executive Summary | 3 |
| Chairman's Letter | 4 |
| Enterprise St Helena at a Glance | 5 |
| Chief Executive Review | 7 |
| Performance, Outcomes & Impact | 8 |
| Challenges to Economic Development | 15 |
| Partners in Development: SHAPE | 16 |
| Partners in Development: St Kebabee's | 17 |
| Financial Overview | 18 |
| Outlook for 2017-2018 | 19 |

THE VISION



A vibrant and sustainable economy

Executive Summary

Enterprise St Helena (ESH) aims to provide an enabling environment for private sector development and tourism led economic growth in the run up to air access and beyond. The start of commercial scheduled air services has been delayed and although this is disappointing and a cause of uncertainty, it has provided an opportunity for the island to develop further to seize the opportunities that air access will bring. The commercial operation of air access is expected to commence later this year, 2017.

Despite this challenging environment ESH continued to meet several key objectives including facilitating and financing start-up and expanding businesses, developing skills and creating jobs for local people, encouraging development in the fishing and farming industry, developing the hospitality and tourism sector with particular emphasis on investment, in the quality and quantity of tourism accommodation.

For Phase I of the DFID Project (2013-2016) which incorporates the financial year 2016-2017, ESH delivered crucial outcomes which demonstrate the improvement made and the ultimate impact on economic development. Significant activities and achievements can be highlighted over the past year from the international recognition of ESH as the first to be awarded Excellence in Economic Development to the re-opening of the Jamestown Market and the District Clean up Competition that snowballed positive social and community change.

December 2016 saw the close of Phase I of the DFID ESH Project which had been a continuous learning curve for all in the organisation. The organisation's achievements and the striving for excellence undertaken by the entire team and partners despite the challenges identified, is testament to the dedication and persistence of all involved to make things happen.

Board Members

Hon. Lawson Henry
Dr Niall O'Keeffe
Nicholas Yon
Martin T. Joshua
Dr Corinda Essex
Paul Hickling
Giselle Richards
Anthony M. Thomas

Subcommittee Members

Finance, Audit & Governance

Nicholas Yon
Dr Niall O'Keeffe
Desmond Wade
Joan Peters
Priscilla Joshua

Business Development

Martin T Joshua
Darren Duncan
Hon. Wilson Duncan
Wendy Benjamin

Tourism

Paul Hickling
Giselle Richards
Vince Thompson
Hon. Brian Isaac
Elizabeth Clingham
Dorothy Peters

Project Management

Anthony M Thomas
Barry Hubbard
Hon. Cyril George
Stedson Francis
Clint Beard

Foot Note: Enterprise St Helena is an arm's length body from government established in 2012 to drive economic growth, promote St Helena to new investors and developers¹, and lead on the implementation of the island's Sustainable Economic Development Plan (SEDP)². The SEDP sets out the strategic vision for the island and aims for St Helena to be less dependent on British government aid by stimulating economic growth.

¹ St Helena Tourism Development Plan, 2009

² SEDP, 2012

Chairman's Letter

by Hon. Lawson Henry



Over the last year, St Helena has faced many challenges on island not least the significant disappointment of the postponement of the opening of our Airport to commercial flights. This was a monumental setback for the island and still is, however, we remain optimistic and look forward to the commencement of commercial flights at St Helena's Airport later this year; 2017.

Despite the many challenges, Enterprise St Helena (ESH) has remained focused and has had several huge successes, in particular the award received from the Institute of Economic Development that recognises and endorses the 'Excellence in Economic Development'.

We also saw the completion of the Jamestown Market, Bertrand's Cottage Hospitality Training Facility, High Knoll Fort lighting and access, and the Jamestown Main Street project. We look forward to the Longwood Enterprise Park coming on line later this year.

Since ESH refocused on enhancing the provision of support to local investment we have seen many young Saint Helenians take up the challenge in creating their own business.

St Helena is at a turning point in its development and as we approach the eve of air access with weekly commercial flights, it is critical that we continue to receive support from our partners during the transitional period.

There is still much to do with the development of the Island's enabling infrastructure to support economic development and ESH has a key role to play in the years ahead. Whilst I too, recognised the support we have received from Her Majesty's Government, their continued support during the transitional period remains critical if St Helena has to reap the full benefits of air access, economic development and importantly position itself to become eventually self-supporting.

The next three years with air access will be critical and the role of ESH will be pivotal in how the Island develops and becomes a destination that tourists want to visit. We need to work together with our partners to create St Helena as a destination, build confidence in the market and attract much needed inward investment.

