

*Craftsmen of our Fate*



# ANNUAL REPORT 2016



**Small Business**  
ASSOCIATION

## 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.





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# NOTICE OF MEETING

Notice is hereby given of the 23rd Annual Meeting of Members of the Small Business Association to be held on Tuesday November 29, 2016, at 11:00 a.m., 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 22nd Annual Meeting held on November 26, 2015
6. Matters arising from Minutes
7. Board of Directors' Report
8. Treasurer's Report & Financial Statements
9. Auditors' Report
10. Appointment of Auditors
11. Special Presentation
12. Elections
13. Any other business
14. Termination

By Order  
Charles Carter  
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 stake-holders; 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 recognized 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 (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](mailto:theoffice@sba.bb)  
Website: [www.sba.bb](http://www.sba.bb)

# LEADERSHIP TEAM

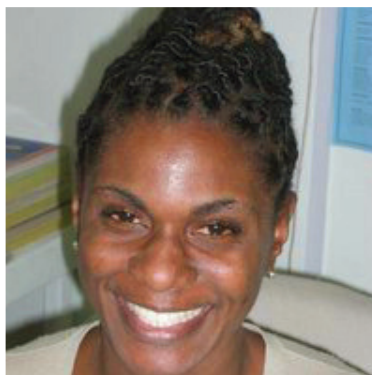


**President**  
Dalton Medford

**Secretary**  
Charles Carter



**Vice President**  
Gayle Headley-Lowe



**Treasurer**  
Adlai Stevenson

**Director**  
Glendine Greaves



**Director**  
Margaret Hoyte



**Assistant Treasurer/  
Secretary**  
Robert Homer



**CEO**  
Lynette Holder



# BOARD OF DIRECTORS' REPORT FOR FY 2015-2016

## Presented to the 23rd Annual Meeting of the Small Business Association

### INTRODUCTION

The annual report of the Small Business Association (SBA) for FY 2015 – 2016 represents a synopsis of the activities implemented by the company during the fiscal period and is provided to members and stakeholders as part of the association's commitment to sound corporate governance.

In this the 50th year of Barbados' Independence, the need for a review of the nation's development model becomes imperative. This is occasioned by weaknesses in our macro economic fundamentals exposed by exogenous shocks, and the resultant impact on our quality of life. Addressing the kinds of social and economic policies needed, must be top of mind to policymakers, academics, business owners and administrators alike. Intrinsic to this will be the role that the small business community should play in the next phase of the country's development.


### Key Driver for Growth

The local micro, small and medium enterprise (MSME) sector, is often pivoted as the driver for economic recovery. The SBA holds to this truism but posits that this sector continues to be challenged to be viable owing to the lack of critical inputs such as **access to finance, markets and technical support**. An enabling legislative and policy framework, coupled with relevant and rewarding programmes are needed to build capacity and competitiveness in the sector.

The issue of finance has been supported by the World Economic Forum's Global Competitiveness Report 2016 – 2017, which identified **access to finance** as one of the top five issues affecting the competitiveness of the country<sup>1</sup>. This factor contributes to MSMEs' inability to attract the necessary capital for start-up and expansion, thus limiting the growth in the domestic space and more critically, the opportunity to expand into export markets.

In addition to finance, is the need to strengthen the **access to local markets**, particularly in the current recessionary environment. Setting aside a percentage of government's procurement of goods and services to MSMEs has been a strategy used by developing economies to build capacity in the small business sector. It represents a feasible, cost effective vehicle of enfranchisement and parity to safeguard against business failure and to encourage the sustainability of firms in the MSME ecosystem. The SBA therefore calls on the Government of Barbados to honour its commitment to providing 40% of its goods and services to the MSME sector. This policy if implemented has the potential to increase the market share of small firms and ensure their viability in the current period, as government is traditionally a large consumer of goods and services.

<sup>1</sup> The Global Competitiveness Report 2016–2017, Klaus Schwab, World Economic Forum



The third area is **technical support**, which has been the space the SBA elected to operate and find its niche in the business support sector. To this end the programmes implemented during the fiscal period focused on training & education and marketing support. In the words of Peter Drucker “**business has two functions, marketing and innovation**”. Consequently, competency-based training, access to technology such as websites and social media, and marketing initiatives to increase consumer patronage, engaged the focus of the association. The provision of technical support represents a strategic response by the SBA to address the issues of marketing and innovation among member firms.

The ensuing pages document the key projects and programmes implemented during the fiscal period according to the SBA's work plan for the year. These initiatives were executed against the backdrop of continued recession in the national economy, increased cost of doing business and reduced disposable income by consumers and businesses alike. The association therefore sought to focus its programming on capacity building activities for members and the sustainability of the secretariat to deliver relevant and rewarding product offerings.

## UPDATE ON WORK PLAN

The activities of the SBA are implemented according to an annual work plan, which is determined by the Strategic Plan of the organisation for a given period. During the year under review, the association focused its programming in the areas of **Education & Training, Marketing Support, Youth Development, Outreach/Stakeholder Activities and Institutional Strengthening**.

### 1. EDUCATION & TRAINING

#### 1.1 Competency-Based Training

The SBA completed two cohorts of training for small business owners in the occupational area, **Developing a New or Existing Business Enterprise Level 3**. Some 42 small business owners participated in the formal training in the programme. The training was conducted over a 13-week period for each cohort. This initiative was funded through the Competency-Based Training Fund, facilitated by project partner, Action Coach, and is designed to build the knowledge and skills required by participants to better manage their operations, to enhance their overall competitiveness. Of those ‘candidates’ who completed the formal training, some 30 or 71% have completed their portfolios to achieve full or unit certification in the programme. Consequently the National/Caribbean Vocational Qualification, awarded by the TVET Council, will be issued to these participants. This qualification is recognised within the region and some international jurisdictions; participants will therefore improve their marketability on attainment of the N/CVQ. Table 1 indicates the modules covered in the programme.

Unit No	Unit Code	Unit Table
1	U27503	Achieve the goals for your business
2	U27603	Win and keep customers
3	U27703	Build relationships to build business
4	U27803	Check the likely success of a business idea
5	U27903	Decide on the capital needs of your business
6	U28003	Check your ability to run your business
7	U28103	Plan how you will sell your products or services

Table 1

The below figures show the gender distribution of students in the two groups.

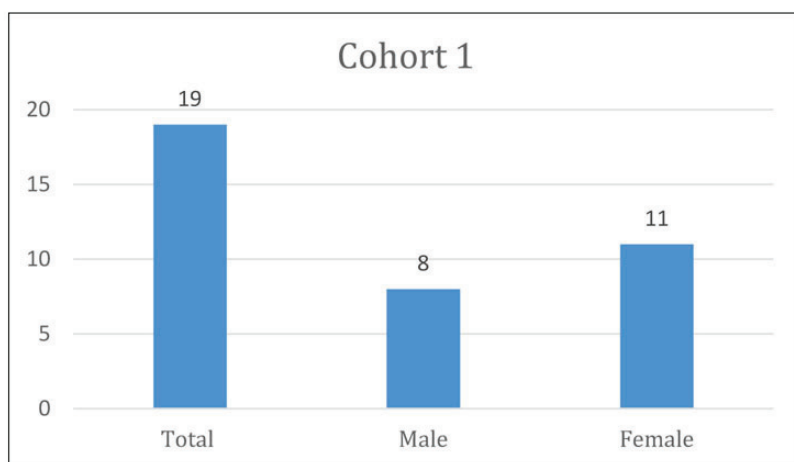
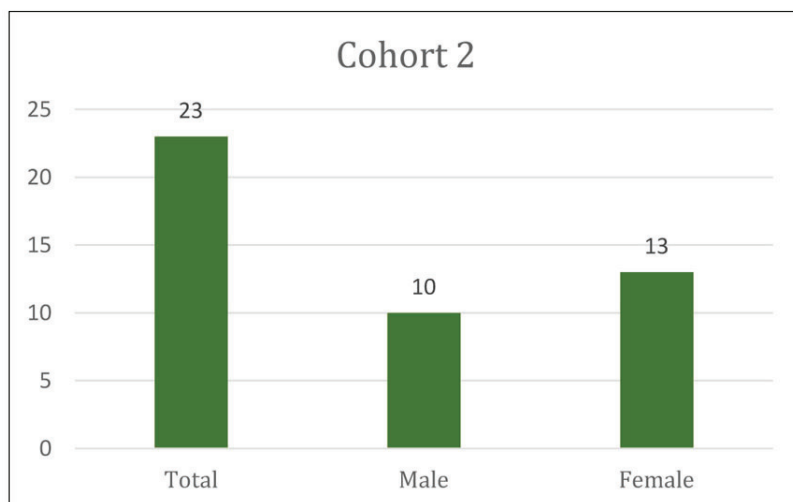


