



# Annual Report 2014

## CORPORATE VISION

The Small Business Association will be the national organisation of choice for business and entrepreneurial development.

## MISSION TENETS

We will strive to attain our vision by:

- Providing our members value-added benefits, ennobling opportunities, and a greater feeling of stakeholder ownership in the association;
- Cultivating for employees a working environment that is purposeful, meaningful and fulfilling;
- Stimulating and supporting the growth and development of an entrepreneurial culture in Barbados;
- Engendering increased support from Government and other social partners toward the development of the SME sector;
- Achieving the financial objectives and enhancing the market profile of the association;
- Being an outstanding corporate citizen contributing to the sustainable development of the community in which we operate.

# TABLE OF CONTENTS

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|   | PAGE              |
|---|-------------------|
| Notice of Meeting                           | 2                 |
| Core Values                                 | 3                 |
| Corporate Information                       | 3                 |
| Leadership Team                             | 4                 |
| Board of Directors' Report                  | 5-23              |
| Partially Consolidated Financial Statements | 24-36             |
| Standing Orders                             | Inside Back Cover |



## NOTICE OF MEETING

Notice is hereby given of the 21st Annual Meeting of Members of the Small Business Association to be held on Tuesday, November 25, 2014, at 6:15 pm, at the Bagnall Point Gallery, Pelican Industrial Park, St Michael

## AGENDA

1. Ascertainment of Quorum & Call to Order
2. Prayers
3. Excuses
4. Welcome & Opening Remarks
5. Minutes of the 20th Annual Meeting held on November 26, 2013
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. Termination

By Order  
***Paul Clarke***  
***Secretary***





## CORE VALUES

- **LEADERSHIP:** having the courage to act on our convictions; aligning actions with shared values; fostering collaboration, building trust, and facilitating meaningful relationships among stakeholders; seizing initiatives and looking outward for innovative ways to improve; providing examples for our members to emulate.
- **RESPONSIVENESS:** valuing the business of our customers; being highly sensitive to their needs; committing to be open, flexible, reliable and accountable in delivering service.
- **INTEGRITY:** being trustworthy and standing for what is right; honouring our commitment to our stakeholders; treating all individuals with courtesy and dignity; impressing on our stakeholders to be transparent in their business practices.
- **TRUST & MUTUAL RESPECT:** acknowledging the dignity and value of each employee, member and customer; willing at all times to seek the best interest and well-being of employees, members and other stakeholders.
- **EXCELLENCE:** exhibiting exemplary behaviours and maintain the highest standards of performance, aiming for continuous quality improvement in our day-to-day operations; encouraging members and industry partners to value the importance of consumers.
- **INTERDEPENDENCE:** enlisting others in a common vision by appealing to share aspirations; engaging in the sharing of ideas and knowledge among employees, members and other stakeholders; encouraging cooperative efforts at all levels in the association.
- **SOCIAL RESPONSIBILITY:** being recognised as a good corporate citizen by demonstrating support for our communities and environment and seeking to influence our members likewise.

## CORPORATE INFORMATION

### BANKERS

Republic Bank (B'dos) 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  
St. Michael, Barbados*

### SBA OFFICE

#1 Pelican Industrial Estate,  
St. Michael, Barbados  
Tel: [246] 228-0162  
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Email: [theoffice@sba.bb](mailto:theoffice@sba.bb)



# LEADERSHIP TEAM



Dalton Medford  
**PRESIDENT**



Gale Headley-Lowe  
**VICE-PRESIDENT**



Adlai Stevenson  
**TREASURER**



Paul Clarke  
**SECRETARY**



Hugh McClean  
**ASSISTANT SECRETARY /  
TREASURER**



Margaret Hoyte  
**DIRECTOR**



Dr. Roland Clarke  
**DIRECTOR**



Lynette Holder  
**CEO**

# Board Of Directors' Report For Financial Year 2013 - 2014

Presented To The 21<sup>st</sup> Annual Meeting Of The Small Business Association

## INTRODUCTION

The fiscal period July 2013 – June 2014 was characterised by further economic downturn as the Barbados economy continued in a state of recession, recording some five consecutive years of flat or negative growth.

This macro condition impacted on the local micro, small and medium enterprise (MSME) sector on account of reduced disposable income among consumers resulting in a decline in spending power, continued high cost of inputs such as utilities, raw materials and labour, and further decline in the traded and non-traded sectors. The MSME sector continued to be challenged during the reporting period, to maintain viability resulting in several closures and/or reduced work schedules. Equally the Small Business Association as a members' organisation was impacted by the weak performance of the local economy and the resultant impact on the sector.

The SBA sought therefore to continue those activities that focused on building the capacity of firms such as training and technical assistance, while exploring new initiatives that could contribute to the marketing of enterprises and the realisation of more efficient models of doing business. Consequently, the organisation maintained an active lobby for the sector, advocating for an improved regulatory framework, business facilitation, access to financing and other business support services.

The ensuing pages provide an update on the performance of several initiatives implemented per the work plan of the association and the strategic activities introduced to assist with streamlining the opportunities for growth for members.

## REPORT ON WORK PLAN

### Governance

The Board commenced the financial year with a review of the SBA's strategic plan 2013 – 2016 in light of the prevailing business climate with a view to identifying those key programmes and activities required to strengthen member-firms and to ensure the association delivered relevant and rewarding programmes to its stakeholders. Accordingly, a work plan was developed with the supporting operating budget, focused on four priority areas as follows:

- i. **Staff Perspective** – Enlist and engage all staff to fulfil their personal and professional potential



- ii. **Systems & Processes Perspective** – Develop a Business Intelligence System that strengthens the capability & capacity of the SBA to improve service offerings to all stakeholders
- iii. **Financial and Good Governance Perspective** – Pursue strong financial management & development practices which enable independence of the Association
- iv. **Membership & Community Perspective** – Cultivate excellent stakeholder relationships to advance the image and profile of the SBA

The Board engaged in bi-monthly meetings with management to review and appraise the operations of the association in light of the work plan projections and changes in the internal and external business environment. In support of this structure the Board continued the work of its by-law review committee and established a policy & advocacy committee to strengthen the governance framework of the SBA. This latter Board committee facilitated the participation of directors in national forum such as the Social Partnership and meetings with various government ministries, to advocate on behalf of the sector and to ensure that the national economic and social development strategy facilitated the environment for MSME growth.

