



# Annual Report 2013





## **CORPORATE VISION**

The SBA 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.

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# NOTICE OF MEETING

Notice is hereby given of the 20th Annual Meeting of Members of the Small Business Association to be held on Tuesday, November 26, 2013, at 6:00 pm, at the Bagnall's Point Gallery Pelican Industrial Park, St Michael

## AGENDA

1. Ascertainment of Quorum & Call to Order
2. Prayers
3. Excuses
4. Welcome & Opening Remarks
5. Presentation by the Hon. Robert Morris, Ambassador to CARICOM
6. Commencement of Voting
7. Minutes of the 20th Annual Meeting held on November 20, 2012
8. Matters arising from Minutes
9. Board of Directors' Report
10. Treasurer's Report & Financial Statements
11. Auditors' Report
12. Appointment of Auditors
13. Result of Elections
14. Any other business
15. 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

### MANAGEMENT

Ms. Lynette Holder  
*Chief Executive Officer*

Ms. Andrea Taylor  
*Business Operations Manager*

### OPERATIONS & ADMINISTRATION

Ms. Marquel Clarke  
*Administrative & Finance Assistant*

Mrs. Shemeika Williams  
*Administrative Officer*

Ms. Lisa James  
*Receptionist*

Mr. Peter Blackman  
*Communications & Project Specialist*

### BANKERS

Republic Bank  
*Bridgetown, Barbados*

First Citizens Bank  
*Bridgetown, Barbados*

CIBC First Caribbean  
International Bank  
*Fontabelle,  
St. Michael, Barbados*

### 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**



Robert Homer  
**TREASURER**



Paul Clarke  
**SECRETARY**



Hugh McClean  
**ASSISTANT  
SECRETARY TREASURER**



Charles Carter  
**DIRECTOR**



Margaret Hoyte  
**DIRECTOR**



Richard Gittens  
**DIRECTOR**



Lynette Holder  
**CEO**



## BOARD OF DIRECTORS' REPORT THE FINANCIAL YEAR 2012-2013

### INTRODUCTION

The financial year 2012 – 2013 was characterised by macro economic conditions that mirrored those of the previous fiscal period – protracted decline in the traded and non-traded sectors influencing anemic performance in the economy and compounded by the high cost of business inputs and utilities. This was further exacerbated by reduce disposable income among consumers. Overall the economy of Barbados continued in a state of recession on account of consecutive quarters of no growth. Against this background the small and medium enterprise (SME) sector found it increasingly challenging to realise growth and sustainability as a result of this fiscal and economic situation.

The period 2012 – 2013 was therefore equally challenging for the Small Business Association due to a decrease in membership income, further reduction in government financial support and a decline in funding opportunities from traditional donor agencies. The SBA was however called upon to continue the provision of business support services to members to assist with their operational growth and capacity building needs. The association sought to maintain its core service offerings cognisant of the fact that in a time of prolong economic downturn, the ability of a trade association to help members to stay afloat becomes paramount to the organisation's existence. Consequently, the SBA continued its lobbying for improve services for members, advocacy for legislative improvement and financial solutions, and sought to provide business support services for the benefit of SMEs.

Of note were some positive performances observed during the reporting period, which included the innovation of members to reduce operating cost and maintain market presence. Examples observed were firms networking with other entities to procure operational inputs, transitioning away for brick and mortar operations to the use of technology as a mode of business, and the use of contract labour and the a typical worker for the provision of human resources.

### STRATEGIC PLANNING

Cognisant of the changes in the external business environment and the potential impact on the internal operations of the SBA, the Board as part of its initial course of business, undertook a strategic review of the operations of the SBA in an effort to craft a work-plan for the organisation for the ensuing years. The result of this initiative was the completion of a revised strategic plan for the period 2013 – 2016 that catered more realistically to the challenges of the current business environment and focused on those areas that could add value to the association's product offerings. The Board concluded that over the next three years the critical success factors and priority areas of the association would be along the following four pillars: -

- 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 and capacity of the SBA to improve service offerings to all stakeholders*
- iii. Financial and Good Governance Perspective** – Pursue strong financial management and development practices which enable independence of the Association*
- iv. Membership and Community Perspective** – Cultivate excellent stakeholder relationships to advance the image and profile of the SBA*