Figure 1

Figure 2



## 1.2 Entrepreneurial Training Series

Three semesters of training were organised during the year in four disciplines – **QuickBooks, social media, marketing and customer service**. At the end of the FY a total of 128 persons benefited from the Training Series, representing 82% female and 18% male. The overall representation by SBA members in the year was 41%.

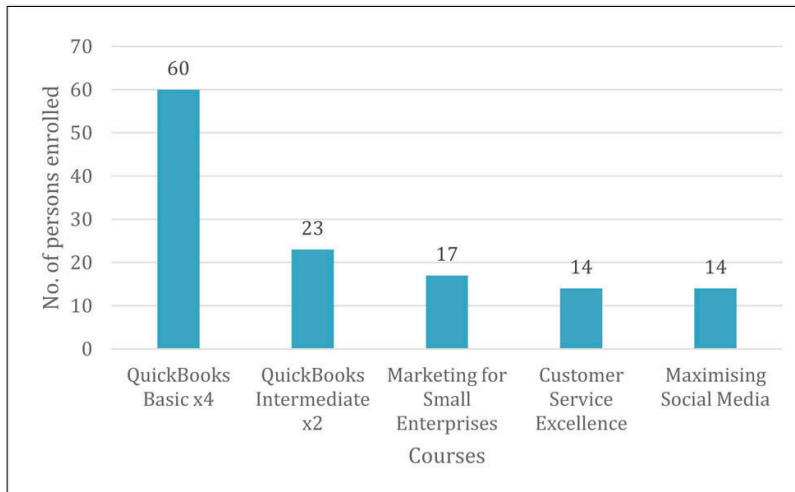
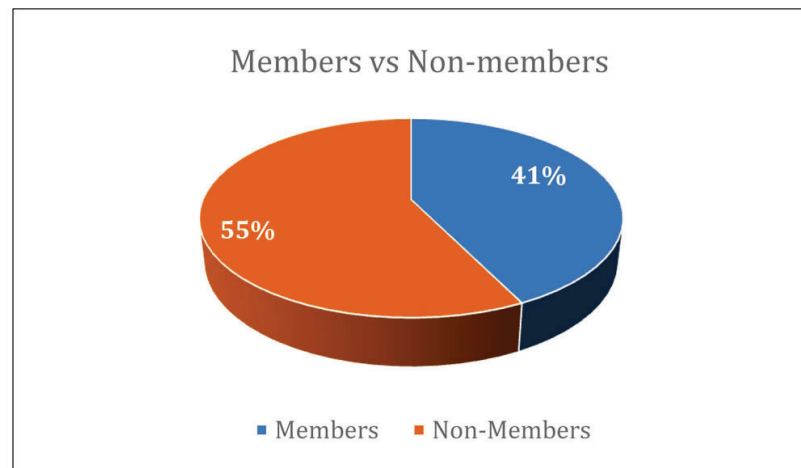


Figure 3

Figure 4





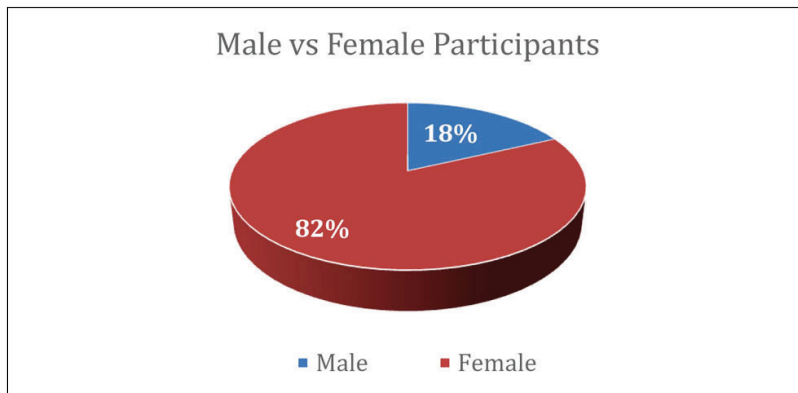


Figure 5

### 1.2.1 Entrepreneurial Training Series Graduation

The SBA also hosted, during the reporting period, a graduation ceremony for the Entrepreneurial Training Series, Class of 2015. This event awarded those students who completed a minimum of 60% of their classes during the training cycle. Held under the theme ***“Enabling our Human Resource to be Globally Competitive”*** the ceremony featured some 118 students who successfully completed 137 courses. This represented a 92% completion rate following the overall enrolment of 128 students for the calendar year; 75% of the graduands were female and 25% male.

Courses were taught in four disciplines as follows:

- **QuickBooks Basic (7)**
- **QuickBooks Intermediate (2)**
- **Supervisory Management & Team Building**
- **Strategic Planning for Small Business**

Below is a section of the Graduating Class 2015 at the Ceremony.





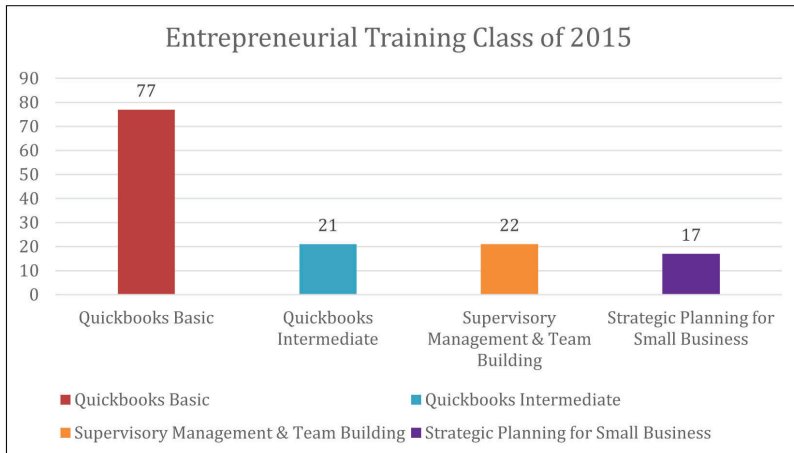


Figure 6

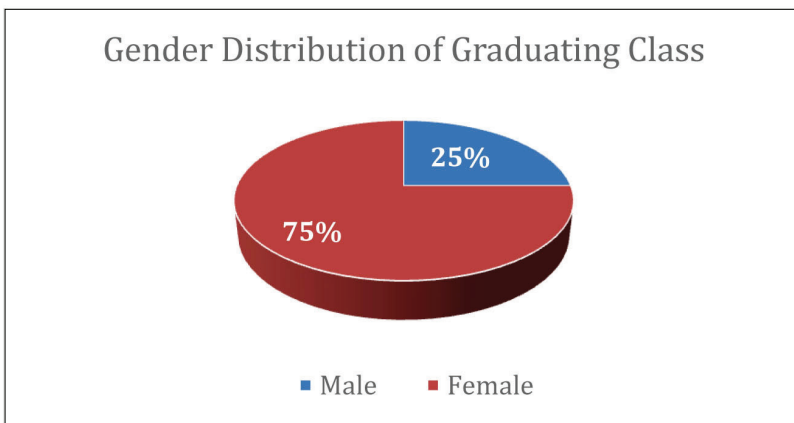



Figure 7

### 1.3 Members' Education Sessions

During the year five educational sessions were held to address current topics affecting the MSME sector. These are listed in the below table.