### **Programmes & Activities**

The programmes and activities of the association for the reporting period were implemented according to three key categories – **training & education; marketing & business development and stakeholder/community involvement.**

#### **1. TRAINING & EDUCATION**

The association continued its training and education programmes during the year, providing a range of management and computer-related courses for the sector, as well as several development seminars.

#### **Entrepreneurial Training**

The training series featured some nine courses including QuickBooks and social media marketing, offered as part of the computer-based modules, and six management programmes from business start up, to strategic planning, to customer service. A total of 194 students participated in the training, a decrease of 5% over the previous year, however an increase by 8% over the 2012 fiscal period. Figures 1 and 2 show diagrammatically the training provided during the year.





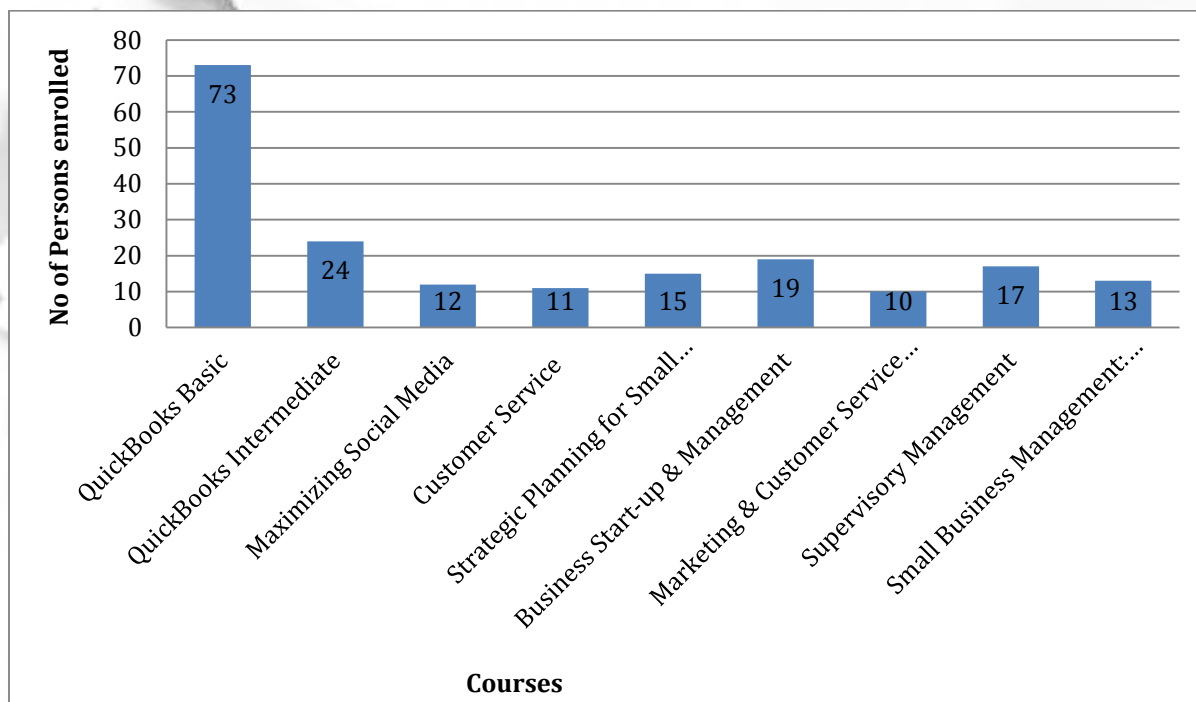


Figure 1

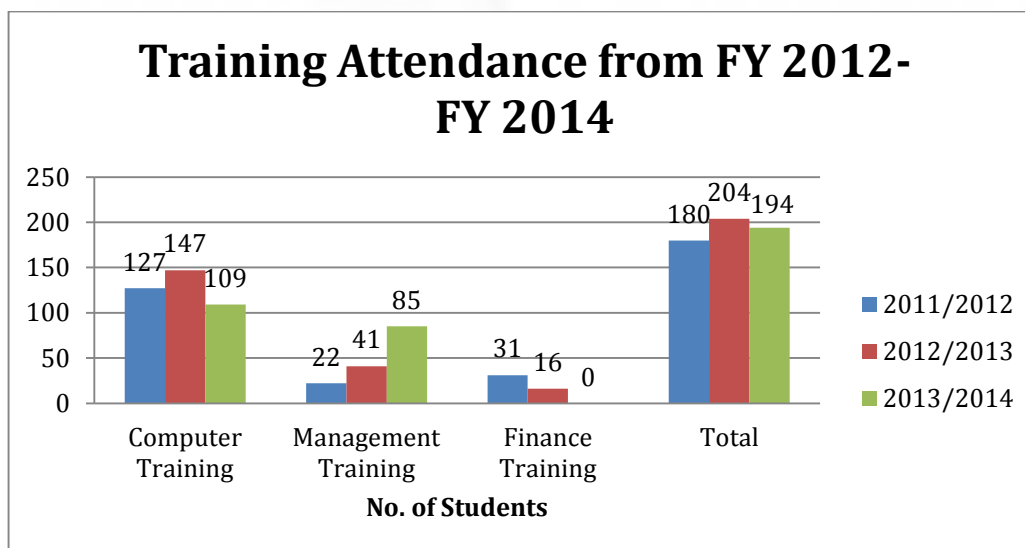


Figure 2

### Educational Seminars

The educational seminars and workshops offered during the reporting period focused on various current affairs issues including the Employment Rights Act and its implications for small businesses, the 2013 Financial & Budgetary Proposals and the Central Bank's discontinuation of the one cent coin. Additionally, there were workshops on access to finance and proposal writing. A full list of the educational seminars is seen in table 1 below.



