Small Business ASSOCIATION

2021 ANNUAL REPORT

VISION

The Small Business Association of Barbados will be the 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.

CORPORATE INFORMATION

Bankers

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

CIBC First Caribbean
International Bank
Warrens, St. Michael

First Citizens Bank
Lower Broad Street, Bridgetown

Scotia Bank
Lower Broad Street, Bridgetown

Auditors

Steven R. Payne & Co.
Chartered Accountants
Suite G6, Welches Plaza
Welches, St. Michael

SBA Office

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

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NOTICE IS HEREBY GIVEN OF THE 28th ANNUAL MEETING OF THE SMALL BUSINESS ASSOCIATION OF BARBADOS TO BE HELD ON THURSDAY NOVEMBER 25, 2021, AT 3:00 PM, VIA ZOOM

AGENDA

1. Ascertainment of Quorum & Call to Order
2. Prayers
3. Excuses
4. Welcome & Opening Remarks
5. Minutes of the 27th Annual Meeting held on September 24, 2020
6. Matters arising from Minutes
7. Minutes of the Special General Meeting held on June 28, 2021
8. Matters arising from Minutes
9. Board of Directors' Report
10. Treasurer's Report & Financial Statements
11. Auditors' Report
12. Appointment of Auditors
13. Elections
14. Any other business
15. Termination

By Order

Dr Lynette Holder
Secretary

BOARD OF DIRECTORS

CHAIRMAN
Neil Corbin

DIRECTOR
Charles Carter

DIRECTOR
Erica Smith

TREASURER
Drayton Carter

DIRECTOR
Davidson Ishmael

DIRECTOR
Dave Waithe

DIRECTOR
Stephen Ollivierre

CEO
Sen. Dr. Lynette Holder

BOARD OF DIRECTORS' REPORT FOR FY 2020-2021
Presented to the 28th annual meeting of the Small Business Association of Barbados

INTRODUCTION

The financial year 2020 – 2021 can be characterised as the most challenging for the business community in over a generation. This was occasioned by the impact of the global coronavirus pandemic, COVID-19, on the local economy, which crippled the tourism industry, the transportation, distributive and retail sectors, among other areas of economic activity. The Barbados Government instituted several national 'lockdowns' during the period, as part of measures to slow the spread of the virus among locals and visitors alike. This was supported by physical distancing protocols, curfews, and the introduction of a remote work regime to assist with mitigating the spread of the disease. On account of the health crisis caused by the pandemic, an economic crisis emerged due to little economic activity among the productive sectors.

The micro, small and medium enterprise (MSME) sector was severely impacted as this sector operates in all areas of economic activity. A COVID-19 Business Impact Survey done by the International Trade Centre in April 2020 from 4467 companies in 132 countries, reported that almost 40% of business operations were facing a liquidity crisis due to clients not paying bills. Additionally, it was recorded that 75% of businesses faced reduced sales, with micro and small firms being more impacted than larger businesses and over 20% of small businesses facing the risk of full closure. With lockdowns, curfews and other COVID-19 regulations still being enforced, it is safe to assume that these percentages have risen significantly by the end of the year.

These challenges have been compounded during the year by the volcanic ash fall, emitting from the La Soufriere volcano in St Vincent & the Grenadines, which hindered regular business operations for weeks, and required untimely, expenditure on cleaning and infrastructural damage.

Of note has been pockets of innovation due to the pandemic, in such areas as the beauty and personal care subsector, through the use of local raw materials; agribusiness; producers of cleaning supplies; delivery and curbside services for retailers and the restaurant subsector; and the provision of online support services including computer-assisted accounting, administration and other professional services.

To address the challenges occasioned by the pandemic, within the context of the resources available to the SBA, the Board of Directors and management personnel undertook a strategic exercise to explore the programming agenda needed for the association in the short to medium term. Following this planning session, the Board agreed to focus the operations of the organisation on five key thematic areas, with regular reviews conducted due to the volatility of the business environment, locally and internationally.

These five areas were intended to focus generally on the capacity building of members and thus inform the projects and programmes to be executed by the Secretariat.

