

2018 ANNUAL REPORT

PREPARED BY:
SMALL BUSINESS ASSOCIATION OF BARBADOS

VISION

The SBA's vision is "to be the national organisation of choice for business and entrepreneurial development."

MISSION

The SBA seeks to provide effective representation and exemplary development services to and on behalf of micro, small and medium enterprises, nationally.

CORPORATE INFORMATION

Bankers

Republic Bank (Barbados Ltd.)
Lower Broad Street, Bridgetown

First Citizens Bank
Lower Broad Street, Bridgetown

CIBC First Caribbean
International Bank
Warrens, St. Michael

Scotia Bank
Lower Broad Street, Bridgetown

Auditors

Brian F. Griffith & Co.
Chartered Accountants
"Harriett House"
Spry Street, Bridgetown

SBA Office

Suite 101 Building #4 Harbour Industrial Estate
St. Michael, Barbados
Tel. (246)228-0162
Fax. (246)228-0613
Email: theoffice@sba.bb
Website: www.sba.bb

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NOTICE IS HEREBY GIVEN OF THE 25th ANNUAL
MEETING OF THE SMALL BUSINESS ASSOCIATION
OF BARBADOS TO BE HELD ON
FRIDAY SEPTEMBER 28, 2018, AT 4:30 PM, AT THE
SAVANNAH BEACH HOTEL, HASTINGS, CHRIST CHURCH

AGENDA

1. Ascertainment of Quorum & Call to Order
2. Prayers
3. Excuses
4. Welcome & Opening Remarks
5. Minutes of the 24th Annual Meeting held on November 28, 2017
6. Matters arising from Minutes
7. Board of Directors' Report
8. Treasurer's Report & Financial Statements
9. Auditors' Report
10. Appointment of Auditors
11. Elections
12. Any other business
13. Special Presentation
14. Termination

By Order

A handwritten signature in black ink, appearing to read 'Carter', written over a large, stylized oval.

Charles Carter
Secretary

LEADERSHIP TEAM



PRESIDENT
Dean Straker



VICE PRESIDENT
Margaret Hoyte



SECRETARY
Charles Carter



TREASURER
Drayton Carter



**ASSISTANT
SECRETARY/TREASURER**
Jefferson Kirton



DIRECTOR
Donna Hope



DIRECTOR
Robert Homer



CEO
Lynette Holder

BOARD OF DIRECTORS' REPORT FOR FY 2017 – 2018 PRESENTED TO THE 25TH ANNUAL MEETING OF THE SMALL BUSINESS ASSOCIATION

INTRODUCTION

The work plan of the Small Business Association of Barbados (SBA) for fiscal year 2017 – 2018 was implemented against a background of continued recessionary conditions in the Barbados economy, declining profitability of local firms and an increased cost of living among the citizenry. The macro economic conditions featured increased taxation, growing unemployment and underemployment, and a comparably high fiscal deficit on the part of Government. These conditions were clearly not conducive to business growth and competitiveness, since the increase level of taxation on firms and individuals alike, compounded to reduce disposal income by consumers and high cost of doing business on the part of firms. The SBA therefore witnessed a decline in membership retention as firms were challenged to maintain their operations opting rather to reduce expenditure in non-critical items, as a cost saving measure. New membership enrolment was also lower than previous years and the access to Government subvention and sponsorship support declined as well. These conditions coalesced to continue the challenging business environment within which the SBA had to operate, however, compounded by the demand of members for improved representation and the provision of educational & marketing support.

It is a truism that within times of recession and economic hardship, micro, small and medium enterprises (MSME) will of necessity look to access capital to sustain their operations, advocate for favourable conditions from financiers and suppliers, and explore ways to reduce cost while stabilising their operations. With this in mind the SBA continued its advocacy for increase capitalisation for the sector, sought to collaborate with stakeholders to expand the markets for firms and provided opportunities for capacity building for members. These services were provided against the background of a decline in resources internally, and increased competition in the business support sector. The SBA's work plan therefore featured a reduced portfolio of activities with focused on the core areas of advocacy, training & education and marketing support. The new initiative of the solar vehicle tours was augmented to offer a paid tour so as to monetise the benefits from this project to ensure its sustainability. The ensuing pages document these activities for the period under review.

UPDATE ON ACTIVITIES

1. TRAINING & EDUCATION

1.1 Entrepreneurial Training Series

The SBA's Entrepreneurial Training Series offers management and computer-related training for members and the general public. During the year under review the association held three (3) semesters of training with a total enrolment of 182 participants. The courses offered were as follows:

- Marketing for Small Business
- Personal Financial Planning
- Customer Service
- QuickBooks Basic
- QuickBooks Intermediate
- Supervisory Management
- Maximising Social Media for Small Business
- Effective Public Speaking for Small Business

The SBA has maintained satisfactory performance of its training programmes and was able to introduced the National Vocational Qualification in FY 2016, after attaining the level of An Approved NVQ Centre in that fiscal period. The NVQs offered to date include:

- Developing a New or Existing Business Enterprise Level 3

- Janitorial Service Level 2
- Accounting for Small Business Level 3

Figures 1 – 4 show demographical information of the entrepreneurial training series with some 182 persons having participated in the seven subjects offered during the year, representing 69% non-members and 31% members.