I wish to congratulate the Team at ESH for their achievements during a challenging year and wish the organisation every success in the future. It has been a pleasure to work in such a forward looking organisation over the last four years. Finally, I would also like to pay tribute to my fellow Board Members for their support and hard work.

Enterprise St Helena at a Glance

The Current Position

Enterprise St Helena (ESH) was established in 2012 by ordinance to deliver St Helena Government's (SHG) economic policy. St Helena's economic policy has been predicated on the introduction of scheduled air services to the Island from 2016 and increased tourism. However, scheduled air services have been delayed. It is anticipated that the commercial operation of air access is expected to commence later in 2017.

This delay, together with the time constrained shipping schedule to the island, has had negative implications. Nonetheless ESH remains focused on promoting the growth of the economy of St Helena, through the development of existing and new businesses, and the promotion of the island to new investors and developers.

ESH is funded by the Government of St Helena and the United Kingdom (UK) Department for International Development (DFID).



Board of Directors

The ESH Board of Directors is established in accordance with the Enterprise St Helena Ordinance (CAP 166). The ESH Board of Directors is responsible for setting the strategic direction of the organisation, and also monitoring of ESH's operations including financial performance.

Sub-Committees

There are four advisory Sub-Committees to the Enterprise St Helena Board of Directors;

- Project Development
- Tourism
- Business Development
- Finance, Governance and Audit

Asset & Credit Committee

The Asset & Credit Committee is a combined Board and Senior Management sub-group that convenes when necessary to consider Business Cases presented to the organisation.

Key Focus Areas

ESH has focused on 6 key areas of activity in promotion of economic development. These are:

- Helping Saint Businesses
- Up-skilling Saints
- Financing Saint Businesses
- Tourism Promotion
- Attracting Investment
- Fisheries Development

To meet key areas of activity, ESH includes the St Helena Hospitality Up-skilling Initiative and St Helena Tourism to promote the tourism industry and up-skilling of people working in this crucial sector.

Managing Risk

Effective management of risks and opportunities is essential to the delivery of ESH's strategic objectives, achievement of sustainable stakeholder value, protection of its reputation and meeting the requirements of good corporate governance. Our approach is aimed at the early identification of key risks, mitigating the effect of those risks before they occur and dealing with them effectively if they crystallise.

Enabled by our Resources

Our People



We:

- have a talented and diverse workforce the majority of which are St Helenian
- invest in education and training and the continuous professional development of our existing workforce
- have 27 Full-time employees and 1 Part-time employee, both local & international

Funding



We:

- receive budgets from DFID and SHG which fund our project and recurrent (operational) costs respectively

Location



We:

- have two main office buildings, ESH head office located at Ladder Hill, the Tourist Office in Jamestown and also an office space at the airport
- have international presence via UK and SA based officers
- have neighbouring representatives on Ascension and the Falkland Islands

...Supported by strong Governance Processes

Operational Framework

Our Corporate Governance Guidance sets out how our business is done across ESH. It is based on principles of good governance, and detail the organisations policies, procedures and processes. The Finance, Governance and Audit sub-committee ensures that the appropriate corporate governance framework including internal control systems for financial reporting and risk management are in place, compliant with the Enterprise St Helena Ordinance (CAP 166) and all legal and regulatory requirements.

We have Excellence in Economic Development status meeting our overall objective aligned to the Institute of Economic Development (IED) standard, which enabled the development of our people, projects and processes, and facilitates the exchange of best practice and enabling benchmarking over time. The IED is the leading professional body in the United Kingdom representing economic development and regeneration practitioners.

...Providing Services to the business community

Financial

Grants

SME (Legal & Technical support and Development Projects)
Capital Investment (Tourism & Hospitality)
Skills Development

Loans

Youth Loan
Business Development
Working Capital
Skills Development

Equity Finance (Risk Capital)

Non-Financial

Promotion

Of local produce & businesses/investment opportunities including organising itineraries, activities and events