Table 1

| Month    | Seminar/Workshop  |
|----------|---|
| July     | Employment Rights Act   |
| August   | Members' Meeting: <b>A Review of the Financial &amp; Budgetary Proposals 2013 – What's in it for SMEs</b>   |
| October  | Members' Meeting: <b>Repositioning SMEs! Accelerating Growth through Access to Finance</b>  |
| February | Proposal Writing Workshop in collaboration with the Caribbean Export Development Agency entitled <b>“Preparing Bankable Projects”</b>                               |
| February | Members' meeting – <b>“Doing Business without Cents”</b> . Update on the Central Bank of Barbados' discontinuation of the one cent coin                             |
| March    | <b>Tax Clinics</b> in collaboration with the National Insurance Scheme and the Inland Revenue Department.   |
| March    | Seminar in collaboration with the Central Bank of Barbados on <b>“Access to Finance – Debunking the Myths, Developing the Solutions”</b>                            |
| April    | Seminar in collaboration with First Citizens Bank on Financial Planning for Businesses <b>“The Dos and Don'ts to Guaranteeing a Loan”</b>                           |
| May      | Members' Networking & Marketing Forum: <b>Small Man Meets Business Opportunities</b> featuring presentations by Cave Shepherd & Company, LIME and Cherry Tree Trust |

## 2. MARKETING & BUSINESS DEVELOPMENT

The marketing and business development activities were organised to support the capacity building requirements of member firms as well as enhance the communications of the SBA.

**2.1 Tourism Micro Project** The final component in the IDB/Ministry of Tourism/SBA, Tourism Micro project was concluded during the reporting period. This phase featured a set of marketing support activities for the wood-based arts & craft cluster and culminated a three-year



project designed to build the capacity of key sectors that support the tourism industry. The project provided training and technical support for small hotels, agro-processors and the arts & craft sub-sectors. Cognisant of their contribution to local tourism value added, the project assisted with skills development for practitioners in the industry, marketing and brand development, and research and product enhancement. The final component for the wood-based arts & craft cluster included a range of marketing support services such as the development of a website, the production of promotion paraphernalia, infomercial, adverts and the organisation of a trade show at the Limegrove Lifestyle Centre, Holetown St James. Enclosed are some of the images developed as part of the marketing support services for the project.



STICKER

Website homepage – [www.barbadoshandcrafted.com](http://www.barbadoshandcrafted.com)







**BANNER**

**BOOKMARKS**

## 2.2 Enterprise in Action Youth (EIA) Programme

The Enterprise in Action Youth programme was implemented for a fifth consecutive year during the academic period September 2013 – June 2014. The programme continues to provide the opportunity for students at the fourth and fifth form level to develop entrepreneurial talent and to prepare for the world of work. The strategic intent of the EIA programme includes the following goals:

- i. To firmly include the study of entrepreneurship within the educational process in Barbados
- ii. To influence young persons to be entrepreneurial thus creating the next generation of strategic thinkers, innovators and opportunity seekers
- iii. To widen the horizon of potential business leaders and increase the number of business start-ups among young persons



The programme includes business training, the development of a business project, and a business expo – Youth Symposium, to provide students the opportunity to showcase and market their projects. During the reporting period, the association again welcomed First Citizens Bank as title sponsor for the programme, and mobilised over 200 students from nine schools (including one primary school) to participate in the initiative. The below table show the schools and projects implemented during the period.

**Table 2**

| <b>School</b>                      | <b>Business Name</b>                   | <b>Type of Business</b>   |
|------------------------------------|--|---|
| Alexandra School                   | <b>Ax Graphic</b>                      | Design and printing company   |
| Coleridge & Parry School           | <b>Beacon Star Cuisine Restaurant</b>  | Restaurant offering Caribbean food  |
| Daryll Jordan Secondary School     | <b>Cande Cravers</b>                   | Selling of Ice Cream, Pizza and Donuts  |
| Parkinson Memorial School          | <b>Power Rush</b>                      | Fresh Juices  |
| Roland Edwards Primary School      | <b>King &amp; Queens Creative Club</b> | Jewelry making and Accessories  |
| Springer Memorial Secondary School | <b>Purple Kisses Beauty Salon</b>      | Beauty Salon<br>Primary services:<br><ul style="list-style-type: none"> <li>▪ Nail painting &amp; art</li> <li>▪ Eye bow shaping</li> <li>▪ Pedicures</li> <li>▪ Manicures</li> </ul> |
| St. George Secondary School        | <b>Georgie's Fish Cakes</b>            | Snackette   |
| St. Leonard's Secondary School     | <b>Baker Boyz</b>                      | Cup Cakes & Brownies  |
| St. Michael School                 | <b>De Sub Shak</b>                     | Sandwich Deli   |

## Some of the students and exhibits at the EIA Youth Symposium 2014



Two key features of the programme during FY 2014 were the launch of the EIA Website, [www.youth.sba.bb](http://www.youth.sba.bb) and the expansion of the Student Discount Card to include a range of discounts and special packages offered through a network of firms, powered by Student One. The website is intended to provide an entertaining and educational platform for students to enhance the learning experience and provide wholesome avenues for the use of social media vehicles.



## 2.3 Euro-Caribbean Enterprise Partnership Service

To further provide the opportunity for members to explore the export market and to build international networks, the SBA partnered with the Foundation for Entrepreneurial Participation (TFEP) of the United Kingdom, to launch the **Euro-Caribbean Enterprise Partnership Service (ECEPS)**. The SBA as the local Project Partner will assist with promoting the service to enterprises in Barbados to develop and support international enterprise partnerships. The collaboration with the TFEP will promote a matchmaking service to enterprises in Barbados and the UK. The ECEPS is a place where enterprises can register their request/offer for partnership at NO COST with the intention of securing a partnership with a suitable organisation in order for them to develop a productive relationship. Once a “Partnership Match” is found, the SBA and TFEP in the UK will be on hand to offer practical support and active partnership, along with other Partnership Support Organisations. The website for the project is [www.tfep.info](http://www.tfep.info).

### About TFEP

TFEP is a new not-for-profit organisation (part of The Foundation for European Initiatives) whose major objective is to develop and implement a support infrastructure in the Caribbean to assist entrepreneurs to develop, innovate and partner with other enterprises in the European Union and





business support agencies in the Caribbean. The foundation indicated that Barbados had been chosen as the pilot country for the TFEP activities in the Caribbean because of the interest in supporting small businesses by Barbados Government enterprise agencies, the UK Government and enterprise support agencies. It is expected that the venture will help achieve closer ties between small businesses in the European Union and the Caribbean.