<b>July 2015</b>	An educational session was held for members following the 2015 Budgetary Proposals & Financial Statements, on the topic <b>“How to Budget after the Budget”</b> . This section focused on the implications of the proposals on the MSME sector and served to educate members on the various legislative changes announced.
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<b>November 2015</b>	The association's Annual General Meeting was held in November. The Board of Directors presented the audited financial statements and operations report of the company to members. During this business luncheon, a special presentation was made by seasoned entrepreneur, Mr Rawle Brancker, on <b>Reimagining National Development - the Role of Small Enterprise</b> .
<b>February 2016</b>	In light of the many legislative changes affecting the business community, the SBA held a members' educational forum in February under the theme " <b>Navigating 2016 – Impact of the Business Environment on SMEs</b> ". Presentations were made on the new filing regulations for companies issued by the Corporate Affairs & Intellectual Property Office, new safety regulations by the Barbados Fire Service and updates from the Barbados Revenue Authority.
<b>April 2016</b>	One educational meeting was held during April, with a focus on the new financial products available to the small business sector. Presentations were made on the following themes: <ul style="list-style-type: none"> <li>• <b>The Enhanced Credit Guarantee Fund (Central Bank of Barbados)</b></li> <li>• <b>First Citizens New Finance Products</b></li> <li>• <b>Crowd-funding</b></li> </ul>
<b>June 2016</b>	A forum was organised in June to assist members in identifying those goods and services needed to improve efficiency in their operations. As such, presentations were made on the following topics: <ul style="list-style-type: none"> <li>• <b>Telecommunications Solutions</b></li> <li>• <b>Tailoring your Insurance Products</b></li> <li>• <b>Efficient Renewable Energy Options</b></li> </ul>

## 2 MARKETING SUPPORT

### 2.1 Be SME Smart Programme

The **Be SME Smart** Programme is a marketing initiative of the association designed to give exposure and increase patronage to participating businesses by offering registered consumers discounts or special offers on the presentation of their SMART Card. The programme is primarily marketed through social media and email blasts, and encourages consumers to patronise the businesses listed in the SBA's online market place.

At the end of June there were 2,363 cardholders in the programme, representing all age groups and drawn from all parishes on the island, and 263 businesses (members and non-members) registered in the online marketplace. These consumers are encouraged to patronise participating firms when making their everyday purchases, with the value-added of being guaranteed discounts and/or special packages on the presentation of their SMART Card. Figures 8 – 11 provide demographical information on the cardholders.

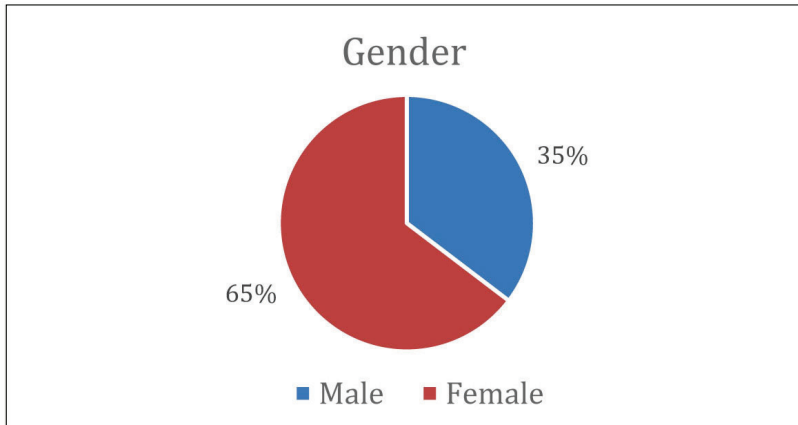


Figure 8

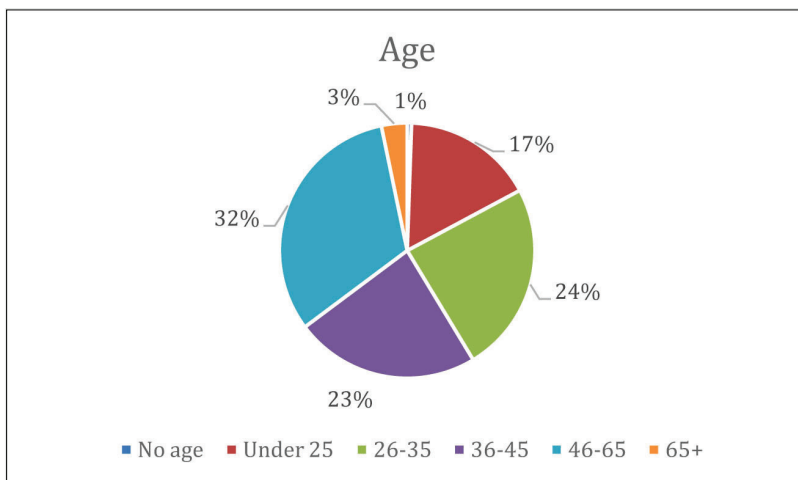


Figure 9

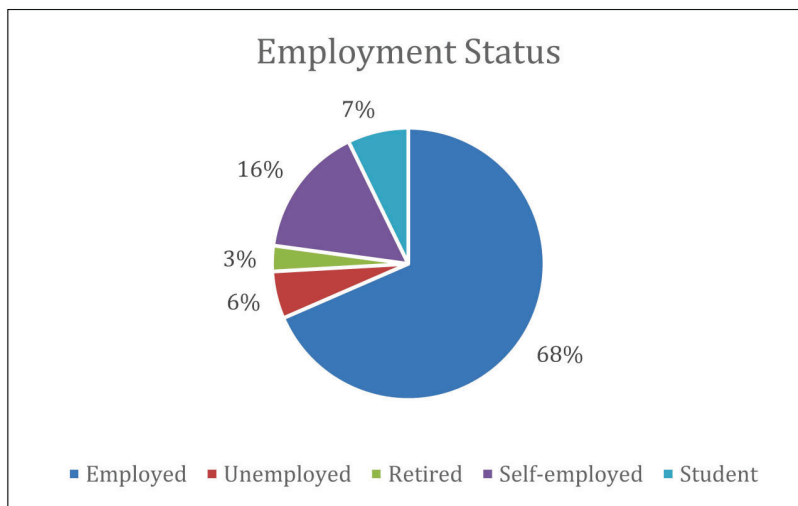


Figure 10

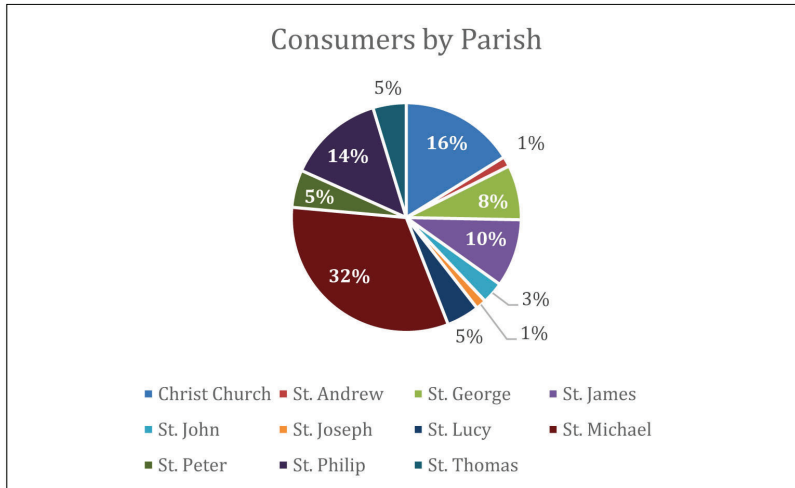


Figure 11

### 2.1.1 Be SME Smart Value-added Activities

As a further fillip to the marketing thrust to promote members' products, several activities were held in the November – December period, as these periods are popular shopping seasons for customers. The promotional events focused on enhancing the opportunities for members to increase their sales and earn revenue during the busy Independence and Christmas periods.