To this end the vision of the organisation was aligned to reflect the strategic goals of the SBA and now stands as follows: -

***“The SBA will be the national organisation of choice for business and entrepreneurial development.”***



## GOVERNANCE

The Board of Directors engaged in several activities designed to ensure sound corporate governance practices and procedures were adhered to during the period under the review. The Board reviewed the policy framework of the association and revised & codified the policy manual to govern the responsibilities and interaction of directors, management & staff and the general membership. The Board adopted a work-plan for the fiscal period to ensure accountability and the measurement of its performance. This plan included an operational forecast of activities for the secretariat, inclusive of an operating budget for the financial year, accompanied by quantifiable measures to assess impact. Directors engaged monthly in a critical analysis with management on the performance of the association against the key strategic targets and operational goals. Further, the Board established two sub-committees to support its work plan for the year – these were **1) fundraising and 2) bylaw-review committees**.

Due to the significance of income generation to the association and the ability to realise financial sustainability, the Board appointed a fundraising team to review proposals and identify projects that could be explored to support the financial effectiveness of the secretariat. Key projects were identified during the period that would be rolled out during the new financial year. Additionally, the Board undertook a comprehensive review of the association's bylaws to ensure that the legal apparatus was in place to fully support the kind of transparency and credibility needed for the present and future. In light of the many corporate failures and issues of stakeholder confidence, the directors commissioned the review and revision to the bylaws to enhance the policy space for better interaction with members, relationship among officers and to provide the opportunity for full participation of members in the governance of their association. Following this process members will be ask at a special meeting in the new financial year to determine the proposed bylaw amendments.

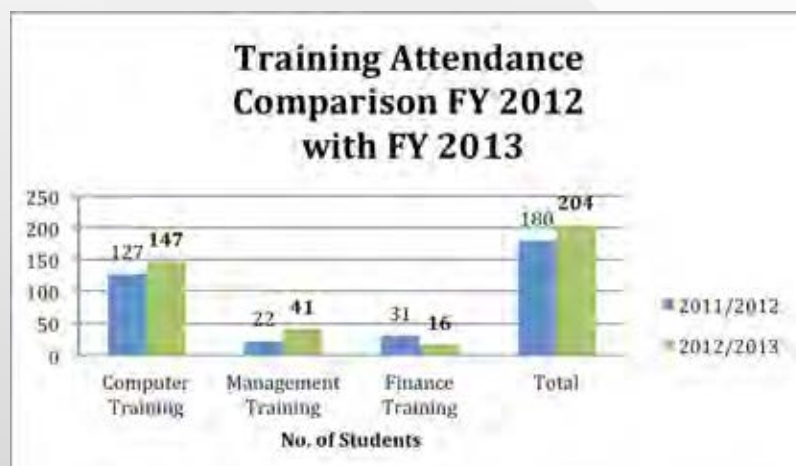
## PROGRAMMES AND ACTIVITIES

During the financial year 2012 – 2013, the SBA continued the implementation of its work-plan focused on building the capacity of members to be competitive and sustainable; to positively influence the next generation of leaders, innovators and entrepreneurs through a vibrant youth programme; and to position the association as a national leader in entrepreneurial development. Accordingly, several activities and programmes were executed in the areas of education, business development and advocacy & stakeholder relations.

### 1. Education

The educational programme of the association included the facilitation of three semesters of training in the Entrepreneurial Training Series, and the organisation of seminars & workshops on current affairs issues and small business development. The training series comprised six-week courses in several computer-based programmes and business management modules. The latter was organised in collaboration with the Productivity Council and funded in part by the TVET Council. During the reporting period the SBA trained some 204 students, an increase of 13% over the number of participants recorded for 2012. (See figure 1)

FIGURE 1





In addition to the training series, several seminars and educational forum were organised for members as follows:

- **Tax Clinic** in collaboration with the Inland Revenue and Customs & Excise Departments
- Panel discussion on the **Safety and Health At Work Act**
- Food Production and Processing workshop for agro-processors
- **Export Marketing Workshop** organised in conjunction with the Caribbean Export Development Agency and the German International Corporation
- Seminar on the **Employment Rights Bill** (prior to proclamation)
- **Labour Legislation** facilitated by the Labour Department
- **One-week Business Incubator** workshop for cultural entrepreneurs in conjunction with Pineland Creative Workshop and Israeli Agency for International Development Cooperation
- **Networking forum on ICT** – Innovative, Competitive and on Target
- **Enterprise Skills Training Workshop** hosted by the Barbados Employers Confederation and the International Labour Organisation

Due to the Board's commitment to ensure that members of staff were also given the opportunity to enhance their skills and competencies, the secretariat team participated in several of the aforementioned seminars in addition to other professional development programmes including:

- **Grant Proposal Writing Workshop** organised by the United States Embassy to Barbados
- Certificate course on **Trademark Law and Branding** facilitated by the University of the West Indies
- One-week **Regional Trade Information Training Programme** organised by the Caribbean Export Development Agency
- The BIDC/WIPO workshop in **Intellectual Property for SMEs**
- The Barbados Chamber of Commerce's seminar on **Charismatic Leadership**

The association also realised an improvement in member attendance at its quarterly members meetings. An average of 53 persons attended the quarterly forum compared to a mean of 38 persons for FY 2012.

FIGURE 2



## 2. Business Development

The business development activities organised during the year were geared towards the capacity building of members and the facilitation of an entrepreneurial spirit among young persons through the Enterprise in Action Youth programme.

### *Enterprise In Action (EIA) Youth Programme*

The EIA focused on empowering young persons with the knowledge, leadership skills and innovative mindset to become entrepreneurial in their various spheres of career development. It is the strategic intent of the association to influence a more vibrant and innovative small and medium enterprise sector through the emergence of a strong entrepreneurial culture and spirit engendered among the youth.

The EIA youth programme was implemented in eight schools during the 2012 – 2013 period as follows:

- **Alleyne School**
- **Lester Vaughan Secondary**
- **Springer Memorial Secondary**
- **St. Leonard's Secondary**
- **Christ Church Foundation**
- **Roland Edwards Primary**
- **St. George Secondary**
- **Darryl Jordan Secondary**

The programme included the facilitation of business theory and covered such topics as:

- **Introduction to the entrepreneurial world**
- **Team building and teamwork**
- **Market research**
- **Production process and marketing**
- **Financial planning**
- **Legal and administrative structure**

Additionally, the students also participated in the development of business projects where the practical application of the business training was implemented. Examples of projects during the period under review included a breakfast parlour, cakes & pastries, plastic canvasses, woodwork, jewelry, smoothie bar and hanging herbal gardens, to name a few.



Darryl Jordan Student  
engaged in Wood Craft



Alleyne School Jewelry Class



Roland Edwards Primary's  
Jewelry and Wood Craft

### *Tourism Micro Project*

During the reporting period consultations continued with artisans and practitioners in the wood-based arts & craft cluster to build the capacity of firms to improve their quality output and harness their support for the use of the brand 'Bajan Handcrafted'. Progress was also made in reviving a group to strengthen their capacity to carry out proposal writing and advocacy on the behalf of the sector.



Areas being developed in this IADB-funded project, relative to the brand's acceptance and utility include:-

- The creation of a corporate vision and business module that would position the brand effectively.
- Developing and measuring the needs of customers/clients towards the purchasing of products attached to the brand. This would also serve as a benchmark for brand loyalty.
- Measurement of the profit base to ensure viability of the brand.
- Creating value metrics that assist in differentiating the brand's potential from that of competing brands.
- Creating methods that highlight the image and position of the brand.

Following the implementation of this component, the marketing programme to promote the brand would be executed.

## ICAB Showcase

During the reporting period the association partnered with the Institute of Chartered Accountants during their annual conference to stage a showcase of small firms in select industries at the conference. The showcase was organised to provide the opportunity for visiting delegates, to sample some of the goods and services offered on the island and more specifically to provide the occasion to purchase items from exhibiting firms. The event also afforded members networking opportunities for their businesses. Listed below are the various industries featured during the showcase.