Figure 1



Figure 2

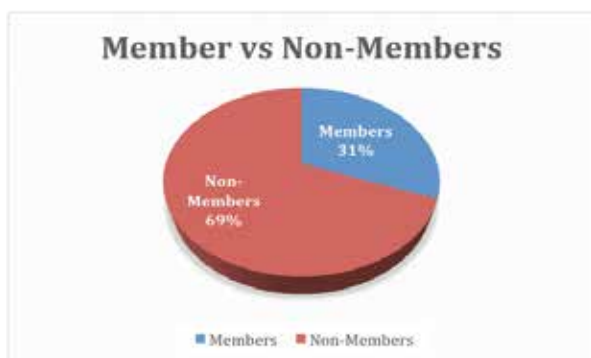


Figure 3

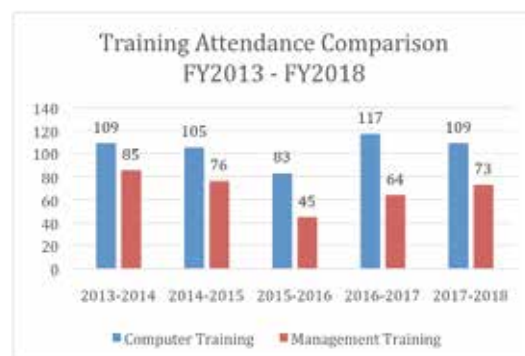


Figure 4

Enclosed are photos from our Training Series



QuickBooks Course



Supervisory Management Course

1.2 National Vocational Qualifications (NVQs)

1.2.1 Janitorial Services Level 2

The NVQ in Janitorial Service Level 2 was facilitated for 42 persons, 36 of the participants will receive either full or unit certification and another five candidates are awaiting assessment at the end of the reporting period. Figures 5 and 6 show the level of completion of units by the candidates, with the majority receiving full certification. This programme was funded in part by the Technical Vocational & Education Training (TVET) Council and coordinated through the partnership of the SBA, with the Barbados Association of Professional Cleaners.

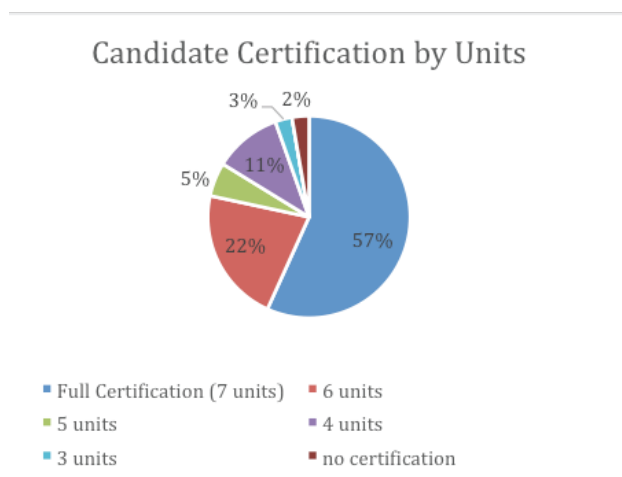


Figure 5

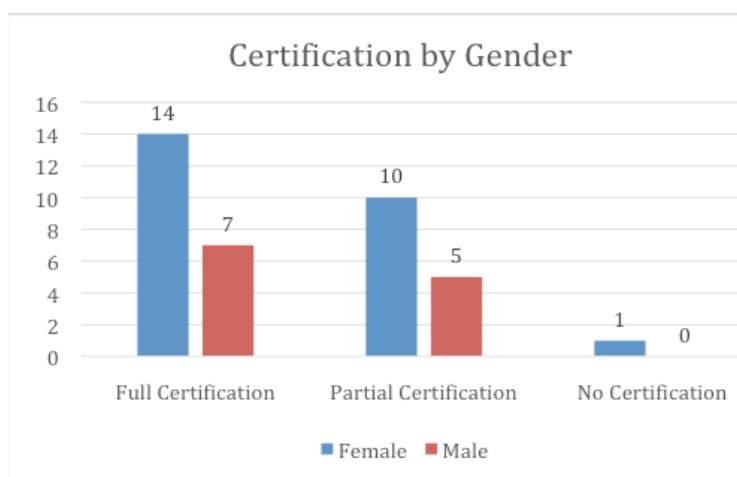


Figure 6

1.2.2 Accounting for Small Business Level 3

The SBA worked with the TET Council to develop another NVQ to be rolled out in the new financial year, the NVQ in Accounting for Small Business Level 3. Centre approval for the NVQ was provided by the TVET Council, confirming that the association had met the regulatory requirement to offer the programme. The clusters of the NVQ are listed below:

Cluster 1: Computerised Financial Planning and Maintenance

- o Unit1 U95903 Plan small business finances
- o Unit 2 U96003 Manage small business finances
- o Unit 3: Set up and operate a computerized accounting system
- o Unit 4 Maintain a safe, healthy and productive work environment
- o Unit U65303 Work with computers

Cluster 2: Record Keeping, Reporting and Business Continuity Systems

- o Unit U96403 - Maintain financial records and prepare accounts for small businesses
- o Unit U96203 Make and record small business payments
- o Unit U96303 Prepare small business reports and returns
- o Unit U96803 Record and process income and receipts
- o Unit U97003 Maintain payroll and employee benefits records
- o U97103 Establishing a Business Continuity System.

1.3 Training Workshop/Seminars

1.3.1 The SBA collaborated with the Ministry of Social Care, Constituency Empowerment and Community Development in the IADB-funded project “**Strengthening Human and Social Development in Barbados**”. The SBA proposed to implement a series of business development training where a number of persons were identified for training in small business management in an effort to promote self-sufficiency among householders. Twenty (20) persons were targeted for the first workshop entitled “**Introduction to Business**” which was held during the month of March, 2018 at SBA Secretariat.

1.3.2 The association also continued its focused on sensitising members through an educational session on two key pieces of legislation, namely, the Employment Sexual Harassment (Prevention) Act 2017-21 and the Employment (Prevention of Discrimination) Bill. Business owners were reminded of the various incidents of Sexual Harassment in the work environment according to the Act, and the responsibilities of both the employee and employer in such situations. The seriousness of this was underscored in the penalties applicable to anyone who contravened the Act. These penalties include a fine of **\$5,000 or imprisonment for a term of 12 months or both**. Businesses were given six months from the commencement of the legislation to put in place the necessary policy provisions to govern the working environment within the firm.

On the issue of the **Employment (Prevention of Discrimination) Bill**, the various types of discrimination were clearly defined and business owners advised on preventative measures to ensure the avoidance of discriminatory behaviour on the job. Types of discrimination included, **Direct discrimination, Indirect discrimination, Discrimination arising from disability, Harassment, Sexual Harassment and Victimisation**.