The thematic areas identified were as follows:

1. **Advocacy & Research**
2. **Skills development**
3. **Marketing support**
4. **Networking**
5. **Information sessions**

The following pages will discuss the activities implemented in each of these areas during the financial year under review.

1) ADVOCACY & RESEARCH

The fiscal period under review featured a number of advocacy actions by the SBA, heightened due to the extenuating economic circumstances affecting the business community.

The SBA continued to serve on several national committees and task forces, to represent the interests of the MSME sector. These include, the Barbados Private Sector Association, the National Advisory Council on Safety & Health, the Cabinet Product Sub-committee, the Barbados National Standards Institute, the Ministry of Foreign Affairs' Working Group on Africa, as well as committees on trade & business facilitation, collateral registry for the MSME sector and the development of a Junior Stock Exchange.

Special consultations were held during the year, which provided an opportunity for the association to address issues pertinent to the survival of MSMEs, such as the national consultation on tourism, the launch of several foreign missions and the opportunity for overseas trade, and the development of a national MSME Strategy.

To adequately address several of the issues affecting the sector and to speak with a degree of accuracy on the impact of these matters on the operations of member-firms, the association conducted a number of exploratory surveys during the period. These included:

a) Impact of national lockdown on members
b) Review of the proposed minimum wage
c) Effect of the rising fuel prices on small businesses
d) Sewage levy and the impact on the agribusiness subsector

The following represents an extract of the research findings on the aforementioned areas.

1.1 Effects of the Second Lockdown on Members

Fifty members participated in this exploratory survey from six sectoral areas deemed to be more heavily impacted by a lockdown. These sectors were general services, manufacturing, professional services, wholesale/retail, construction and tourism. An extract from the poll results revealed that: -

a) 88% of the sample of firms anticipated a significant loss in revenue as a result of the shutdown and 76% were of the belief that they would be unable to satisfy operational costs in the next three months.

b) 60% of the respondents stated that they would be engaged in heightened health and safety measures and 52% would be working remotely to ensure their business survived.

c) 82% of respondents believe that they will need capital and 52% stated that they would need a moratorium on loans and rent in the next 6 – 12 months to assist in combatting the effects of the lockdown.

d) 62% of the participating business owners saw a decline in the performance of their firm since the earlier lockdown (March 2020).

Based on the results recorded, the vast majority of members realised a decline in their operations since the first lockdown in March 2020.