In celebration of the independence of Barbados, the SBA coordinated an exhibition and promotional tour during the month of November. The expo, held in the Jubilee Gardens, featured the display of products from some 35 micro and small businesses. The general public was therefore treated to goods and services from firms in the retail, professional services and manufacturing sectors, supported by arts & crafts, ICT, agro-processing and food & beverage sub-groups.

The promotional tour served as a marketing event for the various activities, to sensitise the public to the Expo and Shop & Win campaign (the latter discussed below) being held during the period. This was supported by the distribution of flyers and other paraphernalia throughout the various communities visited by the bus tour.

As a value-added to the Be SME Smart campaign, the association launched in December, the **Shop & Win Promotion**. This project was geared specifically for Smart Cardholders to encourage increase patronage of small businesses during the Christmas season. The promotion, which ran from December 2015 – January 4, 2016, provided the consumer further opportunities to receive discounts on goods & services, rewards and special packages as they patronised the businesses in the programme.

The Christmas season represents a popular shopping occasion and as such, an ideal opportunity to assist small firms to grow their revenues and promote the quality products available in the small business sector.

The campaign maintained the focus of the overall Be SME Smart programme of: -

- Saving jobs
- Increasing revenue
- Enhancing the competitiveness of MSMEs
- Reducing the use of foreign exchange and,
- Improving the quality of goods and services offered by small enterprises.

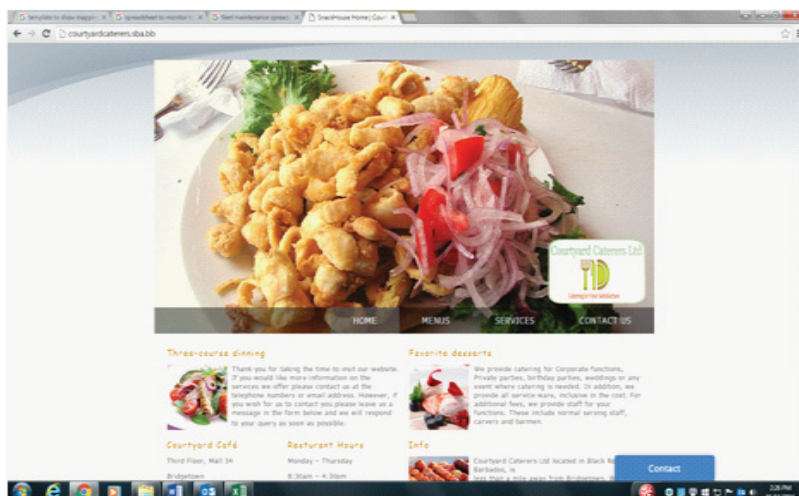
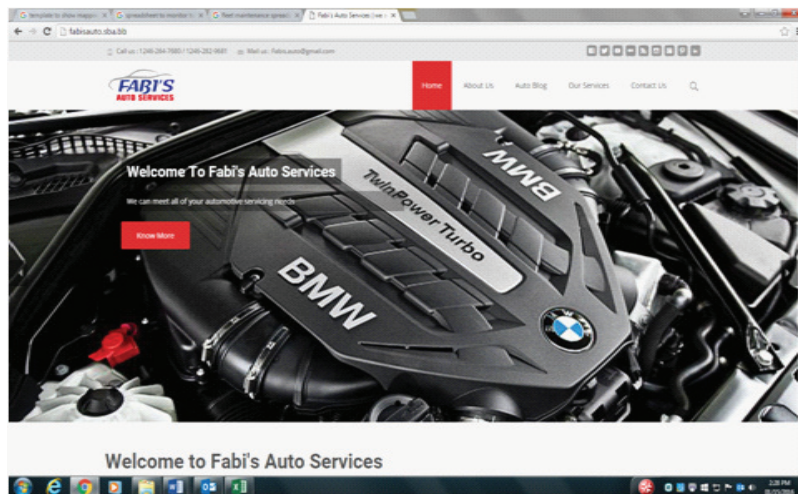
Below are images of the various promotional projects.



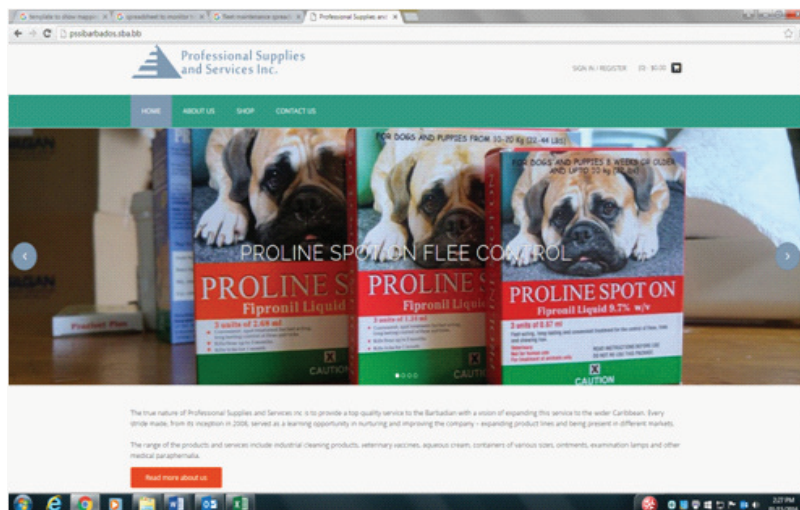
## 2.2 TechSmart Project

The SBA concluded the second phase of its TechSmart project during the period under review. This activity featured the provision of free websites to members to assist with their marketability using the Internet and to ensure they realised some level of competitiveness in the global market place.

The websites were designed to include user-friendly features to allow members to easily update content and manage their overall messaging on the sites, as well as e-commerce functionality to facilitate the transition to online trading. To date the association has provided sites for some 60 firms through assistance in part from the Central Bank of Barbados. Enclosed are images of websites from phase two of the project.







## 2.3 E-Communications Tools

### 2.3.1 Social Media

The SBA's social media pages were used during the year under review to promote the activities of the association and members' product offerings. Promotions were developed around specific calendar events and used to market special packages for members and the public at large – this included Errol Barrow Day, Valentine's Day, Mother's Day and Father's Day. Discounts and special offers were promoted directly to cardholders in the **Be SME Smart** programme, on the Facebook page specifically for this activity and via weekly email blasts to subscribers.

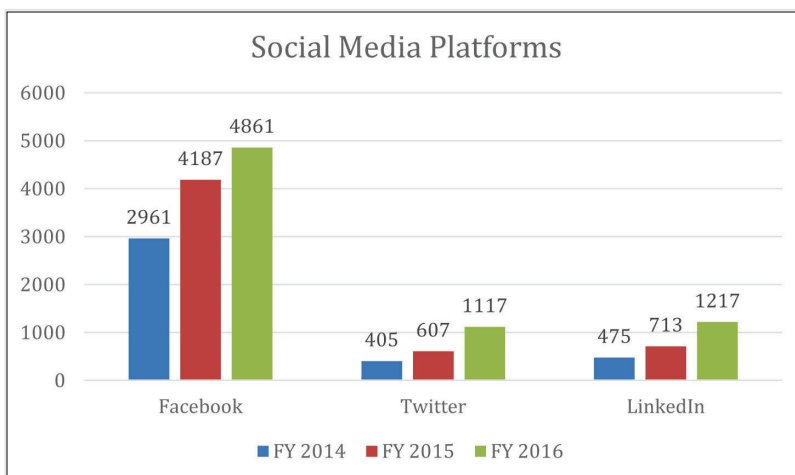


Figure 12



The SBA's cumulative Facebook following totalled **4,861** at the end of June, **4,468** were recorded for the main page and **393** for the **Be SME Smart** page.