1.3.3 The SBA held a members’ information session, following the presentation of the ‘mini budget’ by the Minister of Finance & Economic Affairs. The topic of the meeting was “**2018 Budgetary Proposals - Implications for the Small Business Sector**”, and featured a presentation by Mr. Shane Lowe, President of the Barbados Economic Society. Some of the points of discussion were:

- Access to trust loans
- VAT on online transactions
- Waiver of interest and penalties on taxes due to BRA 2000-2017

The members also discussed the next steps for the local economy which included further reduction in government expenditure and strategies to accelerate economic growth, particularly among the productive sectors.

2. ENTERPRISE IN ACTION (EIA) YOUTH PROGRAMME

The SBA continued the roll out of the Enterprise in Action Youth programme for the 2017 – 2018 academic year, with the usual phases of training, business case development and marketing through a product showcase. The theoretical training provides an overview of the process involved in starting a business and includes such topics as: -

- The entrepreneurial world
- Team building and teamwork
- Market research
- Production process and marketing
- Financial planning
- Legal and administrative issues

Some nine (9) schools participated in the last academic year with a total student count of 223. Table 1 shows the participating schools and the business project being undertaken by students.

NAME OF SCHOOL	BUSINESS CASE
Christ Church Foundation School	Beacon Delights – sale of cupcakes & other baked goods
Coleridge & Parry Secondary School	The Breakfast Club Selling of personalise stationery Cosmetology
Deighton Griffith Secondary School	DGS Carwash
Frederick Smith Secondary School	Creamy D's Variety – sale of smoothies, pastries, sundries, personal care items and stationery
Graydon Sealy Secondary School	Events R Us
Lester Vaughn Secondary School	A-tistic Creations – sale of gift baskets
St. Leonards Secondary School	Sale of assorted snacks (not sold by canteen), bracelets and Jordan key rings
Springer Memorial School	Beauty Galaxy – manufacturing soaps and bath bombs
The St. Michael School	Sweet Treats – Pastry Shop Carwash Seale of stationery

Enclosed are images from the EIA Youth Programme





3. STRENGTHEN DISTRIBUTION CHANNELS

The SBA continued to use several social media mechanisms to inform its publics about activities being organised and to promote the products of members. Due to the cost-effective nature of these media, the association has sought to build out a suitable communications programme that can maximise such tools as Facebook, Twitter, email blasting, etc.

Consequently, the organisation collects and analyses analytics from these sites to monitor the support of consumers, to solicit feedback and to improve promotion to reach desired target audiences.

3.1 Social Media

The SBA's social media platforms realised an increase in patronage from members and the public alike. The data is assessed to determine consumer trends and to identify opportunities for targeted promotion. Table 2 below shows the movement across the social media vehicles and the website. Facebook is the most frequently used medium by the SBA to communicate with stakeholders and currently features three pages in the suite of vehicles – the SBA main page, the Be SME Smart page which caters to the exclusive promotion of members' products and the Solar Express page which is used to promote the solar tours.

Table 2

PLATFORM	June 2017	June 2018	Actual Increase	Percentage Increase
FACEBOOK	5,307	6,397	1,090	20.5%
TWITTER	1,266	1,521	255	20%
LINKEDIN	1,447	2,010	563	39%

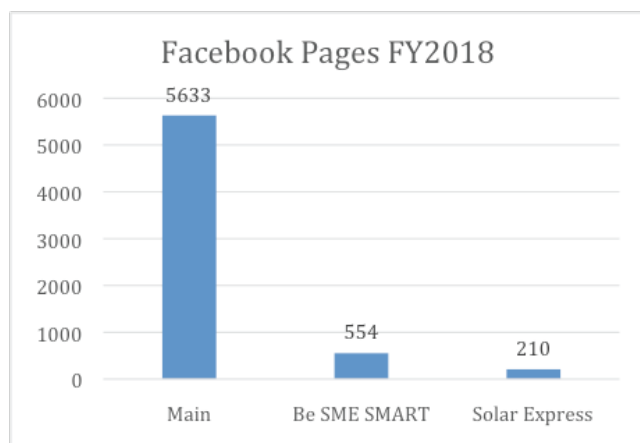


Figure 7

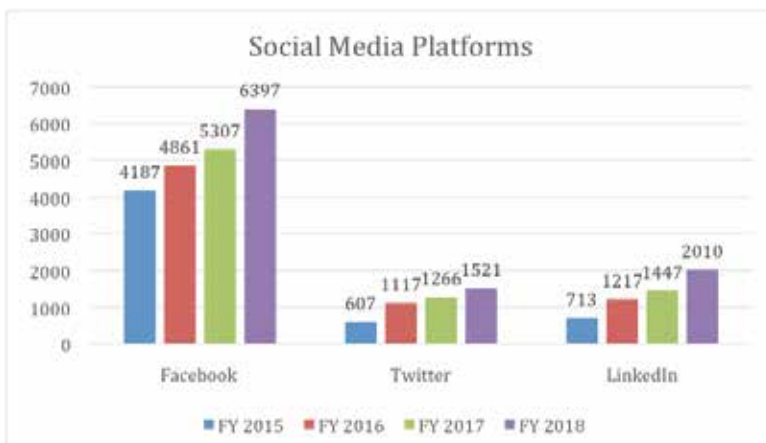


Figure 8

3.1.2 Website

The website features equally as part of the e-communications methodology to disseminate information to members and the public. As such, analysing the movement in visitors relative to their demographics, the items most frequently downloaded and the use of the membership directory, is key to the effectiveness of this medium. The SBA has been able to shift much of the demand from the secretariat's front desk, by channelling members and the public alike to its website to access critical data. This strategy is cost effective in allowing personnel to be better deployed and productive. During the period under review the website recorded increased activity and continued to be a significant source for accessing membership information. Figures 9 - 11 below show diagrammatically the performance of key aspects of the site.