Commercial Property Portfolio

A number of commercial units for both Industrial and Non-industrial businesses

Specialist Advice and Guidance

Training Programmes

Both accredited and non-accredited, local and offshore

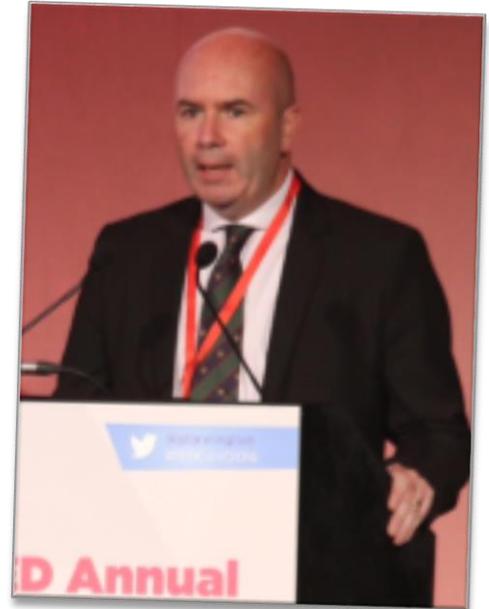
Information Centre

Including a booking service & meeting room facilities

Chief Executive Review

by Dr Niall O’Keefe

At Enterprise St Helena we continue to challenge ourselves about how best we can support St Helena. In partnership with DFID and SHG, we constantly strive to reach out and offer support, whether advisory or financial, to the various sectors on the island and we continue to increase our promotion of St Helena as a Tourism and Investment opportunity. There are many good examples of our work outlined in this publication and evidence of our impact on the island but for us economic development can only be deemed successful when it benefits greater numbers and the quality of life has been enhanced for all in our community.



The past year has been a very difficult one for the community and the private sector. The regular scheduled flights didn’t happen as anticipated, there were also challenges with sea access resulting in less than anticipated tourists and we experienced a severe drought, which effected every household and created real challenge for sectors such as construction and agriculture.

The resilience of St Helenians is legendary but one would hope that this period of significant challenge will begin to subside with the forthcoming announcement on regular commercial air services and the anticipated arrival of an increased number of tourists.

While the development of an economy based on sustainable tourism will take many years, the next few months will be critical in shaping the future of the industry. We promote St Helena as a new destination, a small island developing state, however, visitors to our shores will still expect good quality services in return for their money. Guests will reasonably expect comfortable accommodation, safe and clean transport, good food, services and a friendly stay while they explore what is on offer on St Helena. The challenge and risk is where the majority of service providers will keep their side of the agreement it would only take one or two service providers to damage the sector and its potential for everyone else.

Enterprise St Helena has developed good working relationships with industry leaders around the globe from the UN and the Institute of Economic Development to various representative bodies to enable us to provide the best possible support to the private sector and the community. We will be rolling out a number of these initiatives in the coming weeks. I would urge anyone requiring support to promote their business and to manage it in the best possible way to please contact us. We will continue to reach out to those in business or with an idea in a confidential manner.

The phrase is often used too loosely but these are truly historic times. It is a time where members of the community can take advantage of a change in how we live and work on St Helena. It is a time for St Helenians to utilise their also legendary skills and talents for the betterment of their own lives and for the benefit of St Helena. It is time to take advantage of the resources of Enterprise St Helena.