### 2.3.2 Website

The website also increased in the number of visits recorded at the end of June, by 21%. This increase was a result of strategies put in place to drive traffic to the site, including hosting the weekly email blast information on the website, the **Be SME Smart** email blasts and social media posts. Events such as Members' Meeting were also promoted via this medium.

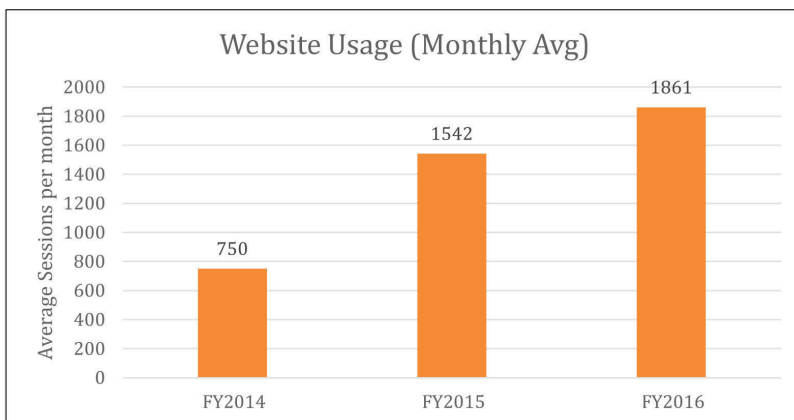


Figure 13

### 2.3.3 Newsletter

Subscription to the association's e-newsletter, the **Outlook**, continued to grow, recording an increase of 2,907 persons or 26% at the end of June compared to the last reporting period. The database now stands at **14,179** subscribers. Published bi-monthly, the **Outlook** provides another mechanism to disseminate information on the association, its activities and projects, and also communicates industry partners' activities and the product offerings of members. Figure 14 shows the growth in subscribers to the newsletter over the past four years.

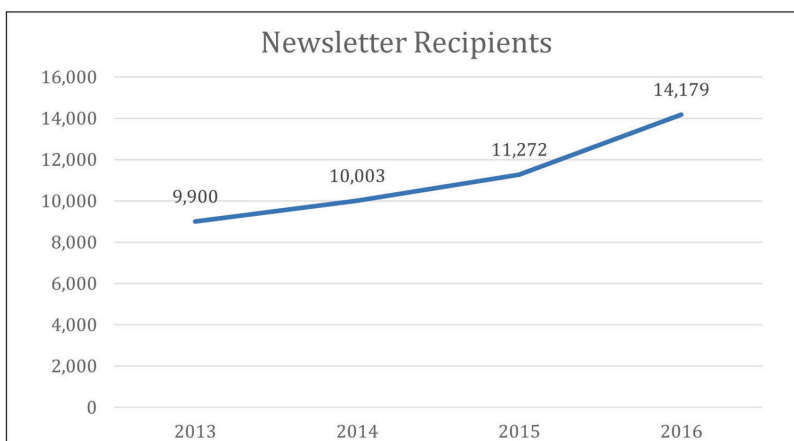


Figure 14

### 3. YOUTH DEVELOPMENT

#### Enterprise In Action Youth Programme


The Enterprise in Action Youth programme was implemented for a seventh consecutive year during the academic period September 2015 – June 2016. The programme continues to provide the opportunity for students at the fourth and fifth form level to understand entrepreneurship and develop an entrepreneurial mind-set. The goals of the programme are:

- 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 exhibition, the latter provides students the opportunity to showcase and promote their projects to an audience of their peers, as well as entrepreneurs. During the reporting period, the association again welcomed First Citizens Bank as title sponsor for the programme. Ten schools participated in the business training, whereas nine groups took part in the development of business projects during the year. (See table 2 below).

Table 2

	Name of School	Business Cases
1	Springer Memorial School	<b>Exquisite Events</b> Event Planning Business Events executed: Illuminate, The Model Search
2	Coleridge & Parry School	<b>Flavourtastic</b> Deli: Offering <ul style="list-style-type: none"><li>▪ Wraps</li><li>▪ Ice-Cream cone Cake</li><li>▪ Rainmonade(coloured ice and Lemonade)</li></ul>
3	Christ Church Foundation (group 1)	<b>Cup Cake Heaven</b> Signature product Cup Cake Pizza
4	Christ Church Foundation (group 2)	<b>ODP Graphics</b> Production of graphic t-shirts



5	Frederick Smith Secondary School	<b>FSSS Events</b> Event Planning Business Event executed: Food day at School Sports
6	St. Michael School	<b>Daily Delights</b> Pastry Shop & Smoothie Bar Offering <ul style="list-style-type: none"> <li>▪ Wraps</li> <li>▪ Smoothies</li> </ul>
7	Ellerslie Secondary School	<b>PB's</b> Specialty product - Pizza Burger
8	Lester Vaughan Secondary School	<b>Life Skills Class</b> Reselling of Cakes and Juice
9	Graydon Sealy Secondary School	<b>Pizza Kraze</b> Food business selling Pizza

#### 4. OUTREACH/STAKEHOLDER ACTIVITIES

##### 4.1 Small Business Week 2015

The signature event of the SBA, Small Business Week, was held during the period September 20 – 26, 2015 under the theme **Reimagining National Development – the Role of Small Enterprise**. The Week featured six events as follows:

- **Church Service** – Members, sponsors and industry partners attended the Service of Thanksgiving, held at the Power in the Blood Assembly church, to launch the week of activities.
- **VII Leo Leacock Lecture** – Professor Sir Hilary Beckles, Vice Chancellor of the UWI, delivered the lecture. Sir Hilary put into perspective the issues affecting the entrepreneurial climate in Barbados, by highlighting the impact of three centuries of slavery on the nation's people, the role of the legislator in determining a country's development model and solutions for future economic & social growth.
- **Youth Forum** – Students and teachers from eight secondary and four primary schools participated in the youth forum. The latter group represented students who were awarded for their participation in the **"I am SME Smart Essay Competition"**. Eight firms drawn from the cultural industries, manufacturing, arts & craft and tourism-related sectors were on hand to showcase their products and make presentations to the students.

- **The SME Smart Expo** – This event featured 30 businesses from the online marketplace showcasing their goods and services in an all-day exhibition in Jubilee Gardens. The event was supported by a display of entertainment, including the Royal Barbados Police Band, to attract the public to the event and to encourage patronage of the various displays.
- **The 20/20 Cricket Match** held at the Passage Road playing field. The Industry Partners II, captained by Carlisle Best, won the match, defeating the SBA, following the latter's victory in the previous year.
- **Awards Ceremony & Reception** – This event concluded the week of activities and featured the celebration of several member firms through the presentation of sectoral awards. Other awards included the community, people's choice and president's awards. Former Prime Minister, the Right Hon. Owen Arthur in delivering the feature address, underscored the importance of the SME Sector and its role in the development of a better Barbados. Mr Arthur challenged the audience to reimagine a model for national development that embraced the creative talents of the populace, a new model for regional integration, and a vision for the next dispensation of growth that embraced the use of technology, innovative methods of education and citizen participation in the state.

## 4.2 New Membership Drive

Some 51 businesses were added to the SBA's membership at the end of June 2016, representing a 9% increase over the previous year. These firms accounted for 249 employees at an average of five persons per business. 80% of the joining businesses reported annual revenues under \$200,000, and are classified as micro firms. This is consistent with the majority of businesses that characterised the membership of the association.