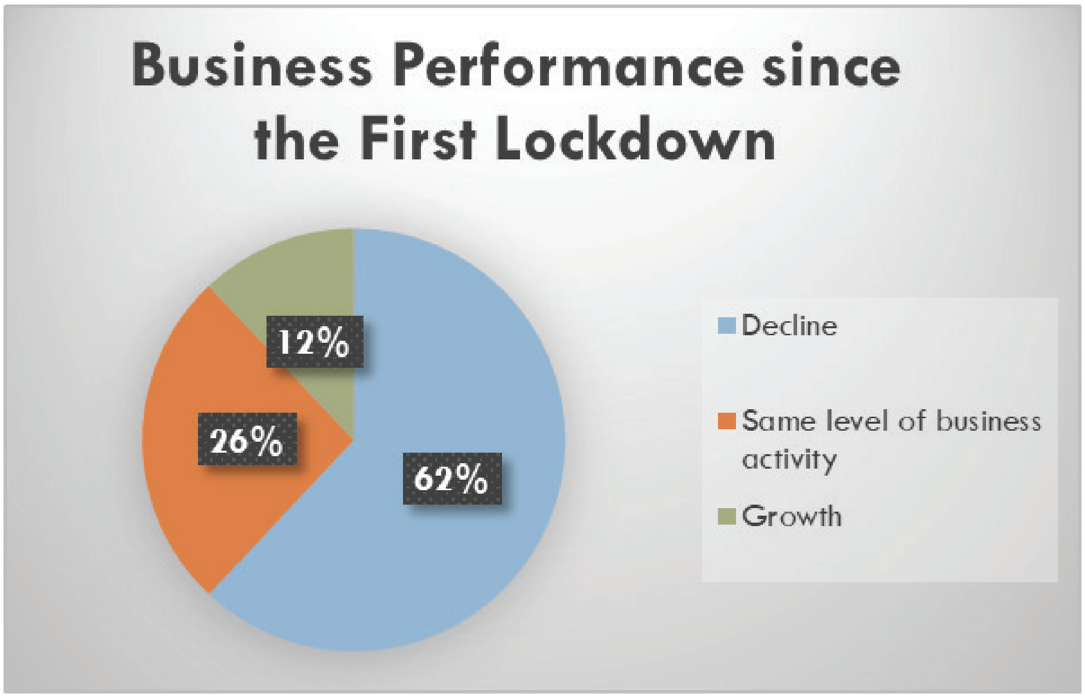


Figure 1

1.2 National Minimum Wage Survey Report

The result of this poll suggests that 96% of members agreed that a minimum wage should be introduced. However, most of the 50 members who participated in the poll and agreed to the increased wage, cautioned that the minimum wage should be dependent on the job being done as some would not be able to afford to employ some of their lesser skilled staff if the minimum wage became too high for simple jobs.

a) The minimum rate firms can afford to pay employees per hour
Members gave rates from $6.90 – over $12 per hour in the poll.

Figure 2

b) **When should the national minimum wage be introduced?**

When asked when they believed the national minimum wage should be introduced, 46% stated within 6 months as they felt that it was time to help persons who were being taken advantaged of in the workplace and were not being given enough money to survive; 10% stated that they believed it should be introduced in 7-12 months and 44% stated that it should be implemented after 12 months.

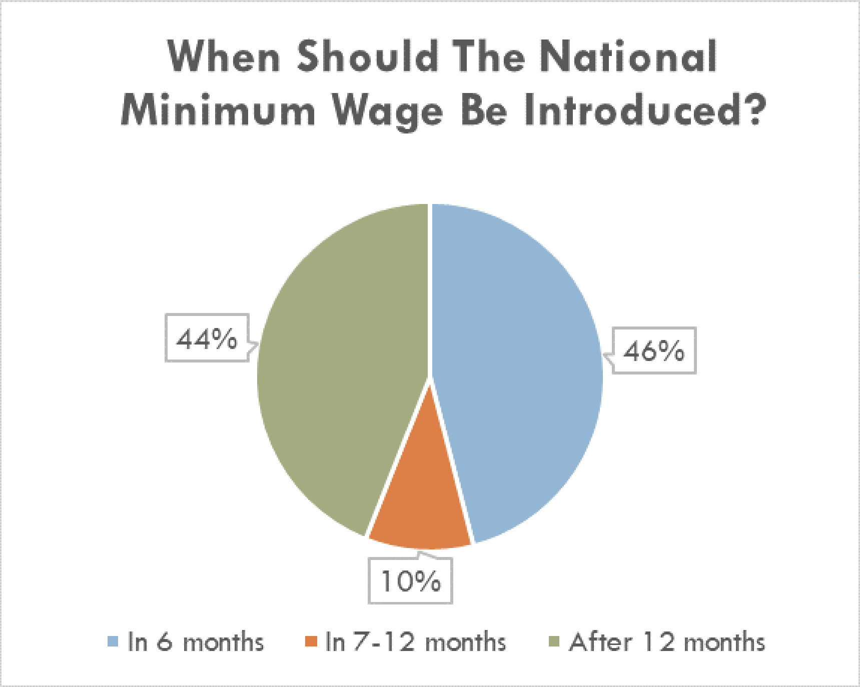


Figure 3

c) **A further poll was conducted among members to gain feedback on the possible effects on a national minimum wage among three economic sectors** - retailers, security and cleaning firms. Figure 4 shows the distribution of firms that participated in the survey.