Performance, Outcomes & Impact

Results of Key Performance Indicators for Phase One of our DFID Project

| KEY PERFORMANCE INDICATOR | 2013/14 | 2014/15 | 2015/16 | April - Dec 16 Extension | Total - Phase 1 |
|--|---|---------------|--------------|--------------------------|------------------------------------|
| 1.1 Number of local business start-ups or expansions (youth / non-youth) supported by ESH | 1/5 | 2/6 | 2/7 | 1/36 | 6/54 |
| 1.2 Number of start-ups (youth / non-youth) remaining in business after 2 years that were supported by ESH | 11 & 18 (2012/13) | 10 | 10 | 10 | 59 |
| 1.3 Number of businesses accessing professional advice from ESH (Note: KPI was replaced by below KPI in 2014/15) | 108 | - | - | - | 108 |
| 1.3 Number of tourism/hospitality businesses receiving capital investment grants (KPI commenced 2014/15) | - | 2 | 2 | 2 | 6 |
| 2.1 Number of individuals completing accredited and non-accredited training courses supported by ESH (Note: KPI was originally Number of individuals completing certified training courses in 2013/14) | 151 <u>17 certified</u> 134 non certified | 469 (195/274) | 418 (84/334) | 29 (23/06) | 916 (302/614) Excluding 2013/14 |
| 2.2 Number of completed traineeships supported by ESH (Note: ESH ceased to fund this sub-component – SHG's Education & Employment Directorate covers this area) | 2 | 5 | - | - | 7 |
| 2.3 Number of Skills Development Grants (utilising EDF and project funding) supported by ESH | 2 | 9 | 7 | 3 | 21 |
| 3.1 Number of micro-grants (£1,000-£5,000) supported by ESH | 18 | 67 | 49 | 38 | 172 |
| 3.2 Volume of new capital investment grants (Note: KPI commenced 2014/15) | - | £30,000 | £30,000 | £30,578 | £90,578 |
| 4.1 Number of tourist visitor arrivals per annum | 2,838 | 3,941 | 9,011 | 3,040 | 18,830 |
| 4.2 Total number of tourism businesses supported by ESH | 3 | 17 | 9 | 8 | 37 |
| 4.3 Number of new jobs created in the tourism industry | 23 FT, 15 PT | 12 FT, 10 PT | 13 FT, 8 PT | 14 FT, 5 PT | 100 62 FT 38 PT |
| 4.4 Number of additional visitor attractions developed. (Note: KPI commence in 2014/15) | - | 3 | 0 | 2 | 5 |
| 4.5 Number of ESH-supported Capital Programme projects completed on time and to budget (Note: KPI commenced 2015/16) | - | - | 1 | 2 | 3 |
| 5.1 Number of local and foreign investors secured by ESH | 2 | 4 | 4 | 2 | 12 |
| 5.2 Capital investment generated (£) by ESH (FDI and local private sector only - does not count any public funds) | 260,000 | 209,000 | 535,000 | 97,512 | 1,101,512 |
| 5.3 Number of Land and Property transactions facilitated by ESH | 1 | 1 | 1 | 1 | 4 |
| 6.1 Fisheries accredited to sustainability standards (Note: Relates to membership of certification bodies) | 0 | 0 | 2 | 0 | 2 |
| 6.2 Businesses supported by ESH within fishing industry supply chain | 2 | 2 | 3 | 2 | 9 |
| 6.3 Number of ESH fisheries action plan recommendations implemented (Fisheries Development Report - March 2013) (Note: KPI ceased in Extension Period) | 6 | 5 | 6 | - | 17 |

Financial Support Provided

Results of financial support for Phase One

| Financial Support Services | 2013/14 | 2014/15 | 2015/16 | April – Dec 16 Extension | Total- Phase 1 |
|--|--------------------|--------------------|--------------------|--------------------------|-----------------------------|
| SME (micro) Grant | £4,835.70 | £82,478.03 | £57,466.71 | £87,334.97 | £232,115.41 |
| Agriculture Grant Support | £73,720.83 | £61,998.01 | £118,322.18 | £69,279.93 | £323,320.95 |
| EDF Capital Investment Grant | £0.00 | £15,000.00 | £24,135.73 | £19,113.34 | £58,249.07 |
| EDF Skills Development Grant | £4,220.46 | £2,560.00 | £13,223.15 | £6,829.00 | £26,832.61 |
| EDF Youth Start-up Loan | £2,500.00 | £3,000.00 | £2,000.00 | £0.00 | £7,500.00 |
| EDF Equity Shares | £122,300.00 | £83,300.00 | £0 | £0 | £205,600.00 |
| EDF Business Development Loan | £28,791.71 | £127,700.00 | £128,300.00 | £31,525.39 | £316,317.10 |
| Total provision of Financial support: | £236,368.70 | £376,036.04 | £343,447.77 | £214,082.63 | <u>£1,169,935.14</u> |

Results of engagements with the business community

| | 2013/14 | 2014/15 | 2015/16 | April – Dec 16 Extension | Total- Phase 1 |
|-----------------------------|---------|---------|---------|--------------------------|-------------------|
| Business Engagements | 156 | 152 | 167 | 105 | <u>580</u> |

Making a Difference

The difference made....

Larger, more profitable and sustainable local businesses particularly in key sectors

Fewer skills gaps and enhanced entrepreneurship

Better financed local businesses

St Helena better established as a tourist destination

Economic development supported with increased investment levels

Island fisheries providing sustainable livelihoods and growth opportunities

Destination Marketing

ESH has continued to keep St Helena on the international radar through a targeted advertising and marketing programme and through attendance at International Travel Shows. The organisation was also heavily involved in the highly publicised RMS voyage to the UK in June 2016.

An achievement from our continuous marketing campaign, saw St Helena chosen by Conde Nast Traveller in the United Kingdom as one of the ten hottest places to visit in 2017.