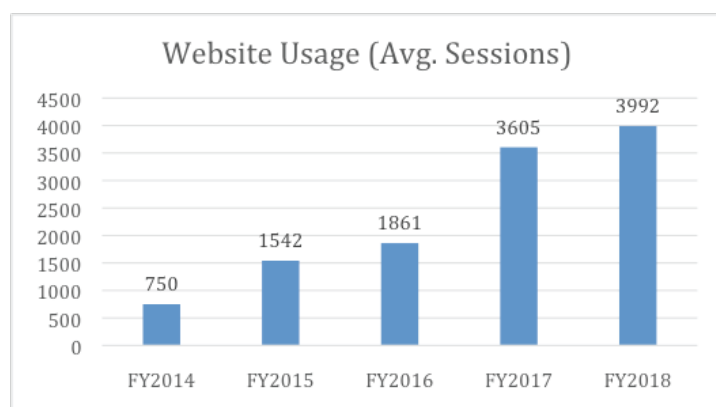


Figure 9

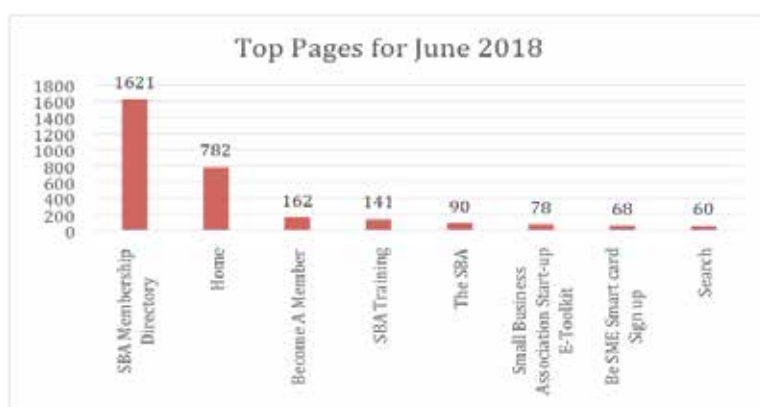


Figure 10

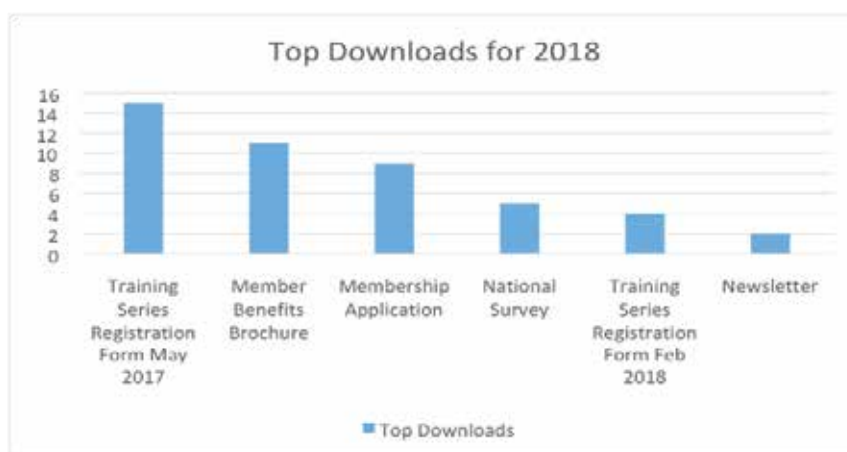


Figure 11

4. SOLAR EXPRESS TOURS

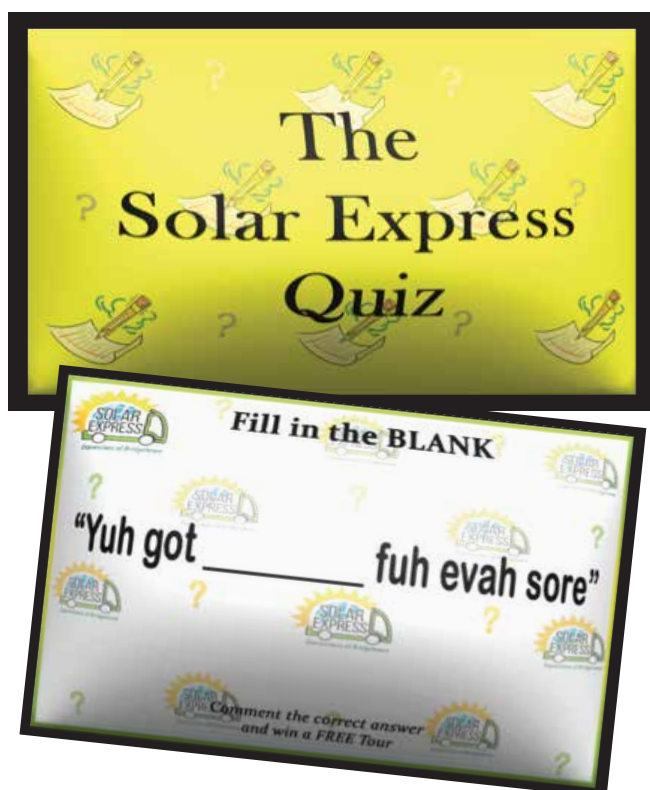
The SBA continued its campaign to bring awareness to the benefits of renewable energy in transportation and the historicity of the UNESCO World Heritage site – the City of Bridgetown and its environs, through its Solar Express Tours. The roll out of the campaign featured complimentary tours being offered to Barbadians as per the project deliverables, however the second phase of the project should commence in the new financial year. Scheduled tours continued during the reporting period on Mondays, Wednesdays and Fridays. Some **three hundred and fifty-four (354)** persons participated in the tours as the end of June drawn from organisations (89) and schools (14) per table 3 below.

The Solar Transport project is an initiative of the SBA, funded in part by the GEF Small Grants Programme, UNDP. There are two (2) tours offered – **the Colonial Legacies Tour**, which visits sites that are part of the island's colonial heritage such as Montefiore Fountain, Carnegie Free Library, Jubilee Gardens, Heroes Square (formerly Trafalgar Square), and the Nidhe Israel Synagogue, to name a few. The other tour is **the Heroes and Heritage Tour**, which include sites directly connected to Barbadian history such as House of Parliament, Heroes Square, the Charles Duncan O'Neal and Chamberlain Bridges, Independence Square and the Sir Garfield Sobers statue at Kensington to name a few.

Table 3

Month	Total Person	Organisations	Schools
February	25	4	0
March	84	26	0
April	87	20	7
May	90	10	7
June	68	25	0
Total	354	85	14

Some value-added features of the project, introduced during the period include a marketing campaign to allow members and the public alike to 'win' free tours on the bus. A Solar promotional quiz was launched to give Facebook the opportunity to answer questions on the project and on historic sites, to be awarded complementary tours. This helped with the promotion of the Solar Express brand and brought awareness to the project. Some of the images in the promotional campaign are included below.