*The launch was hosted by the British High Commissioner, Mrs. Victoria Dean (third from right) seen here with Ambassador Mikael Barfod (right) Head of the EU Delegation to Barbados, and members of the business support organisations.*

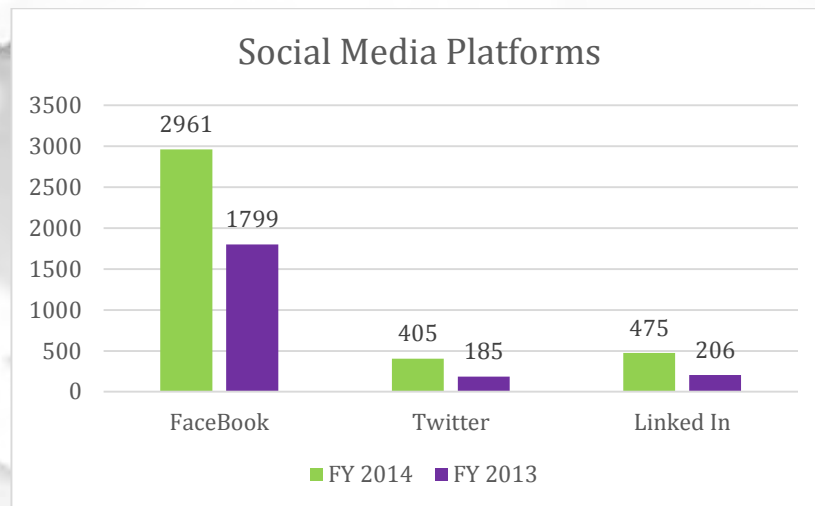
## **2.4 Corporate Communications**

### **Social Media**

The SBA continued the roll out of its communications strategy via the use of popular social media platforms and an active website. The use of these media has been selected due to their cost effectiveness and patronage by a varied number of stakeholders. Consequently, the SBA has recorded significant improvement in its viewership and support of its programmes.

At the end of the fiscal period the social media vehicles realised an average increase of followers by 105%. The popular platforms of Facebook, Twitter and LinkedIn have been effectively used to promote members' meetings and other educational forum, promotional projects and general communication about the association's activities.

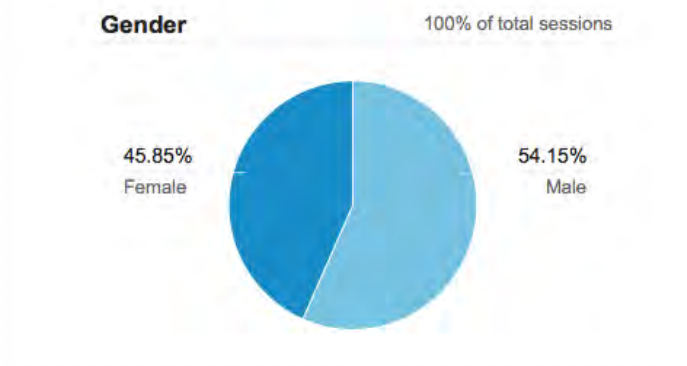




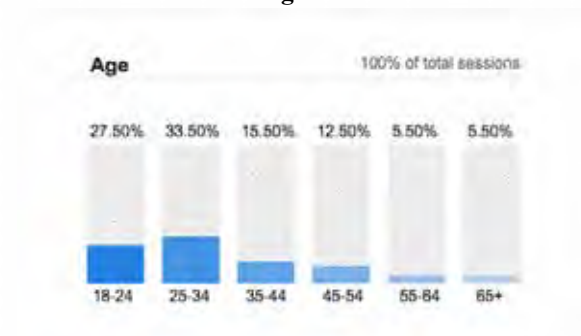
**Figure 3**

## Website

The website continue to serve as an interactive communications vehicle for the association channeling members and the general public to the site for information on training courses, to access membership data from the members' directory and for general information on activities being implemented by the organisation. Figures 3 and 4 show diagrammatically the website viewership.



**Figure 4**



**Figure 5**

## Newsletter

During the year the association produced 12 editions of its monthly newsletter, ‘**SBA Outlook**’. The newsletter serves as a monthly repository of information on the association’s programmes and activities and forms part of the overall communications apparatus to educate and inform stakeholders about the organisation. The readership realised a marginal increase over the previous year to reach 10,003 recipients. To provide a reference library for the monthly editions, the publications continue to be posted on [www.issuu.com](http://www.issuu.com) for easy access by readers.

## New Membership

Through the SBA’s marketing and communications activities some 48 new members joined the association during the year, 20 of which were from the professional services sector. The trend of services firms joining the organisation has consistently grown in the past decade shifting the membership profile from primarily manufacturing entities in the pre-2000 period to the current structure of mainly services firms. This mirrors the national economy which has evolved from sugar cane and manufacturing to a services economy. The attendant issues are being addressed through the association’s programming, namely lobbying for an enabling environment to improve the access to financing for development of services. Additionally, providing the business development support for the export of services is also a feature in the organisation’s strategic plan.

The new membership for FY 2014 represents a 26% increase over the previous fiscal period and 9% over FY 2012. The growth in membership, particularly during the economic downturn, underscores the value of membership support & networking, and the value proposition of the SBA as an entity providing services to build the capacity of small firms. Figures 6 and 7 below show the new membership activity for the year.