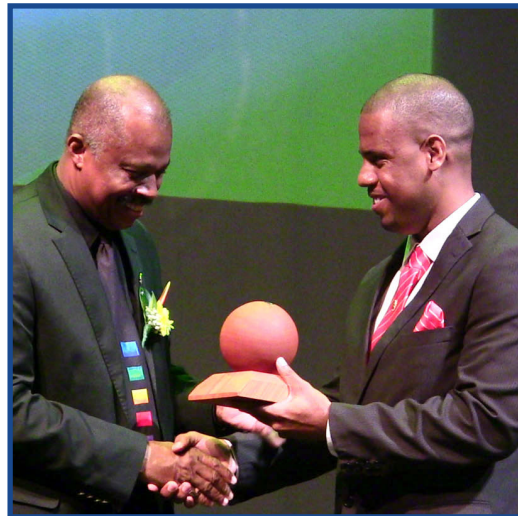
Figure 16 shows that the majority of the new members were in the General Services sector (25%). This was followed by the Professional Services (20%), Wholesale & Retail, as well as, ICT (13%), Arts & Craft and Tourism Related (9%), Manufacturing (7%), and Construction (4%).



Figure 15



HIGHLIGHTS OF FY 2015-2016





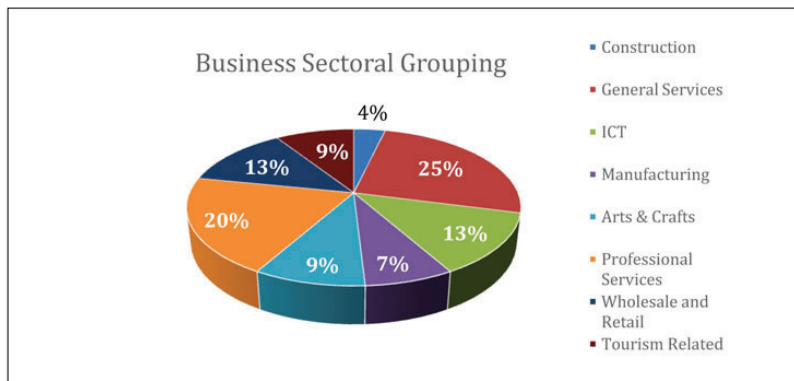


Figure 16

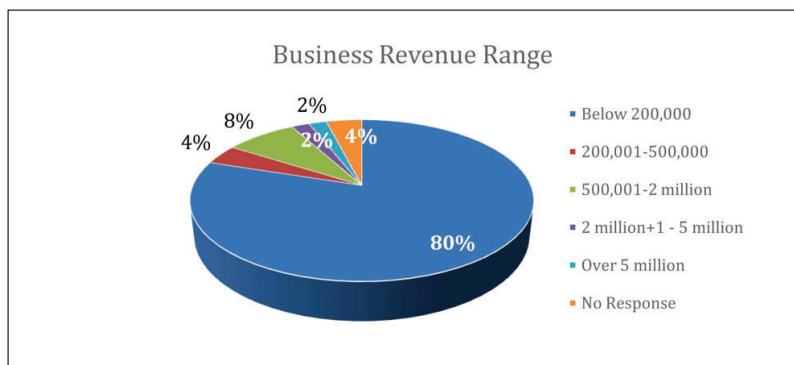


Figure 17

### 4.3 Stakeholder Relations

The SBA maintained vibrant stakeholder relations throughout the year to ensure that the needs of the MSME sector were being addressed. These networking and advocacy vehicles provided a platform for the association to table concerns on behalf of the sector and to work collaboratively to improve policies and programmes for MSMEs. Some of the committees and working groups include:

- a) Safety and health through the **National Advisory Council on Safety & Health**
- b) Strengthening our human resources to be productive and competitive through participation on the Steering Committee of the **Human Resource Development Strategy of Barbados** and the Pillar 5 Working Group of the Strategy
- c) Civil Society involvement in the democratisation process via the **Non-State Actors Panel**
- d) The **Barbados Private Sector Association** and by extension the **Social Partnership** of Barbados
- e) Technical Vocational & Education Training Council **Standard Development Committee**
- f) **Task force on Trade & Business facilitation** organised by the Ministry of Commerce
- g) Ministry of Commerce's **Steering Committee on Industrial Sector Policy**



## 5. INSTITUTIONAL STRENGTHENING

The SBA subscribes to the importance of strategic planning as a necessary process to identify its programming, taking into account its internal and external business environment. The strategic plan provides a blue print to facilitate effective monitoring, measurement and management by the Board and senior staff. Consequently, the association has developed its plan, **Vision 2020**, to address the strategic and operational goals of the SBA for its next planning cycle – 2016 - 2020.

The new strategic thrust of the association has been developed against the backdrop of a comprehensive institutional assessment conducted on the organisation in December 2015. This assessment proffered several recommendations needed to position the SBA to become a sustainable entity, delivering quality and relevant services to its members and wider stakeholders. A comprehensive review was completed on the programmes and product offerings of the association, as well as research conducted on the needs of members, policymakers and business support organisations. The institutional assessment identified two thematic areas that underpin the framework for the strategic activities of the SBA in the next four years, **Institutional Development and Programme Development**.

### **The key initiatives in the Institutional Development priority area are:**

- a) Grow non-governmental sources of revenue
- b) Increase membership fee income as greater share of annual revenue
- c) Develop projects to attract donor funding
- d) Attract and retain the competencies needed to achieve the organisational objectives
- e) Facilitate a productive work environment through enabling policies and operational procedures
- f) Conduct a review and upgrade of technology equipment and systems

### **The Programme Development priority area will focus on:**

- a) Develop training & education programmes to build management and vocational skills & competencies
- b) Strengthen the distribution channels for members' products
- c) Build capacity among members to be competitive
- d) Coordinate a youth business programme among secondary schools
- e) Facilitate entrepreneurship education among primary school students
- f) Organise seminars and educational fora on national issues affecting the MSME sector
- g) Establish data collection mechanisms to improve the access to information on MSMEs
- h) Organise lobbying and advocacy actions on behalf of the MSME sector

Several capacity building activities were started during the FY to strengthen the sustainability of the SBA, coupled with the provision of relevant and value-added programmes to build member competitiveness. These activities are funded through the Human Resource Development Strategy of Barbados, administered by the Ministry of Labour. Below are highlights of the initiatives.



## 5.1 Technological Upgrade of Secretariat

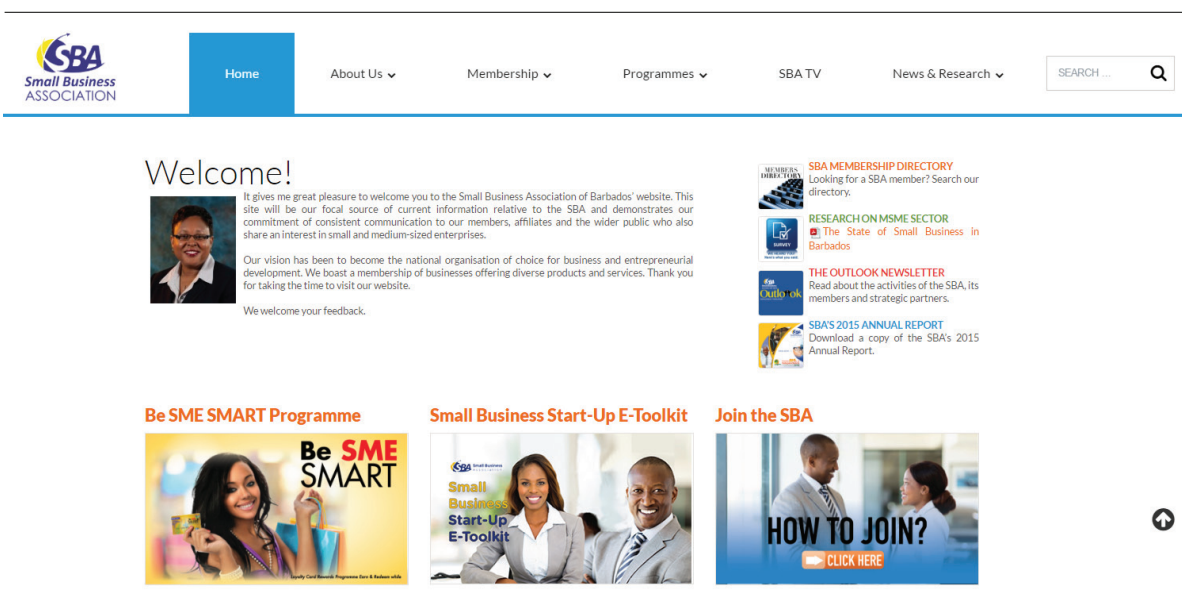
The Association commenced efforts to upgrade its technological infrastructure during the reporting period. Such upgrades include the procurement of new computers for its training lab, as well as a server and suite of software for training and operational needs. Additionally, IT tools have been identified to facilitate the introduction of online training by the end of the current year and software to build out a Membership Relationship Management System.