- **Entertainment**
- **Condiments, Sauces, Syrups**
- **Light Manufacturing**
- **Wines & Spirits**
- **Art and Crafts**

## Tech Smart Project

Through a technical assistance grant from the Central Bank of Barbados, the SBA started a website development project for members titled 'Tech Smart'. The project was designed to provide free websites for some 50 members to assist them in improving their operational efficiencies and competitiveness through the use of the World Wide Web. It is hoped that a second phase of the project will see the build out of an e-commerce platform to assist members to trade their goods and services via the web. The project included the facilitation of workshops for participating members in website management and content development, to ensure that members were capable of managing the content upgrade and backend features of the sites. The enclosed images are samples of completed websites in the project.









## Communications & Marketing

In an effort to improve communications with members and the wider public, as well as provide an opportunity for members to promote their goods and services, the association revamped its bulletin and introduced a fresh look newsletter titled '**SBA Outlook**'. The newsletter featured a new design, which was reader friendly and captured current affairs issues as well as members' information, updates on the secretariat's activities and commentary on matters affecting the SME sector. This new communications piece was published monthly and disseminated to a wide cross section of over 9900 readers. All editions were posted on [www.issuu.com](http://www.issuu.com) for easy access by readers.

## Social Media

In similar vein, the SBA sought to improve its social media presence to disseminate information to stakeholders more cost effectively and to engage a growing audience of persons through the use of this technology. This strategy has become necessary due to the impact of technology on doing business in today's environment, the secretariat's goal of moving to a paper-less operation by 2016 and the increase focus of building out a youth membership. This will also strengthen the practice already in place of using the QR Code on corporate stationery to attract persons to the association's website. The below graphs show diagrammatically key demographics on the association's Facebook followers.

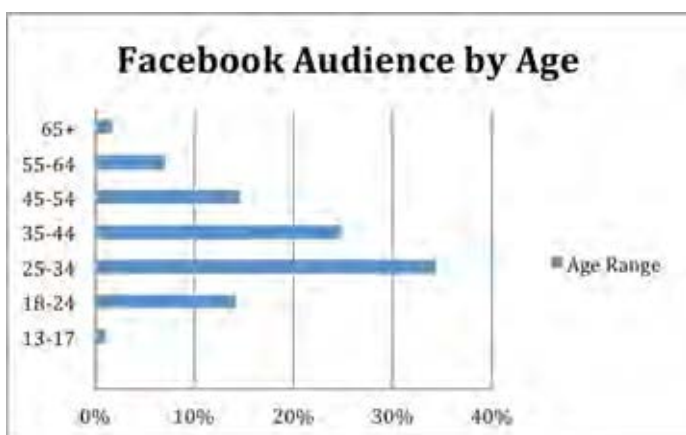


FIGURE 3

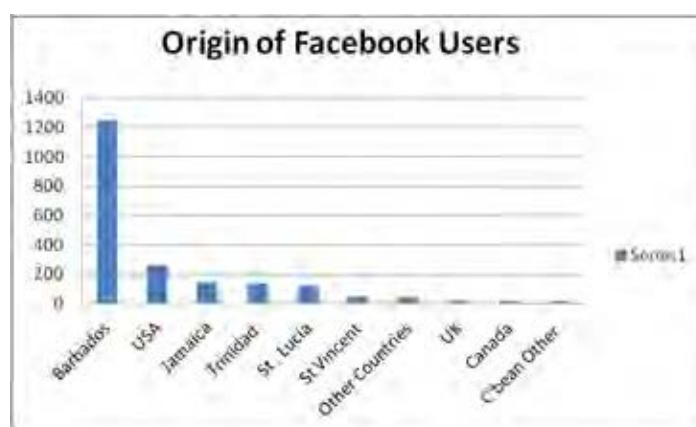


FIGURE 4

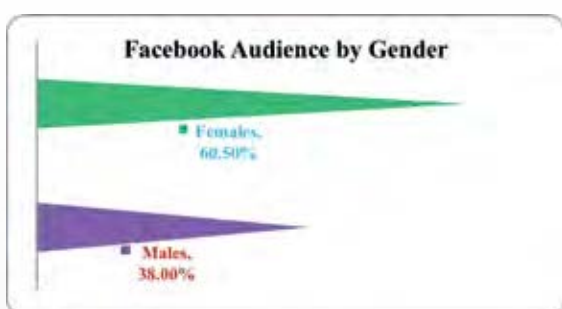


FIGURE 5



FIGURE 6

Through the SBA's marketing programme some 38 new members joined the association during the reporting period, 17 of which were from the general services sector. *See figure 6 above.*