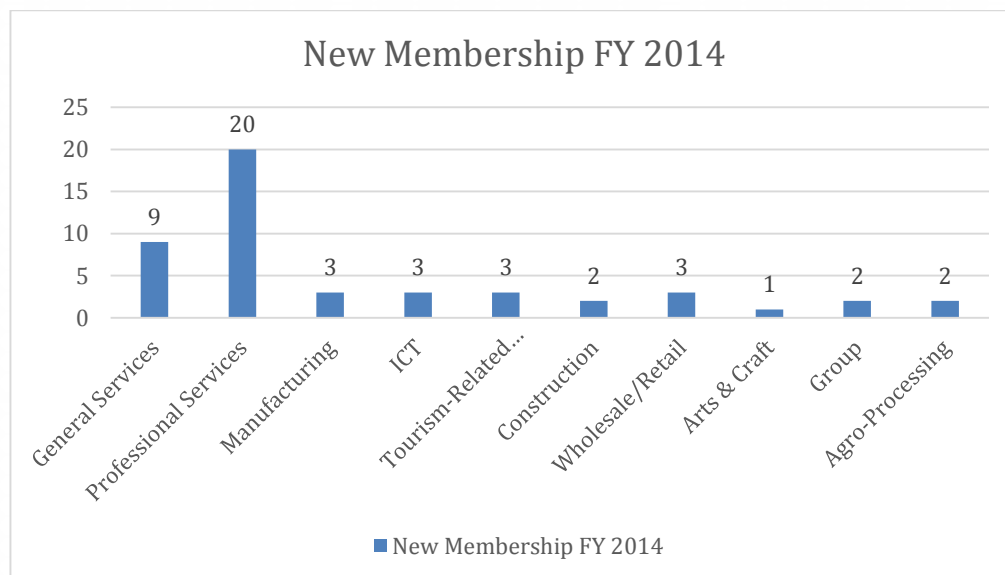


Figure 6



**Figure 7**

## **2.5 Small Business Week 2013**

The association hosted Small Business Week for a tenth consecutive year, under the theme **Reenergising SMEs, Repositioning for Growth**. The week of activities provided the forum for the organisation to showcase and recognise its members and those contributing to the development of the MSME sector. The year 2013 also featured First Citizens Bank as title sponsor for the Week and the reintroduction of the People's Choice Award to invite the general public to participate in the events. Six activities were organised including two new events as follows:

- **Thanksgiving concert**
- **The SME Forum (new) live on Caribbean Media Corporation *New***
- **Youth Forum**
- **SME Seminar & Expo *New***
- **20/20 Cricket Match**
- **Annual Awards Ceremony & Dinner**

Ten awards were presented to members and stakeholders including:

- 7 sectoral awards
- The People's Entrepreneur Award – C.S.L. Enterprises
- The Entrepreneur of the Year – IAQ Solutions Inc.
- President's Award – Senator John Watson
- Community Award – Automotive Art

# SMALL BUSINESS AWARDS 2013 HIGHLIGHTS



**Arts & Craft Award**  
Medford Mahogany Creations Inc.



**Community Award**  
Automotive Art



**ICT**  
Advanced Computer Services Inc.



**President Award**  
Senator John Watson



**Small Business of the Year 2014**  
IAQ Solutions Inc.



**People's Entrepreneur Award**  
CSL Enterprises Inc.



**Professional Services**  
Drayton J. Carter & Co.



**Tourism Related Services**  
Loop Barbados Inc.



**Wholesale / Retail**  
Cricket Legends of Barbados



### 3. STAKEHOLDER/COMMUNITY PROJECTS

The SBA continued during the reporting period to actively represent the MSME sector through participation on various government committees and working groups. This form of advocacy has afforded the organisation the opportunity to influence policy and programming for the benefit of the sector. Additionally, the association has made several presentations on small business development and entrepreneurship, as part of its education pillar. These forums contribute to facilitate the entrepreneurial environment needed to further the opportunity for small businesses to grow and contribute to overall economic and social development. Some of the activities and projects in which the SBA participated include:

- **Ministry of Small Business Development** – Training workshops on the Small Business Development Centre Model for Barbados
- **Central Bank of Barbados** – Participation in the five-minute interview on the MSME sector as part of the Bank's television series.
- **Government Committees** on Safety & Health, HIV/AIDS, Modernisation of Government's Procurement System, Business & Trade Facilitation Task Force
- **The Cave Hill School of Business/ The University of the West Indies (CHSB/ UWI)** - the launch of the Global Entrepreneurship Monitor 2013
- **Human Resource Development Strategy Pillar 5** – the SBA CEO was appointment as co-chair of the Pillar 5 Working Group and on the Steering Committee for the strategy.
- **Barbados Hospitality Institute** – Training of students on entrepreneurship and the requirements of starting a small business
- **Barbados Private Sector Association/IDB project** – focus group sessions on the micro business policy
- **Barbados Coalition of Services Industries** – steering committee on sector study on services and the impact on the Barbadian economy

#### 3.1 Strategic Partnership with Cherry Tree Trust

A memorandum of understanding was signed between the SBA and The Cherry Tree Trust (CTT) to strengthen the relationship in the provision of financial product offerings to the MSME sector. The management of the CTT considers the SBA as an essential partner in the realisation of its mandate to provide support for Barbadian entrepreneurs, whereas the association welcomed the opportunity to enhance the opportunities for its members to access financing. The MOU has the following objectives: -

- 1) **To pool resources that will expand the capacity of both organisations to execute and/or implement projects and programmes that would assist the development of the MSME sector on the island.**



- 2) **Collaborate on networking, institutional strengthening and training opportunities that will redound to the enhancement of small business operators to access the services offered by both agencies.**
- 3) **Develop and deliver financial solutions that will assist MSMEs with opportunities to access finance for varying aspects of their business.**



**CEO of the SBA, Ms. Lynette Holder (left) shaking the hand of the CTT's manager, Ms. Paula-Ann Moore, as staff witnessed the signing of the MOU.**

### **3.2 NUPW Small Business Management Training**

The first training series of the Business Start-up and Management course in collaboration with the National Union of Public Workers (NUPW) was coordinated during the reporting period. The programme was offered as a strategic response for persons being retrenched from the public sector to explore self-employment activity and to hone their business management skills for the future. A total of 15 persons attended the training and were awarded certificates on completion of the exercise. It is envisioned that another cohort of training will be offered for other participants to assist the former civil servants with the skills needed to explore entrepreneurial activity and to continue productive lives in the society. The topics in the course included:

- **Business Start-up & Management**
- **Governance & Regulation**
- **Business Plan Development**

### **3.3 CARICOM Consultation on Small Business Policy**

The Caribbean Community Secretariat (Caricom) in collaboration with the SBA hosted a National Consultation for a Regional Micro, Small and Medium Enterprise Policy. The consultation was one in a series of such national events being held in member states to solicit the views of the public and private sectors as well as civil society, on the kind of regional policy needed to enable the

growth of the MSME sector. The event provided participants the opportunity to explore what were the major strengths and weaknesses of the sector and the activities needed to incentivise small businesses to contribute fully to the development of the region.