Enclosed are photos from our Solar Bus Tours



5. BE SME SMART MARKETING INITIATIVE

At the end of the financial year, the Be SME Smart programme had 2,534 cardholders representing a 9% increase over the previous period. This slow growth was on account of not having concluded the value-added components for the programme, namely the e-commerce feature. This latter phase will be added in the ensuing year to provide the opportunity for persons to access goods and services in the online marketplace of the project. The programme is identified as a growth area for the association in the new financial year and will therefore receive the necessary resources to drive its development. The data on cardholders is shown in figures 11 – 13 and show the areas of growth relative to consumers by age, employment status and gender distribution.

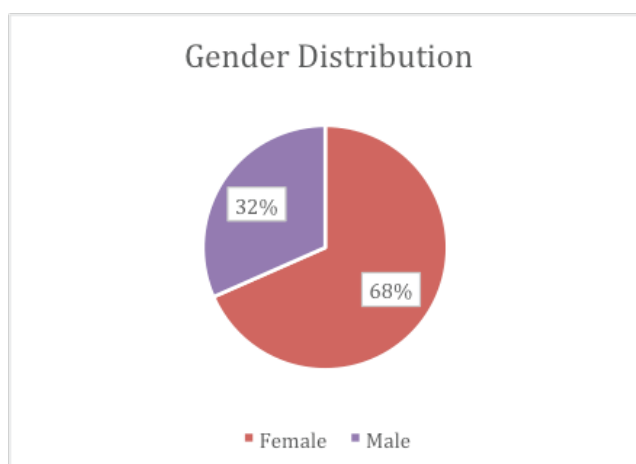


Figure 11

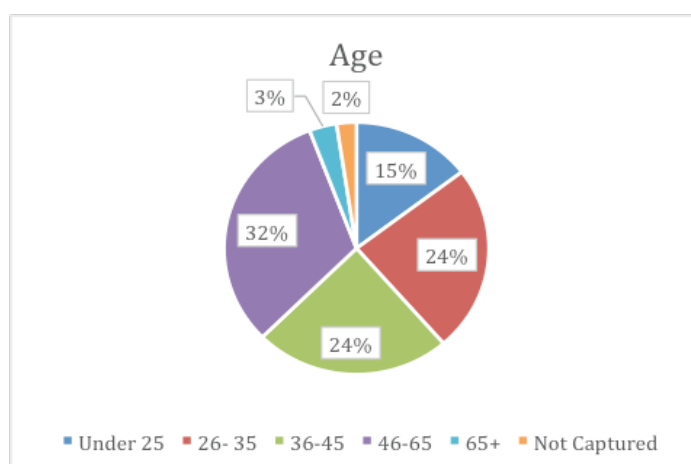


Figure 12

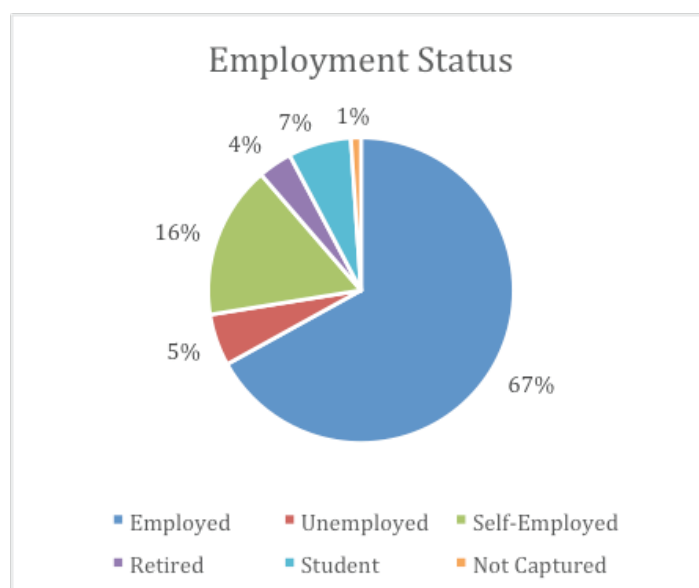


Figure 13

6. NEW MEMBERSHIP

During the fiscal year 2017 – 2018, 30 new firms were added to the SBA's membership. This represented a decline from the 44 businesses added in the previous reporting period and is symptomatic of the current challenging economic environment. The businesses accounted for 219 employees representing an average of seven employees per firm. The new members were found in each of the ten sectoral groups used to categorise firms, with the general services sector representing 41% of the businesses. Female-owned businesses accounted for 63% of firms, demonstrating a shift in the new-member gender distribution compared to previous periods.