The island's international social media and on line presence has reached new heights. At the end of March 2017 facebook remains St Helena Tourism's most dominant page reaching 19,679 likes. A key promotional video produced on-island has reached over 300,000 people with over 2000 shares and over 180,000 views across Facebook. Our Twitter page passed 1,000 followers and a YouTube page was added to the platforms and now has 8 original videos. A Flickr page was also created as a gallery for international media.



St Helena was represented at various international travel and trade shows by members of ESH who gained vital exposure and experience. Not only to learn about the realities of the international tourist market and who our competitors are, but also to start to build meaningful face-to-face relationships with tour operators and the media that will develop over time for the benefit of St Helena.

"It is great to see St Helena Tourism at Experience Latin America and exhibiting on the LATA Pavilion at Destinations. Their presence at these key shows is vital for their tourism strategy as it is the best way to introduce a new destination, engaging interest, stimulating excitement and educating the travel trade, media and public about this exciting and very special island."
Byron Shirto, Chairman LATA



Significant Achievements

Excellence in Economic Development

Enterprise St Helena on 23 November 2016 became the first organisation to achieve the Excellence in Economic Development Standard, from the Institute of Economic Development (IED). The presentation of the award was made by former Minister Sir Vince Cable at the Institute's Annual Conference in London which was attended by many of the UK's leading development organisations and practitioners.

At the event, representing and collecting the award on behalf of the organisation was the Chief Executive of Economic Development and the Quality, Systems and Information Manager.



To achieve the Excellence in Economic Development Standard, ESH completed a process of external assessment that was independently reviewed by an external assessor. Once verified and approved by the assessor and subsequently the Institute Board, Enterprise St Helena was recognised for Excellence in Economic Development and are entitled to use the Quality mark to demonstrate their achievement. The organisation began the standard process over a year ago, where the external assessor independently reviewed the organisation's systems and processes.

"The IED is delighted that Enterprise St. Helena has achieved this award. This will represent a key standard for all economic development agencies in the future - and ESH led the way."
Bev Hurley, Chair of IED

ESH continues to improve as an organisation following the IED's guidelines and subsequently further improve the support provided to the private sector to enable businesses to grow and develop. This demonstrates that the ESH Board, subcommittee members and employees is capable, experienced and knowledgeable with supporting processes and systems in place to support ESH's activities and actions. This also means that St Helena, the community and the private sector can trust and have confidence that ESH is working at an international standard. This standard will need to be maintained of which an action plan has been created and is currently been implemented.

"We are totally confident that not only is ESH operating to the required level to qualify for the overall award of Excellence in Economic Development but also to the spirit of the standard to ensure continuous improvement and ongoing development." Nigel Wilcock, Executive Director IED



Significant Activities

District Clean up Competition

The District Clean up Competition initiated, launched and sponsored by ESH in 2016 kick started community spirit and dedication to volunteering across the island. The results were clearly visible, with safe, clean and picturesque locations developed for all to enjoy. Over 400 individuals participated in the competition under the following districts:

- Blue Hill
- Half Tree Hollow and Ladder Hill
- Jamestown, Ruperts, Briars and Sea View
- Levelwood
- Longwood and Alarm Forest
- Sandy Bay
- St Pauls



"Beautification and presentation have attracted and enlightened the community spirit which has reflected the aspirations of the community project as a whole."
Rosie Mittens, Longwood & Alarm Forest Representative

"The district clean up competition helped to revive the community spirit in St Paul's and helped us to get started on some great projects, which I am pleased to add are continuing."
Tracey Williams, St Paul's Representative

Festival of Running

ESH hosted its eighth Festival of Running in November 2016 seeing 125 participants. Competitors took part in running events ranging from a marathon to a 3k fun run and a triathlon. Entrance fees for the events were donated to the National Amateur Sports Association, St Helena (NASAS) and New Horizons Youth Centre. The event saw various records broken. These included the Marathon the first gent, Martin Collins, finished in 3hrs 44min 5secs and Megan Vass came in first for the ladies' in 4hrs 24mins 12secs. For the Trail Run the first gent, Martin Collins, finished in 56min 55secs. The Individual Triathlon first gent, Richard Dobson, finished in 1hr 4min 13secs. Finally, the Team Triathlon which consisted of Martin Collins, Colby Thomas and Anthony Thomas, finished in 57min 47secs. This Festival of Running was a unique event which saw several international runners, and international coverage.