Issues such as a common definition across CARICOM, enabling business support services, access to financing and a coordinating mechanism to better represent the sector nationally and regionally, were some of the topics discussed. Participants underscored the need to have at the regional level harmonised legislation and policies that can feed into the national framework.

Private Sector specialist with the CARICOM Secretariat, Ms. Leela Ramoutar, reported that whereas there was a Draft Model Bill for the sector, the Council of Trade and Economic Development earlier agreed that a policy on the sector was needed. Following the consultations, the Secretariat would be able to submit its recommendations to the COTED for final determination.

### 3.4 Global Entrepreneurship Week

The SBA participated in the Global Entrepreneurship Week of Activities held in November through the coordination of the following activities:

- **A marketplace event** in Trevor's Way, Pelican, where members showcased their products to locals and visitors alike. The latter being visitors who arrived on the island via various cruise ships.
- **A presentation to primary school students - from Nursery to Boardroom.** Presentation was made at the Hindsbury Primary School to introduce the 'mystery item' and to present on the subject of entrepreneurship. This was done at full assembly of the school and directly to the class involved. At the conclusion of this activity the Hindsbury School placed second in the overall competition.
- **A Women's Entrepreneurial Forum – Show, Sell, Succeed.** Promotion was coordinated for this event with Girlfriends Expo, and was held to assist female entrepreneurs and potential businesswomen with the techniques to better market their businesses.

### 3.5 Community Outreach

In the latter quarter of the calendar year the SBA appealed to its members and stakeholders for the donation of toiletries and non-perishable food items in an effort to provide support to those vulnerable in the society. To this end the association was able to assist two groups during the Christmas period. The items received were donated to the following:

- i. **The St. Vincent & the Grenadines Association of Barbados** – this donation was made to assist those families affected by the devastation caused by floods during the Christmas season.







*The picture above shows Mr. Adam Noel, President of the Association and the SBA's CEO on receipt of the donation from the SBA.*

- ii. **The Nightingale Children's Home** – the second donation was made to the Children's Home to help with the provision of essential supplies during the Yuletide season.



*Sisters at the Children's Home receive the hampers of toiletries and dry food items from SBA CEO (third from right).*

## OUTLOOK FOR 2015

The economic and fiscal forecast for 2015 reveal that Barbados will continue in a period of prolonged recession. High unemployment, increase cost of business inputs, decline in the traded and non-traded sectors and overall lack of economic growth, are characteristics of the environment

in the ensuing year. This will no doubt impact on the MSME sector's ability to grow and be sustainable. The SBA will therefore be task to be more innovative in its programming and strategic in its operations to continue the provision of relevant and rewarding services to members and the sector at large.

Consequent of the above, the association will be expected to play a significant role in the revision of the Small Business Development Act and the preparation of a MSME Policy to ensure that the legislative and business support framework is in play to enable the sector to survive the post-recessionary period. Additionally, research & business development, identifying creative financial solutions and a greater emphasis on competency-based training will be key areas of programming for the SBA in the next year. Institutional strengthening of the association's secretariat will also be on the strategic agenda for the ensuing period to ensure that the organisation has the resources – human, financial and technological, to continue its service offerings to the sector. As the SBA continues towards its vision of being the organisation of choice for business and entrepreneurial development, all efforts and resources must be mobilised to reposition the MSME sector for survival in the future.

**Presented by**



.....  
**Dalton Medford, President**

**Board of Directors**

Small Business Association  
(Limited by Guarantee)  
Partially Consolidated Financial Statements  
For The Year Ended  
June 30, 2014

**INDEX**

**PAGE**

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|  |       |
|--|-------|
| Auditors' Report                                     | 25-26 |
| Partially Consolidated Balance Sheet                 | 27    |
| Statement of Partially Consolidated Accumulated Fund | 28    |
| Statement of Partially Consolidated Surplus          | 29    |
| Statement of Partially Consolidated Cash Flows       | 30    |
| Notes to Partially Consolidated Financial Statements | 31-36 |

Brian F. Griffith & Co.  
Chartered Accountants







## Independent Auditors' Report

### To the members of Small Business Association

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We have audited the accompanying partially consolidated financial statements of **the Small Business Association**, which comprise the partially consolidated balance sheets as of June 30, 2014, and the statements of partially consolidated surplus, statements of partially consolidated accumulated fund and statements of partially consolidated cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes for the Small Business Association and the Small Business Venture Capital Inc.

#### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium Size Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these partially consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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



## Opinion

In our opinion the partially consolidated financial statements present fairly, in all material respects, the financial position of the **Small Business Association** along with the Small Business Venture Capital Inc. as of June 30, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium Size Entities.



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

10 November 2014  
Bridgetown, Barbados

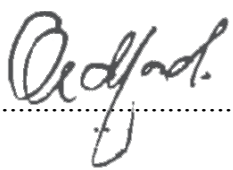
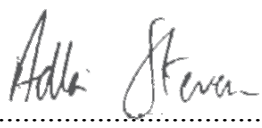


**Small Business Association**  
**(Limited by Guarantee)**  
**Partially consolidated balance sheet**  
**As at June 30, 2014**

|                                     | Notes | <b>2014</b>      | <b>2013</b>      |
|-------------------------------------|-------|------------------|------------------|
|                                     |       | \$               | \$               |
| <b>Assets</b>                       |       |                  |                  |
| Cash at bank                        | 3     | 460,681          | 456,421          |
| Term deposits                       | 4     | 1,101,841        | 1,101,841        |
| Accounts receivable                 | 5     | 105,809          | 143,169          |
| Due by related parties              |       | 191,638          | 191,638          |
| Investments                         | 6     | 1,042,958        | 1,067,958        |
| Prepaid expenses                    |       | 9,095            | 5,664            |
| Non-current assets                  | 7     | 10,785           | 18,927           |
| <b>Total assets</b>                 |       | <b>2,922,807</b> | <b>2,985,618</b> |
| <b>Current liabilities</b>          |       |                  |                  |
| Accounts payable and accruals       |       | 54,928           | 60,856           |
| Deferred revenue                    |       | 562,275          | 0                |
|                                     |       | <b>617,203</b>   | <b>60,856</b>    |
| <b>Equity</b>                       |       |                  |                  |
| Accumulated fund                    |       | (694,396)        | (636,066)        |
| Capital grant                       | 8     | 3,000,000        | 3,000,000        |
| Disadvantaged fund                  |       | 0                | 560,828          |
|                                     |       | <b>2,305,604</b> | <b>2,924,762</b> |
| <b>Total liabilities and equity</b> |       | <b>2,922,807</b> | <b>2,985,618</b> |

The accompanying notes form part of these financial statements.