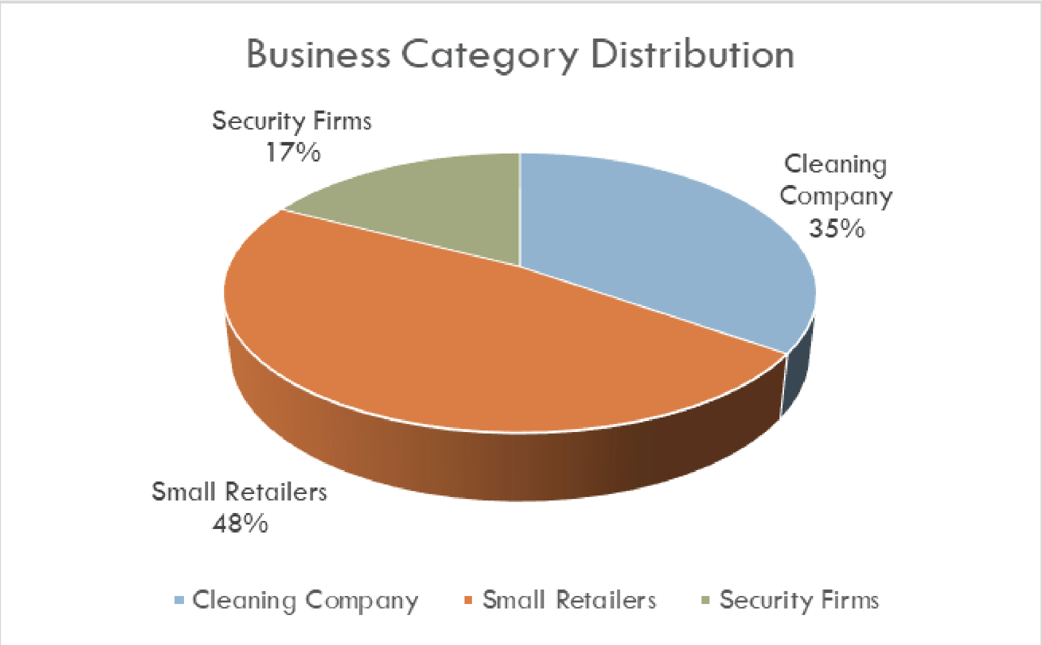


Figure 4

i. Security Firms

When asked to state their current hourly rate, 75% of the participating security firms said they paid $7.00 per hour while 25% responded with $7.50 per hour.