## 5.2 Development of a Website

The SBA commissioned the development of a new website to serve as a repository for data on the small business sector and to act as an interface between the association and the general public. The main objective of this intervention was to “develop one interactive resource base website to disseminate research outputs and serve as a focal point for access to small business statistical data”.

### The key highlights of the new website include:

- A portal to share research findings from surveys and policy papers
  - To conduct e-surveys on topical issues affecting the sector
  - To provide a resource base for persons desirous of starting a business through access to a small business e-toolkit
  - To facilitate the online training programmes to be developed and introduced in the future
  - To market the product offerings of members and provide a marketplace for consumers to purchase goods and services online.
- (See image of the new site below).



### 5.3 Capacity Building Programme

The association commenced an initiative to provide additional competency-based training for business owners and employees in small firms. The overall objective of this action is to strengthen the domestic output of goods and services of local firms and to enhance their export potential to compete on the global stage. The project features the development of standards and curricula for 2 N/CVQs in the areas of

- **E-Commerce for Small Business, and**
- **Small Business Accounting**

N/CVQ certified training will be facilitated for 100 entrepreneurs and small business owners in the above standards.

### 5.4 Small Business Start-up E-Toolkit

The main objective of the small business toolkit project is to:

**Research, document and produce a toolkit of the process, procedures and other considerations for starting a small business in Barbados.**

Having recognised the daunting experience that business owners go through when seeking to turn a business idea into reality, the SBA produced the e-toolkit to help persons navigate the regulatory and administrative processes required to set up an enterprise.

The toolkit is an interactive and easy-to-use guide that outlines the cycle to be followed from conception of the business idea through to operationalising that idea, to preparing the business plan to grow the enterprise.

The toolkit is an electronic guide housed on the association's website and is freely accessible to the public. The below is an image of the cover page of the toolkit.



## 5.5 MSME Research

The Sir Arthur Lewis Institute of Social and Economic Studies (SALISES), University of the West Indies, Cave Hill Campus, was engaged to undertake a national survey on the small business sector in Barbados. The consultancy had as its objective, enhancing the decision and policymaking capacity of stakeholders in the small business community, to ascertain the status of the sector and its contribution to the national economy.

The national survey was conducted among a maximum of 600 small business owners and entrepreneurs to obtain pertinent data on the contribution they make to economic development. The SBA worked collaboratively with SALISES to meet the targeted sample size of firms to realise the satisfactory confidence level and as such achieved a sample with a +/- 4% margin of error. A summary of the survey report is available on the association's website ([www.sba.bb](http://www.sba.bb)) for access by stakeholders and the general public.

The research report captioned **“the State of Small Business in Barbados”**, discusses *inter alia* quantitative and qualitative information on the sector:

1. Non-agriculture MSMEs generate \$3.5 billion in revenue, which accounts for 47.5% of private sector earnings.
2. 2.7% of the revenue stated above came from micro enterprises; 23.2% from small businesses and 21.5% from medium enterprises.
3. The greatest contributors are businesses in the services sector, which are responsible for 75% of MSME non-agriculture earnings and 39.4% of total revenue.
4. The micro and small enterprises contributed 51.4% of gross domestic product (GDP) and non-agriculture medium-sized businesses were responsible for 12.7%, for a total contribution from non-agriculture MSMEs of 64.1% of national value-added.
5. MSMEs were found to account for 60.7% of private sector employment and 47.6% of total jobs across Barbados in 2015.
6. The bulk of this employment is in small service companies, which accounted for 33.8% of private sector employment and 26.5% of total employment in the country.
7. There was an estimated 9,651 formal businesses operating in Barbados, of which 96% were MSMEs.

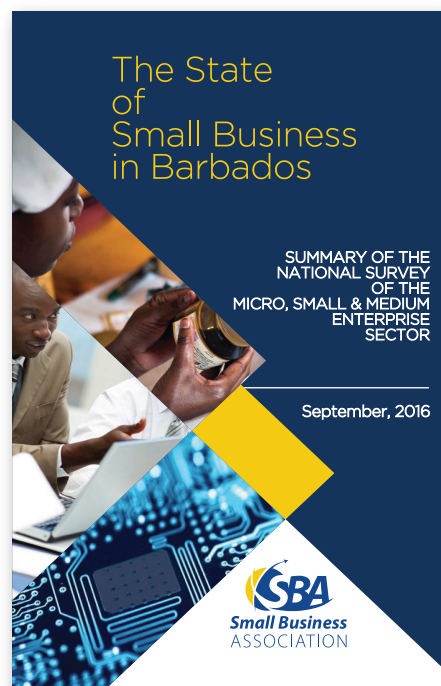


Image of the MSME Survey Report



## LOOKING AHEAD

In this the 50th year of Barbados' Independence, the SBA welcomes the national dialogue and celebration of the valuable contribution the MSME sector has made during the five decades. The association is equally cognisant of its contribution during the past 40 years in shaping the achievements of the sector. This has been seen in our lobbying & advocacy efforts, the provision of relevant training interventions and business development activities to help position firms to build capacity and grow. There is still much more to be done since key inputs are needed to ensure the ecosystem is well positioned to facilitate sustainable growth.

The SBA therefore welcomes the initiative of the Ministry of Industry, International Business, Commerce and Small Business Development, to put in place a comprehensive set of policies designed to address the critical areas to enable the sector's growth. This policy framework, coupled with the introduction of the largest every seed/grant funding mechanism for the sector has the potential to catapult MSMEs as the engine for economic and social growth. The SBA is pleased with the announcement in the 2016 Financial Statements & Budgetary Proposals of Government's intention to set up a \$50M Fund to capitalise MSME development. Time however is not a luxury for the local economy; it is urgently required that rapid response mechanisms are put in place to ignite this key section of the economy.

The SBA will therefore continue its advocacy in the ensuing period to influence the introduction of these critical interventions. Additionally, the capacity building projects in train will be further strengthened to ensure that a suite of training, marketing and technical assistance activities are provided to members to enhance their domestic and export competitiveness. The association will also be drawing on the support and contribution of members to assist those vulnerable in our society through a number of charitable activities. Business must have a social conscience; it is therefore incumbent that our resources are mobilised to improve the circumstances of our citizens in the spirit of brotherly love.

In the words of the Small Business Week 2016 theme, ***Upward and Onward we shall go - Inspiring Innovation and Growth***. This will be the mantra for the association as it progresses, working with members and industry partners alike to be true Craftsmen of our Fate in our next period of Independence.