"The St Helena Marathon, though incredibly challenging is without a doubt one worth doing. We were very well supported by the organisers and I can honestly say I could not have done it without them. I am quite certain that it will grow in popularity and look forward to watching it go from strength to strength." Megan Vass, Ladies Marathon Winner & Record Breaker



Implementation of Key Projects

Jamestown Market is a Grade I listed building, which has been refurbished to create a safe, vibrant, and attractive facility for traders to promote their businesses and products. As a part of the project, the number of units available was increased from 10 to 13, and an improved area of open floor space has been created for occasional users. The market has enabled new business start-ups and expansions in a variety of sectors from local produce to handmade products. With regards to employment creation the Jamestown market created or sustained 18 jobs. Four additional display carts have also been purchased to enhance the Jamestown Market offering.

"I would like to thank ESH for giving me this opportunity to start my business from the heart of St Helena, as this will be easier for my clientele to come and shop" Market Tenant



Bertrand's Cottage is a Grade II listed building at Longwood which has been renovated and refurbished. This property compliments Longwood House and the General's Apartments, by providing a new training facility that has a restaurant capable of seating 20 – 30 people, and also 3 double en-suite bedrooms for accommodation with bed & breakfast facilities. The building has significant historical interest, however it required structural and cosmetic repairs in order to bring it back into productive use. Bertrand's Cottage has created 5 jobs as well as 2 apprentices, working toward accredited qualifications, and has catered for both locals and international tourists. Various short courses have been offered with 48 people attending these sessions. Further accredited courses are to be offered in the coming year.



"I learnt practical skills which I intend to use in my business, I have already recommended the training to other people and hope to do more training in the future"
Liz Johnson, Hospitality Training Participant

Projects in Partnership

Longwood Enterprise Park (LEP) is based on the refurbishment and expansion of a former slaughterhouse and butchery facility, which stopped operating in 2006 and has not been used since. In January 2012, the building was identified by the Agriculture and Natural Resources Division of SHG as a potential site for the development of a processing and storage facility for arable produce servicing farmers and growers in the Longwood area. ESH has developed this concept further, and in addition to providing a pack house and storage facility, the newly expanded building will also provide 7 much needed commercial business units for the private sector community. The LEP is anticipated to create at least 11 jobs.



High Knoll Fort Up-Lighting

Before ESH undertook this project, High Knoll Fort could only be seen during daylight hours. It is one of St Helena's oldest and largest assets, rich with history and of direct interest to several local organisations, for example the St Helena National Trust and Sure South Atlantic Ltd. At night it was neglected and out of sight. By lighting the perimeter of the external base with LED lights, High Knoll Fort now has a presence at night.

ESH is not able to fund the ongoing operational costs for the lights and have agreed a trade-off with SHG. In exchange for SHG taking on the annual energy costs to run the lights, ESH have agreed to purchase a replacement festoon system to be used in Jamestown during the Island's festive period and at other events. The new festoon lights being procured are low energy LED bulbs, which are significantly less costly to operate than the current candescent bulb arrays.

High Knoll Fort Access Road Passing Bays

Occasionally there are events held at the Fort itself and these often run into dusk and night time. The events are enjoyed by the community, which is evident by repeat visits on such occasions. However, the commute to and from the Fort along a narrow single dirt track was both hazardous and challenging for even the best of drivers, when suddenly faced with an oncoming vehicle and having to reverse. By creating 6 passing bays, this obstacle and also congestion have been alleviated, making the overall experience of visiting the fort more fondly remembered, minimizing traffic accidents and driver frustration.

ESH is not able to fund wider infrastructure projects, however in this case resurfacing of the access road also took place. As the contract was awarded to the Roads Department, the funds were reinvested by SHG into resurfacing of the road to High Knoll Fort.

Blue Hill Picnic Area

The purpose of this small tourism enhancement project was to use the natural landscape in order to create a picnic area that is in high demand in the Blue Hill Area. The view overlooks Sandy Bay Beach and the valley leading to it. Works involved laying concrete slabs to form a walkway and also laying slabs to accommodate the benches. A rail was also installed to enhance safety.

As ESH is not able to fund on-going maintenance and associated costs, SHG has agreed to include this picnic area into their ongoing grounds maintenance schedule.