### 3. Advocacy & Stakeholder Relations

#### Advocacy

The SBA continued its representation of members and the wider SME sector through its active lobby to government and other agencies. Advocacy for improvements in the legislative environment, access to financing and improvements in the administrative climate for SMEs engaged the attention of the association during the period. The SBA's team participated in several committees and meetings as part of its lobbying agenda during the year. These included:

- **National Procurement System**, which focused on modernising the procurement process for goods and services from government
- **Non-State Actors Panel** (facilitated by the EU) and the Consultative Group on Civil Society (IADB), the objective of which is to represent the interest of non-state actors
- **Barbados Private Sector Association** – advocating for the interest of the SME sector to government within the overall private sector group. Examples include consultation on the Growth and Development Strategy for Barbados 2020, participation in Social Partnership meetings and the National Consultation on the Economy hosted by the Prime Minister's Office
- **Trade Facilitation Task Force** hosted by the Ministry of Commerce to examine improvements undertaken and/or required to enhance the facilitation of trade in Barbados.
- **Organise interviews via STARCOM Network** for members across various economic sectors on issues affecting SMEs within the context of the economic recession.
- **Human Resources Development Strategy** (HRDS) to ensure that SMEs were represented within the context of the national policy on human resources development.

The SBA also served on national committees responsible for modernisation of public sector processes, standards and labeling, HIV/AIDS and safety and health. In addition to the above the association represented several members directly in the negotiation of contracts, access to finance and the provision of business support services.

#### Small Business Week 2012

The association's annual week of activities – Small Business Week – was held during the period, under the theme **Embracing Technology as the New Frontier**. Five events were organised during the week including a **Thanksgiving Concert, the Leo Leacock Memorial Lecture, Youth Forum, 20/20 Cricket Match** and **an Awards Ceremony & Dinner**. The Hon Freundel Stuart, Prime Minister of Barbados delivered the feature address at the Awards Ceremony, where seven (7) sectoral awards were presented to members for their outstanding business performance during the previous year. The Entrepreneur of the Year Award was presented to Mr. John Phillips of **Coral Isle Food products Ltd.**

#### Stakeholder Relations

The association maintained effective relations with key industry partners during the period. Several activities were organised to promote entrepreneurship, to provide products to members and to provide opportunities to promote the service offerings of the SBA. These initiatives included:

- Participation in the **Cave Hill School of Business** – Job Opportunities for Business Start-up (JOBS) Business Mentorship Symposia
- **Barbados Private Sector Trade Team** – Consultation on Trade negotiations with CARICOM
- Implementation of the training programme **Effective Business Management for Small Businesses** hosted by the Inter-American Institute for Cooperation on Agriculture
- Presentation on **'Entrepreneurship'** to students at the Princess Margaret Secondary School and the Barbados Community College

- Collaboration on the **Barbados Civil Society Organisations (ConSoc) 3rd Regional Retreat of Caribbean ConSocs**. The SBA hosted a showcase on its Tourism Micro project for regional delegates to the retreat.
- Coordination of a focus group on micro business policy among industry partners in the SME sector. This project was funded by the IADB and coordinated by the Barbados Private Sector Association.
- The SBA participated as a judge in the **UNDP/YABT's Caribbean Innovation Challenge** held in Barbados, which featured several competing business projects, developed by young persons across the region.
- Participation in the Barbados Agricultural Society/Caribbean Policy Development Centre **Rural Women and the Green Economy Round-table**.
- The SBA participated in the launch of **Walk the Talk** programme – a joint project of the Barbados Chamber of Commerce, Barbados Employers Confederation and the SBA aimed at getting employers and employees to take a more serious look at their health through increased physical activity
- Participation in the strategic planning workshop of the Industry Unit of the **Barbados Community College**. The unit provides a number of training programmes to support the development of industries
- The SBA partnered with the **Barbados Entrepreneurship Foundation** to deliver a financed-focused forum for SMEs to assist with improving their access to financial solutions
- The partnership with the Ministry of Culture, Sports and Youth continued on the **Endless Possibilities – A Job Attachment and Mentorship Programme**. This included organising the job attachments for students with member-firms, and assisting with the initial interview selection of participants.