**Presented on behalf of the Board of Directors**  
**by**

**Dalton Medford**  
**President**

**Small Business Association  
(Limited by Guarantee)  
Partially Consolidated Financial Statements  
For The Year Ended  
June 30, 2016**

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

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

**Index to partially consolidated financial statements**

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# Brian F. Griffith & Co. CHARTERED ACCOUNTANTS

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## 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, 2016, 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, 2016, 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**



.....  
17 November 2016  
Bridgetown, Barbados

**Small Business Association  
(Limited by Guarantee)  
Partially consolidated balance sheet  
As at June 30, 2016**

	Notes	2016 \$	2015 \$
<b>Assets</b>			
Cash at bank	3	734,669	453,175
Term deposits	4	1,125,853	1,113,991
Accounts receivable	5	202,899	159,706
Due by related party		194,788	191,638
Investments	6	1,007,958	1,007,958
Prepaid expenses		4,482	8,660
Other assets		33,401	34,000
Non-current assets	7	19,389	18,715
<b>Total assets</b>		<b>3,323,439</b>	<b>2,987,843</b>
<b>Liabilities</b>			
Accounts payable and accruals		124,060	136,224
Deferred revenue	8	929,198	562,268
		1,053,257	698,492
<b>Equity</b>			
Accumulated fund		(729,818)	(710,649)
Capital grant	9	3,000,000	3,000,000
		2,270,182	2,289,351
<b>Total liabilities and equity</b>		<b>3,323,439</b>	<b>2,987,843</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 surplus & accumulated fund**

**For the year ended June 30, 2016**

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	<b>Notes</b>	<b>2016</b> \$	<b>2015</b> \$
<b>Income</b>	10	935,747	733,631
<b>Expenses</b>	11	<u>954,916</u>	<u>749,884</u>
<b>Deficit for the year</b>		<b>(19,169)</b>	<b>(16,253)</b>
<b>Accumulated fund at start of year</b>		<u><b>(710,649)</b></u>	<u><b>(694,396)</b></u>
<b>Accumulated fund at end of year</b>		<u><b>(729,818)</b></u>	<u><b>(710,649)</b></u>

The accompanying notes form part of these financial statements.

**Small Business Association**  
**(Limited by Guarantee)**  
**Statement of partially consolidated cash flows**  
**For the year ended June 30, 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Deficit for the year	(19,169)	(16,253)
Adjustments for non-cash income and expenses		
Depreciation	7,780	7,219
Operating deficit before working capital changes	(11,389)	(9,034)
Net change in non-cash working capital balances	312,599	27,828
<b>Net cash from operating activities</b>	<b>301,210</b>	<b>18,794</b>
<b>Cash flows from investing activities</b>		
Decrease in investment	-	35,000
Addition to non-current assets	(8,454)	(15,150)
Decrease in other assets	599	(34,000)
<b>Net cash used in investing activities</b>	<b>(7,854)</b>	<b>(14,150)</b>
<b>Net increase in cash for the year</b>	<b>293,356</b>	<b>4,644</b>
<b>Cash at beginning of year</b>	<b>1,567,166</b>	<b>1,562,522</b>
<b>Cash at end of year</b>	<b>1,860,522</b>	<b>1,567,166</b>
<b>Cash and cash equivalents comprise:</b>		
Cash	734,669	453,175
Term deposits	1,125,853	1,113,991
	<b>1,860,522</b>	<b>1,567,166</b>

The accompanying notes form part of these financial statements.

**Small Business Association  
(Limited by Guarantee)  
Notes to partially consolidated financial statements  
June 30, 2016**

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**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, 2016**

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**3. Cash at bank**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Small Business Association	701,867	391,245
Small Business Venture Capital Inc.	<u>32,802</u>	<u>61,930</u>
	<b><u>734,669</u></b>	<b><u>453,175</u></b>

**4. Term deposits**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Small Business Association	324,012	312,150
Small Business Venture Capital Inc.	<u>801,841</u>	<u>801,841</u>
	<b><u>1,125,853</u></b>	<b><u>1,113,991</u></b>

**5. Accounts receivable**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Small Business Association	<u>202,899</u>	<u>159,706</u>
	<b><u>202,899</u></b>	<b><u>159,706</u></b>

**Small Business Association  
(Limited by Guarantee)  
Notes to partially consolidated financial statements  
June 30, 2016**

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**6. Investments**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Small Business Association	127,958	127,958
Small Business Venture Capital Inc.	<u>880,000</u>	<u>880,000</u>
	<b><u>1,007,958</u></b>	<b><u>1,007,958</u></b>

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

**7. Non-current assets**

	<b>Furniture and fittings \$</b>	<b>Office equipment \$</b>	<b>Total 2016 \$</b>
<b>Cost</b>			
At July 1, 2015	55,842	102,812	158,654
Additions	<u>1,354</u>	<u>7,099</u>	<u>8,454</u>
At June 30, 2016	<u>57,196</u>	<u>109,912</u>	<u>167,108</u>
<b>Accumulated depreciation</b>			
At July 1, 2015	49,644	90,295	139,939
Charge for the year	<u>3,198</u>	<u>4,582</u>	<u>7,780</u>
At June 30, 2016	<u>52,842</u>	<u>94,877</u>	<u>147,719</u>
<b>Net Book Value -2016</b>	<b><u>6,198</u></b>	<b><u>12,517</u></b>	<b><u>19,389</u></b>
<b>Net Book Value -2015</b>	<b><u>6,198</u></b>	<b><u>12,517</u></b>	<b><u>18,715</u></b>



**Small Business Association**  
**(Limited by Guarantee)**  
**Notes to partially consolidated financial statements**  
**June 30, 2016**

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**8. Deferred revenue**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Project revenue (residual amount)	562,268	562,268
Human Resource Development Strategy Project	<u>366,930</u>	<u>-</u>
	<b><u>929,198</u></b>	<b><u>562,268</u></b>

**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**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Ordinary Grant - Annual subvention	250,500	324,500
Special Projects Revenue	368,022	137,002
Small Business Week	80,765	81,800
Enterprise in Action	43,000	50,000
Membership fees	50,950	48,775
Training Programme	34,789	48,169
Interest income	12,458	12,634
Tech Smart Project	5,600	11,200
Dividends income	9,375	10,084
Services	12,798	8,660
Management fees	67,400	-
Other income	<u>90</u>	<u>807</u>
	<b><u>935,747</u></b>	<b><u>733,631</u></b>

**Small Business Association  
(Limited by Guarantee)  
Notes to partially consolidated financial statements  
June 30, 2016**

---

**11. Expenses**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Personnel Cost	349,068	316,030
Projects expenses	408,045	255,213
Rent	39,538	40,925
Utilities	40,576	29,804
Research & business development	28,363	24,770
Repairs and maintenance	18,454	19,580
Professional fees	17,114	18,131
Secretariat expenses	21,702	13,518
Directors' fees	9,600	12,100
Depreciation	7,780	7,219
Insurance	3,224	2,987
Internet expenses	1,977	1,940
Bank charges and interest	872	1,885
Security	753	1,169
Training and seminars	100	1,071
Advertising & public relations	3,558	974
Membership fees	-	933
Donations	1,675	600
Miscellaneous	2,245	444
Induction ceremony expenses	271	373
Penalties and interest	-	111
SBA/IDB Micro-Project	-	107
	<b>954,916</b>	<b>749,884</b>

**Small Business Association  
(Limited by Guarantee)  
Notes to partially consolidated financial statements  
June 30, 2016**

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**12. Summary of Financial Operations**

	<b>SBA \$</b>	<b>SBVCI \$</b>
<b>Statement of income</b>		
Income	949,776	9,971
Expenses	<u>948,224</u>	<u>30,692</u>
Net surplus/(deficit) for the year	<u><b>1,552</b></u>	<u><b>(20,721)</b></u>
 <b>Balance sheet</b>		
Assets	<u><b>3,620,053</b></u>	<u><b>1,748,044</b></u>
Liabilities	1,046,789	51,124
Shareholder's equity	<u>2,573,264</u>	<u>1,696,920</u>
Shareholder's equity and liabilities	<u><b>3,620,053</b></u>	<u><b>1,748,044</b></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**

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