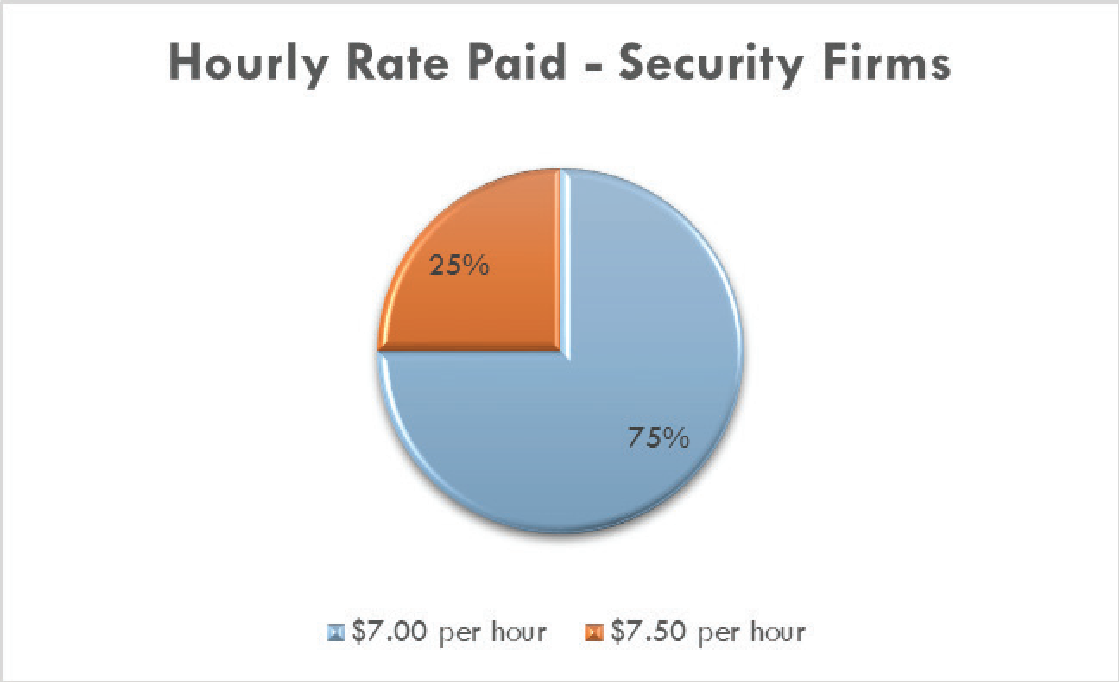


Figure 5

ii. Cleaning Firms

As assessment of the hourly rate paid by cleaning firms indicated that 37% of participants paid between $8 - $8.50 per hour while 25% indicated $7 - $7.50 per hour. 13% reported that they paid $10 per hour and another 13% stated that their hourly rate was $12.50. The other 12% of participants indicated that they paid $6.50 per hour.

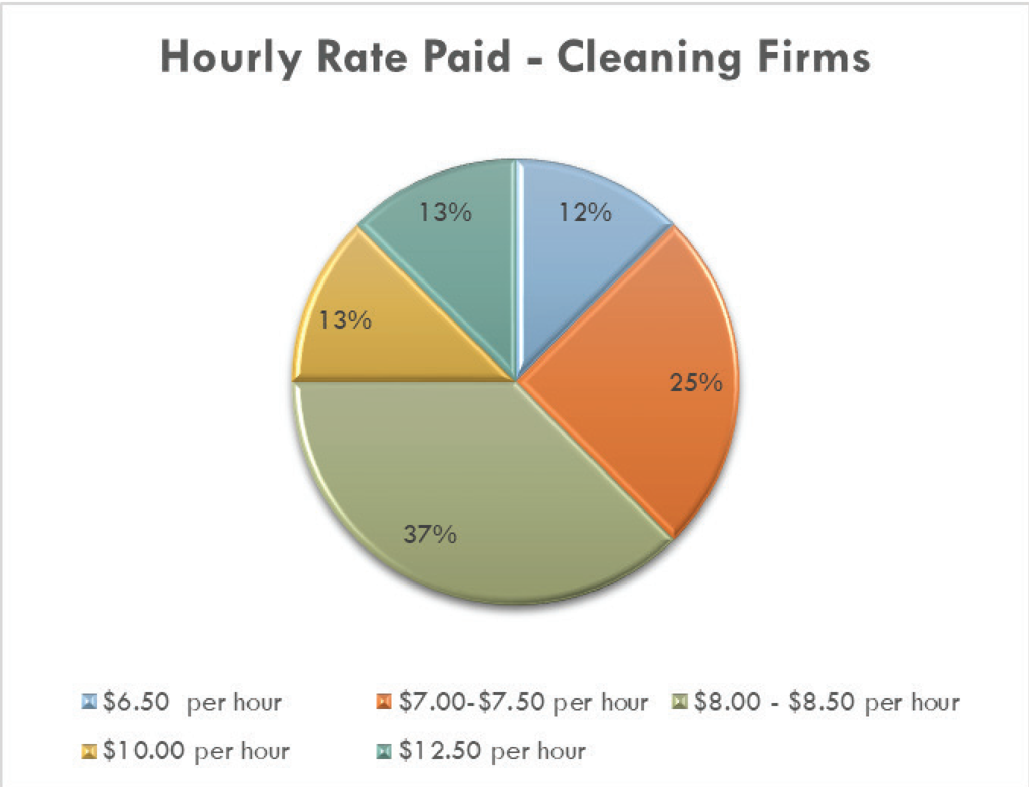


Figure 6

iii. Small Retailers

When asked to state their current hourly rate, 37% of small retailers stated that they paid between $10 - $11 per hour, while 18% indicated that they paid between $15 - $20 per hour and another 18% stated $8 - $9 per hr. An additional 18% of respondents reported that they paid $7 - $7.50 per hour and 9% paid $6.25 per hour.