## OUTLOOK FOR 2014

The forecast for 2013 – 2014 suggest that the macro economic situation will continue as per the current year, characterise by no growth and a growing fiscal deficit. Major foreign exchange earning sectors are also projected to be on the decline and the cost of doing business is expected to increase owing to rising fuel prices and other raw materials. The SME sector must therefore continue to explore more innovative ways to do business and to be sustainable. The strategies of business development in the ensuing year must be grounded in the use of technology to reduce the cost of business and to be more efficient, and models that include clusters & value chain integration to maximise on economies of scale and scope. The SBA will continue its focus on programmes that build capacity and the provision of education to enhance the skills of business owners. The association will also look to more cost effective methods to deliver its services and to creative income generating activities to realise financial sustainability. Against this background greater collaboration will be required among stakeholders to do better and more effective business for the benefit of the sector. Small businesses by nature are nimble and resilient, traits that will be needed for the future as the nation and region continue towards recovery from the current prolonged recession. This is the time for SMEs to be reenergised and to be repositioned for growth, and the SBA will continue in this vein to assist the sector to realise the sustainable development needed at the firm and national levels.



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Dalton Medford  
President



# HIGHLIGHTS OF 2012-2013



Members of Bookline during one of their mentorship sessions in preparation for the Caribbean Innovation Challenge Competition. Mentors Ms. Andrea Taylor, Head Table; Mrs. Selma Green, second left.



New SBA Members receiving their membership packages from the CEO at their orientation.



Students of the Quickbooks class, a part of the SBA Entrepreneurial Training Series, paying close attention to the tutor.



Official signing ceremony of MOU between First Citizens Bank and the SBA. From left ,Ms. Andrea Taylor – SBA; Mr. Glyne Harrison – CEO, First Citizens Bank; Ms. Lynette Holder – CEO, SBA and Ms. Arlene Miller of First Citizens Bank.



Small Business of the Year 2013 winner Mr. Dev Maharaj of IAQ Solutions Inc. receiving his award from the Hon. Donville Inniss, Minister of Industry, International Business, Commerce & Small Business Development.



CEO Ms. Lynette Holder making a point at the launch of the Walk the Talk campaign - a collaboration of the SBA, the Barbados Employer's Confederation and the Barbados Chamber of Commerce and Industry.





Viewing of the exhibits from the MIF Tourism Project by invited guests and members of the III IDB Annual Retreat of Caribbean Civil Society Consultative Groups held in Barbados.



Minister of Housing, Lands and Rural Development, the Hon. Denis Kellman, making a point at the members' meeting while Economist Clyde Mascoll and SBA CEO listen attentively.



SBA President, Mr. Dalton Medford presenting a certificate to a graduate at the Entrepreneurial Training Series Graduation Ceremony.



EIA participant from Roland Edwards Primary School receiving a prize from consultant, Ms. Celia Collymore.



Students attending the Youth Forum participating in the presentation on Cosmetology services.



Attendees of the Small Business Week SME Seminar & Expo viewing the members' exhibits.



Acting Deputy Director Mr. Ian Collymore of the Central Bank of Barbados and SBA CEO at the launch of the Tech Smart Project.