Approved by the Board

DIRECTOR  DIRECTOR 



**Small Business Association  
(Limited by Guarantee)  
Statement of partially consolidated accumulated fund  
For the year ended June 30, 2014**

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|                                  |                  |
|----------------------------------|------------------|
|                                  | \$               |
| Accumulated fund – June 30, 2012 | (651,093)        |
| Surplus for the year             | <u>15,027</u>    |
| Accumulated fund – June 30, 2013 | (636,066)        |
| Deficit for the year             | <u>(58,330)</u>  |
| Accumulated fund – June 30, 2014 | <u>(694,396)</u> |





**Small Business Association**  
**(Limited by Guarantee)**  
**Statement of partially consolidated surplus**  
**For the year ended June 30, 2014**

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|                                       | Notes | <b>2014</b>     | <b>2013</b>    |
|---------------------------------------|-------|-----------------|----------------|
|                                       |       | \$              | \$             |
| <b>Income</b>                         | 9     | 690,547         | 936,962        |
| <b>Expenses</b>                       | 10    | <u>723,877</u>  | <u>921,935</u> |
| <b>Surplus/(deficit) for the year</b> |       | (33,330)        | 15,027         |
| <b>Investments written off</b>        |       | <u>(25,000)</u> | <u>0</u>       |
| <b>Net deficit for the year</b>       |       | <u>(58,330)</u> | <u>15,027</u>  |



**Small Business Association**  
**(Limited by Guarantee)**  
**Statement of partially consolidated cash flows**  
**For the year ended June 30, 2014**

|   | <b>2014</b>      | <b>2013</b>      |
|---|------------------|------------------|
|   | <b>\$</b>        | <b>\$</b>        |
| <b>Cash flows from operating activities</b>                     |                  |                  |
| Deficit for the year  | (58,330)         | 15,027           |
| Depreciation  | 8,142            | 9,160            |
| Operating deficit before working capital changes                | (50,188)         | 24,187           |
| Net change in non-cash working capital balances                 | 590,276          | (34,384)         |
| <b>Net cash (used)/from in operating activities</b>             | <b>540,088</b>   | <b>(10,197)</b>  |
| <b>Cash flows used in from investing activities</b>             |                  |                  |
| Decrease in investments   | 25,000           | 0                |
| Decrease/(increase) in due by related parties                   | 0                | 4,654            |
| <b>Net cash from/(used) in investing activities</b>             | <b>25,000</b>    | <b>4,654</b>     |
| <b>Cash flows from financing activities</b>                     |                  |                  |
| Disadvantaged fund  | (560,828)        | 3,510            |
| <b>Net cash from financing activities</b>                       | <b>(560,828)</b> | <b>3,510</b>     |
| <b>Net (deceased) in cash and cash equivalents for the year</b> | <b>4,260</b>     | <b>(2,033)</b>   |
| <b>Cash and cash equivalents, beginning of year</b>             | <b>1,558,262</b> | <b>1,560,295</b> |
| <b>Cash and cash equivalents, end of year</b>                   | <b>1,562,522</b> | <b>1,558,262</b> |
| <b>Cash and cash equivalents comprise:</b>                      |                  |                  |
| Cash  | 460,681          | 456,421          |
| Term deposits   | 1,101,841        | 1,101,841        |
|   | <b>1,562,522</b> | <b>1,558,262</b> |

The accompanying notes form part of these financial statements.



# **Small Business Association**

## **(Limited by Guarantee)**

### **Notes to partially consolidated financial statements**

#### **June 30, 2014**

---

#### **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.

No account has been taken of the effects of inflation.

##### **b) 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%    |

##### **c) Currency**

These financial statements are expressed in Barbados dollars.



**Small Business Association**  
**(Limited by Guarantee)**  
**Notes to partially consolidated financial statements**  
**June 30, 2014**

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**3. Cash at bank**

|                                     | <b>2014</b>           | <b>2013</b>           |
|-------------------------------------|-----------------------|-----------------------|
|                                     | <b>\$</b>             | <b>\$</b>             |
| Small Business Association          | 410,528               | 400,614               |
| Small Business Venture Capital Inc. | 50,153                | 55,807                |
|                                     | <u><b>460,681</b></u> | <u><b>456,421</b></u> |

**4. Term deposit**

|                                     | <b>2014</b>             | <b>2013</b>             |
|-------------------------------------|-------------------------|-------------------------|
|                                     | <b>\$</b>               | <b>\$</b>               |
| Small Business Association          | 300,000                 | 300,000                 |
| Small Business Venture Capital Inc. | 801,841                 | 801,841                 |
|                                     | <u><b>1,101,841</b></u> | <u><b>1,101,841</b></u> |

**5. Accounts receivable**

|                            | <b>2014</b>           | <b>2013</b>           |
|----------------------------|-----------------------|-----------------------|
|                            | <b>\$</b>             | <b>\$</b>             |
| Small Business Association | 105,809               | 143,169               |
|                            | <u><b>105,809</b></u> | <u><b>143,169</b></u> |

**6. Investments**

|                                     | <b>2014</b>             | <b>2013</b>             |
|-------------------------------------|-------------------------|-------------------------|
|                                     | <b>\$</b>               | <b>\$</b>               |
| Small Business Association          | 127,958                 | 127,958                 |
| Small Business Venture Capital Inc. | 915,000                 | 940,000                 |
|                                     | <u><b>1,042,958</b></u> | <u><b>1,067,958</b></u> |

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





**Small Business Association**  
**(Limited by Guarantee)**  
**Notes to partially consolidated financial statements**  
**June 30, 2014**