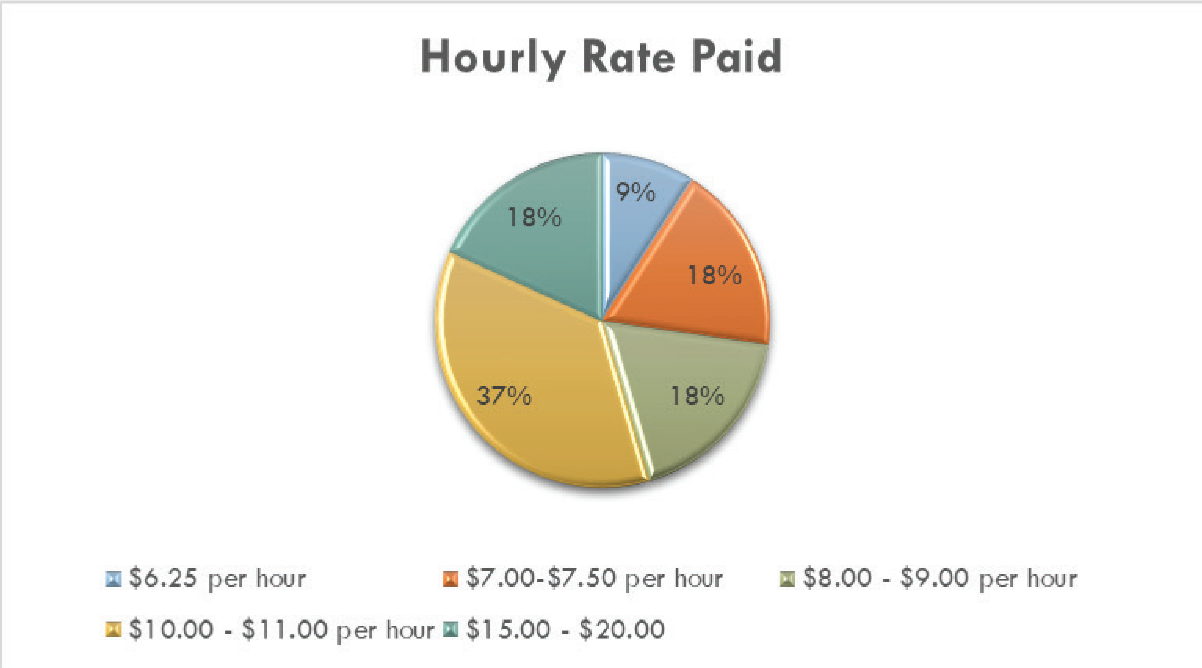


Figure 7

A majority of the firms in each of the three sectors maintained an hourly work week for staff in excess of 40 hrs.

1.3 Exploratory survey on Impact of Fuel Prices

A sample of 100 members was used to explore the impact of the rising fuel cost on business operations. An extract of the survey results suggests the following:

a) Driving on the business' operations

From 100 businesses surveyed, it was found that 88% of business owners were required to drive for the day-to-day operations of their business while 12% were not required to do so. It is therefore likely that the small business sector has been heavily affected by the rise in fuel prices.

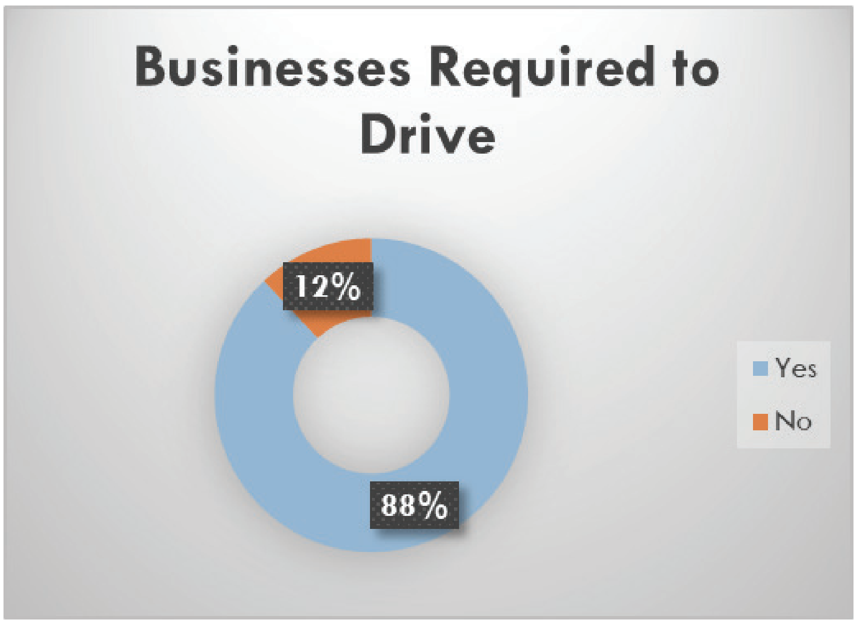


Figure 8

Table 1 below discusses the various reasons listed by members for driving.