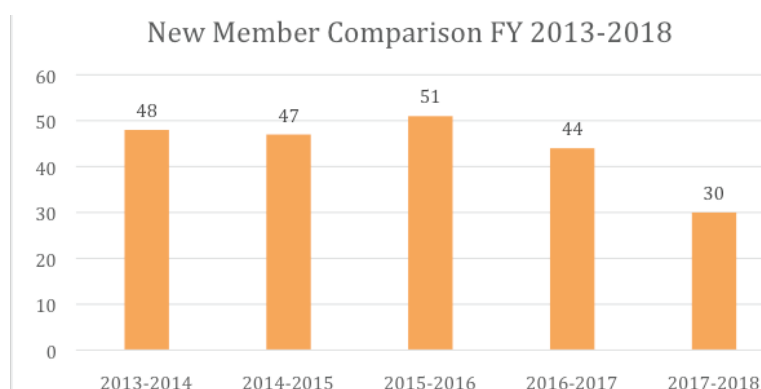


Figure 14

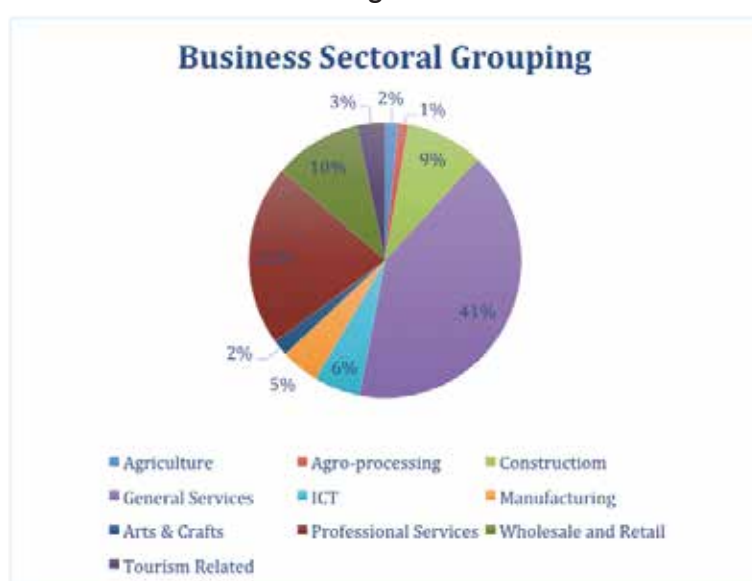


Figure 15

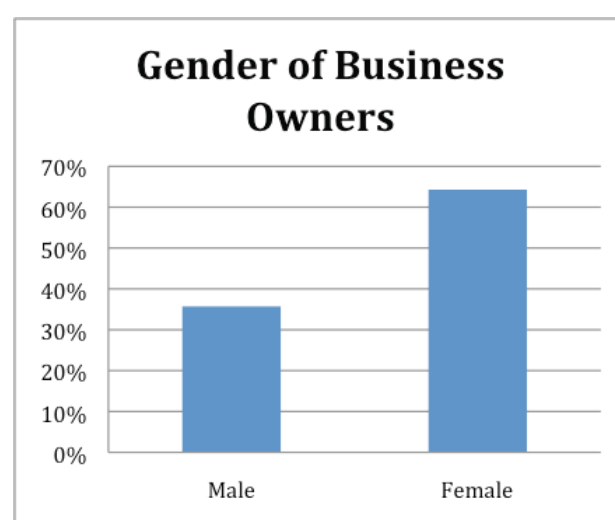


Figure 16

7. SMALL BUSINESS WEEK 2017

The SBA held the annual Small Business Week during the period September 24 – 30, 2017 under the theme “**Exploring a new Paradigm for the Survival of SMEs**”. The week of activities included the following events:

Sunday 24th September - Church Service, St. Marys' Anglican Church

Tuesday 26th September – Sagcor VIII Leo Leacock Memorial Lecture

The featured speaker was the Most Honourable Portia Simpson Miller, former Prime Minister of Jamaica, who presented on the theme ‘**Caribbean MSMEs – Overcoming challenges... Achieving Vision**’.

Wednesday 27th September – Youth Forum

This event featured the EIA Youth programme, highlighting the business projects of the schools that participated in the programme during the 2016 – 2017 academic year. Primary school students who took part in the ‘**I Am SME Smart**’ Essay Competition, were also recognised at the event.

Thursday 28th September – Bus Tour & Promotion

Some 28 persons, including sponsors and members, participated in the promotional bus tour. The tour travelled a northerly route with a lunch stop in Oistins, Christ Church.

Saturday 30th September – Awards Ceremony & Reception

This signature event of the Week was a ceremony to recognise the outstanding work of members and featured presentations by the Minister of Small Business Development, the Hon Donville Inniss, representatives from the SBA and sponsors. A total of 15 SMEs was recognised and honoured under specific business categories. Some of the big winners included:

- **President's Award - Reginald Medford, Medford Mahogany Creations**
- **Pioneer Award - Harold Oxley, REA Environhealth**
- **Small Business of the Year - Ziad Kazan, Meridian Caribbean Inc**
- **People's Choice Award - Portia Doyle, Spa E'scentials**

The below are some images of the Week of Activities 2017:



LOOKING AHEAD

The **SBA** enters a new development cycle optimistic that growth will return to the local economy and by extension, the business community. The old adage that MSMEs represent the engine of growth for economies will be tested in the current economic climate as the Barbados Government identifies the MSME sector as a strategic partner, to explore new business opportunities, sunrise industries and niche market development. The SBA therefore sees the ensuing period as one to explore greater alliances with policymakers, the donor community, business support organisations and academia, to network on development strategies to catalyse business growth among MSMEs in particular, and economic growth in general. The SBA's core areas of operation such as advocacy, training & education and marketing support will be employed by the organisation in a strategic manner, in the ensuing year, to help with the rebuilding process.

Access to capital, improvement in the legislative & policy environment and the facilitation of markets for goods and services domestically and via export, will be germane to the growth of the MSME sector. Accordingly, the association will embark on new partnerships to bring value to members and the sector in general and to strengthen existing relationships with stakeholders.

The SBA again issues a call to members and stakeholders to work creatively and collaboratively with the association, recognising the critical role that MSMEs will play in building a sustainable economy in the future.

Presented on behalf of the Board of Directors

by

Dean Straker

President



Brian F. Griffith & Co. CHARTERED ACCOUNTANTS

Independent Auditors' Report To the members of Small Business Association

Opinion

We have audited the consolidated financial statements of **Small Business Association**, which comprise the consolidated balance sheet as at June 30, 2018, and the statement of consolidated surplus and accumulated fund, statement of consolidated cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Association as at June 30, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the **Auditors' Responsibilities for the Audit of the Financial Statements** section of our report. We are independent of the Association in accordance with ethical requirements that are relevant to our audit of the financial statements in Barbados, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS for SMEs and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