**7. Non-current assets**

|                                     | <b>Furniture<br/>and<br/>fittings<br/>\$</b> | <b>Office<br/>equipment<br/>\$</b> | <b>Property,<br/>plant and<br/>equipment<br/>\$</b> | <b>Leasehold<br/>improve.<br/>\$</b> | <b>Total<br/>2011<br/>\$</b> |
|-------------------------------------|--|------------------------------------|---|--------------------------------------|------------------------------|
| <b>Cost</b>                         |  |                                    |   |                                      |                              |
| At July 1, 2013                     | 94,784                                       | 152,024                            | 4,980   | 110,983                              | 362,771                      |
| Additions                           | 0  | 0                                  | 0   | 0                                    | 0                            |
| At June 30, 2014                    | <u>94,784</u>                                | <u>152,024</u>                     | <u>4,980</u>  | <u>110,983</u>                       | <u>362,771</u>               |
| <b>Accumulated<br/>Depreciation</b> |  |                                    |   |                                      |                              |
| At July 1, 2013                     | 78,457                                       | 149,425                            | 4,979   | 110,983                              | 343,844                      |
| Charge for the year                 | 6,652  | 1,490                              | 0   | 0                                    | 8,142                        |
| At June 30, 2014                    | <u>85,109</u>                                | <u>150,915</u>                     | <u>4,979</u>  | <u>110,983</u>                       | <u>351,986</u>               |
| <b>Net Book Value -2014</b>         | <u><b>9,675</b></u>                          | <u><b>1,109</b></u>                | <u><b>1</b></u>                                     | <u><b>0</b></u>                      | <u><b>10,785</b></u>         |
| <b>Net Book Value -2013</b>         | <u><b>16,327</b></u>                         | <u><b>2,599</b></u>                | <u><b>1</b></u>                                     | <u><b>0</b></u>                      | <u><b>18,927</b></u>         |

**8. 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.



## Small Business Association

### (Limited by Guarantee)

#### Notes to partially consolidated financial statements

June 30, 2014

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#### 9. Income

|                                    | 2014           | 2013           |
|------------------------------------|----------------|----------------|
|                                    | \$             | \$             |
| Ordinary Grant - Annual subvention | 371,000        | 525,000        |
| Small Business Week                | 93,450         | 73,250         |
| Enterprise in Action               | 79,000         | 1,000          |
| Training Programme                 | 56,350         | 47,320         |
| Membership fees                    | 44,730         | 44,190         |
| Interest income                    | 13,800         | 13,599         |
| Special Projects Revenue           | 12,500         | 56,394         |
| Services                           | 8,178          | 6,917          |
| Membership booklet                 | 4,200          | 800            |
| The Business Lead                  | 3,550          | 0              |
| Dividends income                   | 2,500          | 14,380         |
| Other income                       | 1,289          | 33,913         |
| Development fund income            | 0              | 119,314        |
| Web design                         | 0              | 885            |
|                                    | <u>690,547</u> | <u>936,962</u> |

**Small Business Association**  
**(Limited by Guarantee)**  
**Notes to partially consolidated financial statements**  
**June 30, 2014**

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**10. Total expenses**

|                                 | <b>2014</b>    | <b>2013</b>    |
|---------------------------------|----------------|----------------|
|                                 | \$             | \$             |
| Personnel Cost                  | 363,461        | 381,023        |
| Projects expenses               | 147,151        | 161,945        |
| SBA/IDB Micro-Project           | 38,060         | 153,294        |
| Rent                            | 37,515         | 44,337         |
| Utilities                       | 27,125         | 24,549         |
| Professional fees               | 23,051         | 25,890         |
| Secretariat expenses            | 22,605         | 22,616         |
| Repairs and maintenance         | 14,813         | 13,436         |
| Directors' fees                 | 14,600         | 26,825         |
| Depreciation                    | 8,142          | 9,160          |
| Membership fees                 | 7,414          | 6,731          |
| Bad debts                       | 3,970          | 4,867          |
| Marketing & member promotions   | 3,690          | 1,050          |
| Insurance                       | 3,499          | 2,718          |
| Internet expenses               | 1,735          | 3,457          |
| Bank charges and interest       | 1,661          | 3,217          |
| Miscellaneous                   | 1,294          | 0              |
| Security                        | 1,046          | 1,831          |
| Penalties and interest          | 813            | 0              |
| Advertising & public relations  | 873            | 9,632          |
| Overseas conferences, meetings  | 600            | 1,000          |
| Induction ceremony expenses     | 552            | 194            |
| Training and seminars           | 200            | 249            |
| Meeting expenses                | 7              | 0              |
| Research & business development | 0              | 22,600         |
| Awards and recognition          | 0              | 499            |
| Donations                       | 0              | 440            |
| Printing and stationery         | 0              | 375            |
|                                 | <hr/>          | <hr/>          |
|                                 | <b>723,877</b> | <b>921,935</b> |



**Small Business Association**  
**(Limited by Guarantee)**  
**Notes to partially consolidated financial statements**  
**June 30, 2014**

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**11. Summary of Financial Operations**

|                                      | <b>SBA</b>       | <b>SBVCI</b>     |
|--------------------------------------|------------------|------------------|
|                                      | <b>\$</b>        | <b>\$</b>        |
| <b>Statement of income</b>           |                  |                  |
| Income                               | 722,947          | 3,600            |
| Expenses                             | 716,716          | 68,161           |
| Net surplus/(loss) for the year      | <u>6,231</u>     | <u>(64,561)</u>  |
| <br><b>Balance sheet</b>             |                  |                  |
| Assets                               | <u>3,179,242</u> | <u>1,766,995</u> |
| Liabilities                          | 611,034          | 29,597           |
| Shareholder's equity                 | <u>2,568,208</u> | <u>1,737,398</u> |
| Shareholder's equity and liabilities | <u>3,179,242</u> | <u>1,766,995</u> |





# STANDING ORDERS

1.
  - a) A member to stand when addressing the Chair.
  - 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 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 rises to object or to explain (with the permission of the chair).
  - c) With 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 or negative.
7. A member rising on a "Point of Order" to state the point clearly and concisely. (A "Point of Order" must have relevance to the "Standing Order").
8.
  - a) A member should not "call" another member "to order" – but may draw the attention of the Chair to a "Breach of Order".
  - 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, any amendment to it fails.
12. The Chairman to 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 to be made for protection by the Chairman from vilification (personal abuse).
15. No member shall impute improper motive against another member.



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