Small Business Association  
(Limited by Guarantee)  
Partially Consolidated Financial Statements  
For The Year Ended  
June 30, 2013

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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, 2013, 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 partially consolidated financial statements in accordance with International Financial Reporting Standards for Small and Medium Size Entities. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **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, 2013, 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**

5 November 2013  
Bridgetown, Barbados



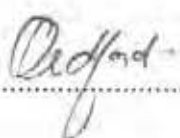
**Small Business Association**  
**(Limited by Guarantee)**  
**Partially consolidated balance sheet**  
**As at June 30, 2013**

	Notes	2013 \$	2012 \$
<b>Assets</b>			
Cash at bank	3	456,421	458,454
Term deposits	4	1,101,841	1,101,841
Accounts receivable	5	143,169	157,399
Due by related parties		191,637	196,291
Investments	6	1,067,958	1,067,958
Prepaid expenses		5,664	3,948
Non-current assets	7	18,927	28,087
<b>Total assets</b>		<b>2,985,617</b>	<b>3,013,978</b>
<b>Current liabilities</b>			
Accounts payable and accruals		60,855	107,753
		<u>60,855</u>	<u>107,753</u>
<b>Equity</b>			
Accumulated fund		(636,066)	(651,093)
Capital grant	8	3,000,000	3,000,000
Disadvantaged fund		560,828	557,318
		<u>2,924,762</u>	<u>2,906,225</u>
<b>Total liabilities and equity</b>		<b>2,985,617</b>	<b>3,013,978</b>

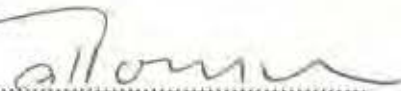
The accompanying notes form part of these financial statements.

Approved by the Board

DIRECTOR



DIRECTOR



**Small Business Association  
(Limited by Guarantee)  
Statement of partially consolidated accumulated fund  
For the year ended June 30, 2013**

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	\$
Accumulated fund – June 30, 2011	(196,605)
Government subvention (2011) reversed	(237,500)
Prior year adjustment	1
Deficit for the year	<u>(216,989)</u>
Accumulated fund – June 30, 2012	(651,093)
Deficit for the year	<u>15,027</u>
Accumulated fund – June 30, 2013	<u>(636,066)</u>

**Small Business Association**  
**(Limited by Guarantee)**  
**Statement of partially consolidated surplus**  
**For the year ended June 30, 2013**

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	Notes	<b>2013</b>	<b>2012</b>
		\$	\$
<b>Income</b>	9	936,962	870,718
<b>Expenses</b>	10	<u>921,935</u>	<u>1,087,707</u>
<b>Surplus/(deficit) for the year</b>		<u>15,027</u>	<u>(216,989)</u>



**Small Business Association  
(Limited by Guarantee)  
Statement of partially consolidated cash flows  
For the year ended June 30, 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Deficit for the year	15,027	(216,989)
Prior year adjustment	0	1
Depreciation	9,160	19,922
Operating deficit before working capital changes	24,187	(197,066)
Net change in non-cash working capital balances	(34,384)	119,982
<b>Net cash (used)/from in operating activities</b>	<b>(10,197)</b>	<b>(77,084)</b>
<b>Cash flows used in from investing activities</b>		
Increase in fixed assets	0	(1)
Decrease in investments	0	0
Decrease/(increase) in due by related parties	4,654	(6,227)
<b>Net cash from/(used) in investing activities</b>	<b>4,654</b>	<b>(6,228)</b>
<b>Cash flows from financing activities</b>		
Government subvention (2011) reversed	0	(237,500)
Disadvantaged fund	3,510	8,615
<b>Net cash from financing activities</b>	<b>3,510</b>	<b>(228,885)</b>
<b>Net (deceased) in cash and cash equivalents for the year</b>	<b>(2,033)</b>	<b>(312,197)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,560,295</b>	<b>1,872,492</b>
<b>Cash and cash equivalents, end of year</b>	<b>1,558,262</b>	<b>1,560,295</b>
<b>Cash and cash equivalents comprise:</b>		
Cash	456,421	458,454
Term deposits	1,101,841	1,101,841
	<b>1,558,262</b>	<b>1,560,295</b>

The accompanying notes form part of these financial statements.