.....
Brian F Griffith & Co.
Chartered Accountants

September 10, 2018
Bridgetown, Barbados

**Small Business Association
(Limited by Guarantee)
Consolidated balance sheet
As at June 30, 2018**

	Notes	2018 \$	2017 \$
ASSETS			
Cash at bank	3	406,426	601,020
Accounts and other receivable	4	18,379	16,774
Prepaid expenses		<u>6,620</u>	<u>7,341</u>
		<u>431,425</u>	<u>625,135</u>
Non-current assets			
Term deposits	5	910,350	1,101,841
Due by subsidiary companies		-	191,638
Investments	6	-	1,007,958
Other assets		-	33,401
Property, plant and equipment	7	<u>31,351</u>	<u>45,087</u>
		<u>941,701</u>	<u>2,379,925</u>
Total assets		<u>1,373,126</u>	<u>3,005,060</u>
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accruals		<u>76,675</u>	<u>78,926</u>
		<u>76,675</u>	<u>78,926</u>
Non-current liabilities			
Deferred income	8	<u>472,450</u>	<u>641,230</u>
		<u>472,450</u>	<u>641,230</u>
Total liabilities		<u>549,125</u>	<u>720,156</u>
Equity			
Accumulated deficit		(2,175,999)	(715,096)
Capital grant	9	<u>3,000,000</u>	<u>3,000,000</u>
		<u>824,001</u>	<u>2,284,904</u>
Total liabilities and equity		<u>1,373,126</u>	<u>3,005,060</u>

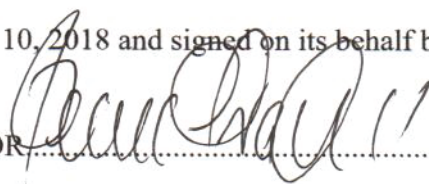
The accompanying notes form part of these financial statements.

Approved by the Board of Directors on September 10, 2018 and signed on its behalf by:

DIRECTOR.....



DIRECTOR.....



Small Business Association**(Limited by Guarantee)****Statement of consolidated surplus and accumulated fund****For the year ended June 30, 2018**

	Notes	2018 \$	2017 \$
Income	10	808,458	873,116
Expenses	11	<u>834,075</u>	<u>851,692</u>
Surplus/(deficit) from operations		(25,617)	21,424
Other expenses	2(e) & 12	<u>1,435,287</u>	<u>-</u>
Surplus/(deficit) for the year		<u>(1,460,904)</u>	<u>21,424</u>
Accumulated deficit at start of year		(708,394)	(729,818)
Correction of prior period errors		<u>(6,701)</u>	<u>-</u>
Accumulated fund restated		<u>(715,095)</u>	<u>(729,818)</u>
Accumulated deficit at end of year		<u>(2,175,999)</u>	<u>(708,394)</u>

The accompanying notes form part of these financial statements.

**Small Business Association
(Limited by Guarantee)
Statement of consolidated cash flows
For the year ended June 30, 2018**

	2018	2017
	\$	\$
Cash flows from operating activities		
Surplus/(deficit) for the year	(1,460,904)	21,424
Adjustments for non-cash income and expenses		
Depreciation	14,235	14,631
Operating deficit before working capital changes	(1,446,669)	36,055
Decrease/(increase) in accounts receivables	(1,605)	177,069
Decrease/(increase) in prepaid expenses	721	(2,859)
Decrease in accounts payable and accruals	(2,250)	(42,780)
Net cash from/(used in) operating activities	<u>(1,449,803)</u>	<u>167,486</u>
Cash flows from investing activities		
Addition to property, plant and equipment	(500)	(40,329)
Decrease in other assets	33,401	-
Decrease in investments	1,007,960	-
Net cash from/(used) in investing activities	<u>1,040,861</u>	<u>(40,329)</u>
Cash flows from financing activities		
Decrease in deferred income	(168,780)	(287,968)
Decrease in amounts due by subsidiary company	167,027	3,150
Increase in amounts due to shareholder	24,610	-
Net cash from/(used) in financing activities	<u>22,857</u>	<u>(284,817)</u>
Net decrease in cash for the year	(386,085)	(157,661)
Cash at beginning of year	<u>1,702,861</u>	<u>1,860,522</u>
Cash at end of year	<u>1,316,776</u>	<u>1,702,861</u>
Cash and cash equivalents comprise:		
Cash	406,426	601,020
Term deposits	<u>910,350</u>	<u>1,101,841</u>
	<u>1,316,776</u>	<u>1,702,861</u>

The accompanying notes form part of these financial statements.

Small Business Association (Limited by Guarantee)

Notes to consolidated financial statements June 30, 2018

1. Incorporation and principal activity

The Small Business Association was incorporated under the Companies Act, Cap. 308 of the Laws of Barbados, as a company limited by guarantee and not having share capital, on 31 March 1982 and was continued on 31 December 1986.

The principal activity of the association and its subsidiaries is to promote the interest of its members and to encourage the development of small businesses in Barbados.

These partially consolidated financial statements comprise Small Business Association and one of its subsidiaries, Small Business Venture Capital Inc. The financial information of its other subsidiary, SBA Enterprises Inc., is not included.

2. Significant accounting policies

a) Basis of accounting

These financial statements are prepared under the historical cost convention, and in accordance with International Financial Reporting Standards for Small and Medium-Size Entities.

b) Currency

These financial statements are expressed in Barbados dollars.

c) Depreciation

Depreciation is provided for on fixed assets on a straight-line basis at rates estimated to write off the cost of these assets over their useful lives.

The annual rates used are:-

Furniture and fittings	-	12.5%
Computer and office equipment	-	20%, 10%
Leasehold improvements	-	33.3%

d) Comparative information

Certain comparative figures have been reclassified to conform with the current presentation. These changes had no effect on the previously reported financial statements.

Small Business Association (Limited by Guarantee)

Notes to consolidated financial statements

June 30, 2018

2. Significant accounting policies continued

e) Impairment of assets

At each reporting date, management assesses whether there is an indication that any assets may be impaired. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized.

3. Cash at bank

	2018	2017
	\$	\$
Small Business Association	356,393	552,938
Small Business Venture Capital Inc.	50,033	48,082
	<u>406,426</u>	<u>601,020</u>

4. Accounts and other receivable

	2018	2017
	\$	\$
Small Business Association	18,379	16,774
	<u>18,379</u>	<u>16,774</u>

5. Term deposits

	2018	2017
	\$	\$
Small Business Association	310,350	300,000
Small Business Venture Capital Inc.	600,000	801,841
	<u>910,350</u>	<u>1,101,841</u>

Small Business Association
(Limited by Guarantee)
Notes to consolidated financial statements
June 30, 2018

6. Investments

	2018	2017
	\$	\$
Small Business Association	-	127,958
Small Business Venture Capital Inc.	-	880,000
	<u>-</u>	<u>1,007,958</u>

The Association owns 100% of the equity of Small Business Venture Capital Incorporated.