Challenges to Economic Development

The financial year 2016/17 was not without its challenges which continue to impact on sustainable economic growth. The most significant challenge was the deferral of air access and the continued reliance on the lengthy sea voyage, however further challenges in relation to achieving business development, attracting investment (both local and international) and promoting tourism are:

- **Easing access to land and buildings**
In keeping with the spirit of the Framework Agreement between SHG and ESH, the bodies will work together to identify potential assets and sites which can be best used as vehicles for economic growth. This will help address barriers to securing sites by ensuring appropriate resources to speed up property transactions.
- **Costly internet and telecommunications**
Executive Council has endorsed a proposal to pursue a sub-sea fibre optic cable from the EDF 11 funding.
- **Creating a business enabling environment**
Ensuring that local policies are business friendly and that all parties involved in the process adopt a 'business enabling' culture. With appropriate resources this will ensure that promotional efforts are not undermined by the creation of subsidiary policy/process constraints, delays in processing applications, or 'mixed' messaging.
- **Making St Helena a good place to invest**
Ensuring that the right incentives are in place to enable investment in a sustainable manner for the betterment of St Helena and that these are delivered in a joined up manner. Funding support (grants, loans, and risk capital) has been reviewed during the year to encourage holistic business growth and greater entrepreneurship.
- **Labour supply**
Current high levels of employment will become a factor effecting future investment decisions.





Partners in Development

SHAPE - St Helena's Active Participation in Enterprise

SHAPE, St Helena's Active Participation in Enterprise is the first social enterprise established on St. Helena. SHAPE's historical roots go back as far as 2004, when ESH's predecessor SHDA joined SHG and The Disabled Society in setting up a social enterprise, providing training and work experience for disabled people. The three partners provided much needed funding to enable exposure visits to the Shetland Islands and advice on setting up what has become today a thriving organisation. SHAPE officially opened in 2008, venturing in soap and candle making and some traditional craft using flax and aloe fibres.

In 2017, SHAPE's business capacity has expanded – the Fibre Crafts has increased to include flax weaving a skill brought to SHAPE by an expert Maori. A training venture funded by ESH saw Mrs Veranoa Hetet arrive on island and to SHAPE in 2012, to train our people in the weaving of the much invasive flax (leaf).

SHAPE's early pioneering attitude, saw it building a vision to open St. Helena's first Paper and Card Recycling Centre. A suitable industrial location was required and again, it was ESH who provided this. Today SHAPE rents two of the Industrial Units at Donkey Plain which has also provided much needed outdoor space to allow the paper and recycling business to fully expand. It is SHAPE's aim to develop this enterprise to support a strong sustainable economy for the organisation.

SHAPE knows that if we are to invite people to come see and mix with us, we also need to extend a warm hospitality and so it was to ESH, SHAPE again turned; for financial support. Grant funding from ESH has led to SHAPE renovating and equipping its kitchen and dining area, and proudly opening The Bamboo Café on 8th April 2017.

As any fledgling business, SHAPE has needed support and for this has turned too and accepted, over the years, financial and business advice from ESH. In reflecting on SHAPE's accomplishments these past ten years, it is the support from SHDA /ESH that has given SHAPE the business impetus it so strongly carries.

As we reflect on this partnership we equally acknowledge the people of SHAPE in this success; our strong, supportive staff (past and present), our wonderful engaging clients including those who remain loyal to SHAPE after moving on and our focused and committed Board of Directors (many past Directors are still Members of SHAPE today).

SHAPE has a strong determination to continue on its journey of enhancing the quality of life for St. Helena's disabled and vulnerable people. Our journey will take us to a self-sustaining business model so that we are independent in our provision for the people we serve. To achieve this, SHAPE will continue to grow and enjoy its partnerships. Because, as the past years has shown us, that it is through partnership that we will indeed flourish.

Words by Leanne Henry, SHAPE Manager





Partners in Development

St Kebabee's - Anders Bowers

Food has always been a passion of mine, I am always experimenting at home whenever I can with different ingredients and flavours. My long-term ambition was always and still is to create a part-time business that will hopefully develop into something full-time. Initially my aim is to open a Kebab shop mainly on weekends and holidays in the first instance. I believe that the St Helena market is changing very quickly and the demand is there, so I thought a Kebab shop or something of that sort would provide something different and exciting that would enhance the local food market.

My dream became a reality on the 16th December 2016 when I launched St Kebabee's located from my home in the heart of Jamestown near the Market Square. Offering a variety of simple, healthy food, keeping in mind value for money. Over the years I have been researching and I personally started investing into commencing this business with the support of my wife and family. However I still needed a little support and direction as this was something new to me.