## **Small Business Association**

### **(Limited by Guarantee)**

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

**June 30, 2013**

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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, 2013**

**3. Cash at bank**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Small Business Association	400,614	350,028
Small Business Venture Capital Inc.	55,807	108,426
	<u>456,421</u>	<u>588,911</u>

**4. Term deposit**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Small Business Association	300,000	300,000
Small Business Venture Capital Inc.	801,841	801,841
	<u>1,101,841</u>	<u>1,101,841</u>

**5. Accounts receivable**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Small Business Association	143,169	157,399
	<u>143,169</u>	<u>157,399</u>

**6. Investments**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Small Business Association	127,958	127,958
Small Business Venture Capital Inc.	940,000	940,000
	<u>1,067,958</u>	<u>1,067,958</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, 2013**

**7. Non-current assets**

	<b>Furniture and fittings \$</b>	<b>Office equipment \$</b>	<b>Property, plant and equipment \$</b>	<b>Leasehold improve. \$</b>	<b>Total 2011 \$</b>
<b>Cost</b>					
At July 1, 2012	94,784	152,024	4,980	110,983	362,771
Additions	0	0	0	0	0
At June 30, 2013	<u>94,784</u>	<u>152,024</u>	<u>4,980</u>	<u>110,983</u>	<u>362,771</u>
<b>Accumulated Depreciation</b>					
At July 1, 2012	71,477	147,245	4,979	110,983	334,684
Charge for the year	6,980	2,180	0	0	9,160
At June 30, 2013	<u>78,457</u>	<u>149,425</u>	<u>4,979</u>	<u>110,983</u>	<u>343,844</u>
<b>Net Book Value -2013</b>	<u>16,327</u>	<u>4,779</u>	<u>1</u>	<u>0</u>	<u>18,927</u>
<b>Net Book Value -2012</b>	<u>23,307</u>	<u>4,779</u>	<u>1</u>	<u>0</u>	<u>28,087</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, 2013**

**9. Income**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Ordinary Grant - Annual subvention	525,000	175,000
Development fund income	119,314	51,519
Small Business Week	73,250	71,300
Special Projects Revenue	56,394	4,500
Training Programme	47,320	40,450
Membership fees	44,190	46,505
Other income	33,913	11,544
Dividends income	14,380	7,500
Interest income	13,599	10,147
Services	6,917	2,938
Enterprise in Action	1,000	57,150
Web design	885	1,475
Membership booklet	800	8,750
Special Grant - Satellite project	0	200,000
Special Grant - Annual subvention	0	175,000
Networking Social Event	0	3,300
Advertising revenue	0	3,240
Projects & Programme Revenue	0	1,000
The Business Lead	0	(600)
	<b>936,962</b>	<b>870,718</b>

**Small Business Association**  
**(Limited by Guarantee)**  
**Notes to partially consolidated financial statements**  
**June 30, 2013**

**10. Total expenses**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Personnel Cost	381,023	381,910
Projects expenses	161,945	188,884
SBA/IDB Micro-Project	153,294	107,670
Rent	44,337	42,688
Directors' fees	26,825	29,550
Professional fees	25,890	26,463
Utilities	24,549	42,477
Secretariat expenses	22,616	44,027
Research & business development	22,600	174,162
Repairs and maintenance	13,436	11,314
Advertising & public relations	9,632	6,353
Depreciation	9,160	19,922
Membership fees	6,731	6,000
Bad debts	4,867	2,533
Internet expenses	3,457	3,608
Bank charges and interest	3,217	1,350
Insurance	2,718	2,714
Security	1,831	2,857
Marketing & member promotions	1,050	6,346
Overseas conferences, meetings	1,000	881
Awards and recognition	499	(19,928)
Donations	440	195
Printing and stationery	375	0
Training and seminars	249	800
Induction ceremony expenses	194	768
Miscellaneous	0	2,995
Disadvantaged fund expenses	0	968
Technical assistance	0	200
	<b>921,935</b>	<b>1,087,707</b>



**Small Business Association  
(Limited by Guarantee)**  
Notes to partially consolidated financial statements  
June 30, 2013

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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	957,550	15,412
Expenses	905,822	52,113
Net surplus/(loss) for the year	<u>51,728</u>	<u>(36,701)</u>
 <b>Balance sheet</b>		
Assets	<u>3,175,891</u>	<u>1,809,728</u>
Liabilities	53,086	7,769
Shareholder's equity	<u>3,122,805</u>	<u>1,801,959</u>
Shareholder's equity and liabilities	<u>3,175,891</u>	<u>1,850,268</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.



**Small Business**  
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**Linked in**