7. Property, plant and equipment

	Furniture and fittings \$	Office equipment \$	Total 2018 \$
Cost			
At July 1, 2017	57,196	150,241	207,437
Additions	500	-	500
At June 30, 2018	<u>57,696</u>	<u>150,241</u>	<u>207,937</u>
Accumulated depreciation			
At July 1, 2017	54,825	107,526	162,351
Charge for the year	1,587	12,648	14,235
At June 30, 2018	<u>56,412</u>	<u>120,174</u>	<u>176,586</u>
Net Book Value -2018	<u>1,284</u>	<u>30,067</u>	<u>31,351</u>
Net Book Value -2017	<u>2,372</u>	<u>42,715</u>	<u>45,087</u>

Small Business Association (Limited by Guarantee)

Notes to consolidated financial statements

June 30, 2018

8. Deferred income

	2018	2017
	\$	\$
Project revenue (residual amount)	472,450	547,268
Human Resource Development Strategy	-	93,962
	<u>472,450</u>	<u>641,230</u>

9. Capital grant

A grant of \$2,000,000 was made by the Barbados Government to the Small Business Association.

These funds were used as a capital contribution to SBVCI, a limited liability company, and a wholly owned subsidiary of the Small Business Association.

A capital grant of \$1,000,000 was made to SBVCI from the Ministry of Finance in July 2005.

10. Income

	2018	2017
	\$	\$
Ordinary Grant - Annual subvention	250,000	250,000
Special Projects Revenue	275,778	218,100
Small Business Week	96,550	90,779
Enterprise in Action	40,000	65,000
Membership fees	46,690	53,825
Training Programme	70,680	45,892
Interest income	12,919	9,093
Tech Smart Project	1,850	2,575
Dividends income	6,200	20,725
Services	7,379	4,167
Management fees	-	90,968
Web design	-	1,225
Other income	412	20,767
	<u>808,458</u>	<u>873,116</u>

**Small Business Association
(Limited by Guarantee)**

**Notes to consolidated financial statements
June 30, 2018**

11. Expenses

	2018	2017
	\$	\$
Personnel Cost	332,157	348,150
Projects expenses	304,609	310,543
Bad debt expense	14,579	1,914
Rent	42,773	27,890
Utilities	46,052	38,488
Marketing and business development	1,593	13,488
Repairs and maintenance	11,369	17,087
Professional fees	16,097	28,982
Secretariat expenses	25,780	18,295
Directors' fees	10,385	11,625
Depreciation	14,235	14,631
Insurance	1,186	4,381
Internet expenses	2,463	2,326
Bank charges and interest	2,469	2,287
Security	264	93
Training and seminars	150	170
Advertising & public relations	284	4,939
Membership fees	6,000	6,000
Donations	350	5
Miscellaneous	1,010	300
Induction ceremony expenses	270	68
SBA/IDB Micro-Project	-	30
	834,075	851,692

Small Business Association**(Limited by Guarantee)****Notes to consolidated financial statements****June 30, 2018****12. Other expenses**

	2018	2017
	\$	\$
Impairment of amount due by SBA Enterprise Inc.	191,638	-
Impairment of investment at cost in SBA Enterprise Inc.	127,958	-
Impairment of investment at cost in seven (7) companies	880,000	-
Impairment of interest receivable on Term deposits with Cllico (Int'l) Life Insurance Limited	201,841	-
Impairment of other receivable	33,850	-
	<u>1,435,287</u>	<u>-</u>

13. Summary of Financial Operations

	SBA	SBVCI
	\$	\$
Statement of surplus		
Income	823,689	8,769
Expenses	<u>826,274</u>	<u>31,801</u>
Surplus/(deficit) from operations	(2,585)	(23,032)
Other expenses	<u>319,596</u>	<u>1,115,691</u>
Deficit for the year	<u>(322,181)</u>	<u>(1,138,723)</u>
Balance sheet		
Assets	<u>2,817,204</u>	<u>650,033</u>
Liabilities	541,834	101,400
Shareholder's equity	<u>2,275,370</u>	<u>548,633</u>
Shareholder's equity and liabilities	<u>2,817,204</u>	<u>650,033</u>

STANDING ORDERS

The purpose of the following standing orders is to ensure the orderly and effective conduct of the Annual General Meeting.

1. A member should stand when addressing the Chair.
- 1.b. Speeches are to be clear and relevant to the subject before the meeting.
2. A member shall only address the meeting when called upon by the Chairman to do so, after which he/she shall immediately sit.
3. No member shall address the meeting except through the Chairman.
4. A member may not speak twice on the same subject except:
 - a) The mover of a motion – who has the right to reply.
 - b) He/she rises to object or to explain (with the permission of the Chair)
 - c) With the permission of the Chairman
5. The Mover of a Procedural Motion – (Adjournment laid on the table, Motion to postpone) is to have no right of reply.
6. No speeches are to be made after the “Question” has been put and carried.
7. A member rising on a “Point of Order” is to state the point clearly and concisely. (A “Point of Order” must have relevance to the “Standing Order”)
8. A member should not “Call” another member “to Order” – but may draw the attention of the Chair to a “Breach of Order”.
- 8.b. In no event can a member call the Chair “to Order”.
9. A “Question” should not be put to the vote if a member desires to speak on it or move an amendment to it – except that a “Procedural Motion”, the “Previous Question”, “Proceed to next business or “ the Closure”, may be moved at any time.
10. Only one amendment should be before the meeting at one and the same time.
11. When a motion is withdrawn, an amendment to it fails.
12. The Chairman shall have the right to a “Casting Vote”.
13. If there is equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost.
14. Provision shall be made for protection by the Chairman from vilification (personal abuse)
15. No member shall impute improper motive against another member.

NOTES



Small Business
ASSOCIATION

Small Business Association of Barbados

Suite 101 Building #4
Harbour Industrial Estate
St. Michael, Barbados

Tel. (246)228-0162
Fax. (246)228-0613
Email: theoffice@sba.bb
Website: www.sba.bb