Therefore a year before launching my business I learnt about Enterprise St Helena (ESH) supporting "new business start-up's" so I entered into discussions with ESH and I was able to get the guidance and advice I needed including hospitality expertise with menus, health and safety along with financial support to purchase some of the equipment that I required, enabling the start-up and running of my business. My take-away service offers an additional option for both locals and tourist alike to enjoy.

As the business progresses we are still learning a lot, such as areas where we can improve on, things we should or shouldn't do and small changes that we can incorporate to enhance efficiency and quality. It is important that we take this on board to improve our standards and help develop a good customer base.

One of the biggest challengers we are faced with weekly, is sourcing ingredients.....locally and abroad and the constant increases in prices.

Overall we are still a very young business so it's difficult to gauge exactly how we are doing but thus far it has been an exciting venture and hopefully we can continue to progress and develop it into something successful.

Words by Anders Bowers, Business Owner



Financial Overview

Enterprise St Helena's financial year runs from 1st April to 31st March. Below is a summary of the income and expenditure for this financial year*.

| Summary of Revenue Income for 2016 / 2017 | | |
|---|------------------|------------------|
| | £ | |
| DFID subsidy | 1,408,435 | |
| SHG subsidy | 1,100,000 | |
| Grant & revenue income | 113,542 | |
| Rental income | 38,049 | |
| Tour income | 23,838 | |
| Other income | 20,188 | |
| Total revenue | 2,704,052 | |
| Summary of Expenditure for 2016 / 2017 | | |
| | £ | £ |
| Recurrent Expenditure | | |
| Salaries and wages | 535,017 | |
| Office expenditure | 275,600 | |
| Tourism expenditure | 124,080 | |
| Offshore representation | 99,092 | |
| Capital and tourism projects | 86,596 | |
| Other expenditure | 61,462 | |
| Rental property expenditure | 60,062 | |
| Visitor attractions maintenance and development | 40,650 | |
| Tour guides & tours | 36,556 | |
| Net loss on disposal of assets | 31,905 | |
| Grants issued | 25,942 | |
| Board Directors remuneration | 17,914 | |
| Audit fees | 10,580 | |
| Private sector development | 7,500 | |
| | <u>1,412,956</u> | 1,412,956 |
| DFID Project Expenditure | | |
| Capital projects | 508,540 | |
| Training & skills | 380,700 | |
| Private sector development | 209,407 | |
| Technical Corporation | 227,565 | |
| Promotional activities | 198,098 | |
| International promotion | 54,934 | |
| Sector support | 17,598 | |
| | <u>1,596,842</u> | 1,596,842 |
| Total Expenditure | | 3,009,798 |

*Subject to accounts being audited

Outlook for 2017-2018

In 2017/18 scheduled air flights are expected to commence, in parallel ESH commenced Phase Two of their new project programme relating to the following four key objectives:

- 1. Protect St Helena's future whilst acknowledging the important aspects of its past, through inclusive and sustainable ethical economic development.**
- 2. Encourage private sector, social enterprise and community development and growth, including through innovation and the sustainable economic use and reuse of island resources.**
- 3. Promote investment opportunities and support on-island and inward investors.**
- 4. Make and market St Helena as a desirable, value-driven destination, through targeting niche visitors, tour operators and new markets.**

For More Information

E-mail: info@esh.co.sh

Development & Investment:
www.investinsthena.com

Tourism:
www.sthelenatourism.com

TOTAL VALUE FINANCIAL SUPPORT APPROVED £224,512

46 SMALL MEDIUM ENTERPRISE
GRANTS APPROVED

TOTAL VALUE APPROVED SME GRANTS
£ 9 6 , 4 6 6

TOTAL VALUE APPROVED VIA
ECONOMIC DEVELOPMENT FUND
£ 9 1 , 4 9 7

179

BUSINESS ENGAGEMENTS

47 BUSINESS START-UPS/EXPANSIONS

5,080*

TOURIST VISITOR ARRIVALS

TOURISM JOBS CREATED

14 FULL-TIME
5 PART-TIME

APPROVED SKILLS
DEVELOPMENT GRANTS = 4
APPROVED TOURISM /
HOSPITALITY CAPITAL
INVESTMENT GRANTS = 2

27

 ACCOMMODATION
ASSESSMENTS

MONTHLY AVERAGE
VISITOR ENQUIRIES **1938**

‘EXCELLENCE IN ECONOMIC DEVELOPMENT’ STATUS

Excellence in Economic
Development Awarded by

IED Institute of
Economic
Development

Inspiring people - Improving places

*April 2016 – February 2017