Variables of Tasks that Require Driving as Indicated by Respondents	Number of Businesses	Percentage of Businesses
Provision of services to customers	33	38%
Collection of Stock, Deliveries and Provision of services to customers	22	25%
Deliveries	10	11%
Collection of Stock and Deliveries	10	11%
Deliveries and Provision of services to customers	5	6%
Collection of Stock	4	5%
Attending meetings	1	1%

Table 1

b) Impact of fuel increase on cost of operations

38% of respondents indicated that the rise in fuel prices represented less than 10% of their operational costs. 35% stated that it represented between 11%-25% of their operational costs, 18% indicated that its representation fell between 26% - 50% of operational costs. The final 9% indicated that the rise accounted for over 50% of their firm's expenses.

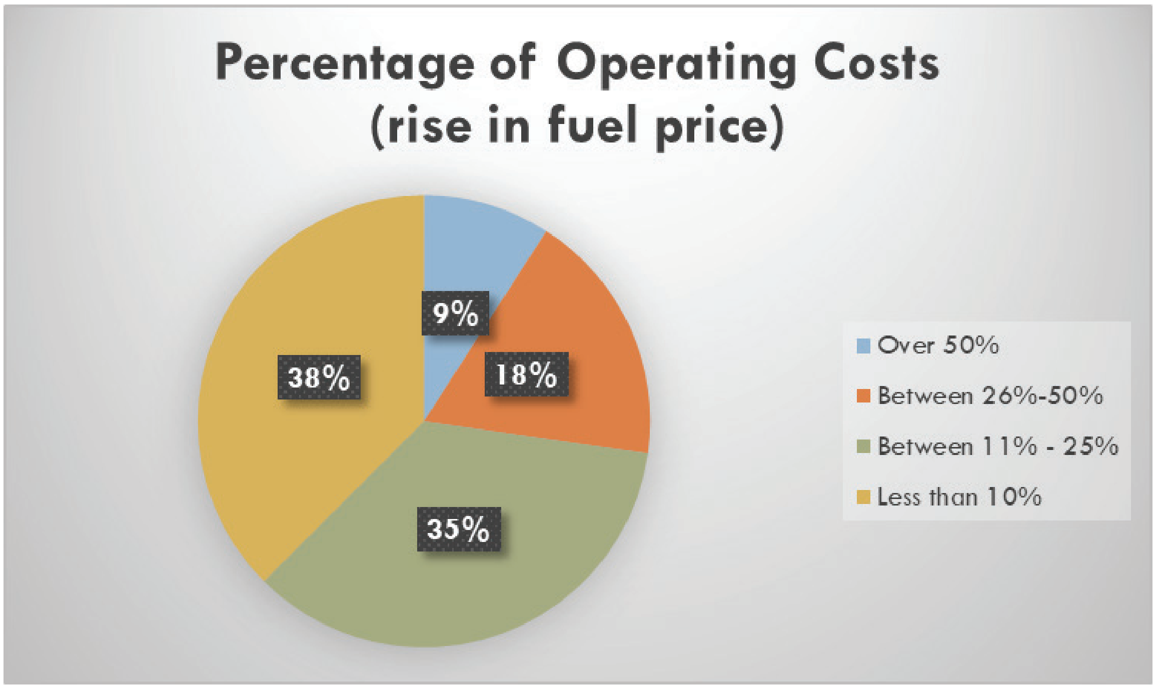


Figure 9

1.4 Impact of Sewage Levy on Agribusinesses

Firms in the agri-business sector were polled specifically on the impact of the sewage levy on water rates. When asked whether the rise in the price of water negatively impacted their business, 65% of the respondents in this sectoral group stated in the affirmative, while 35% said no.

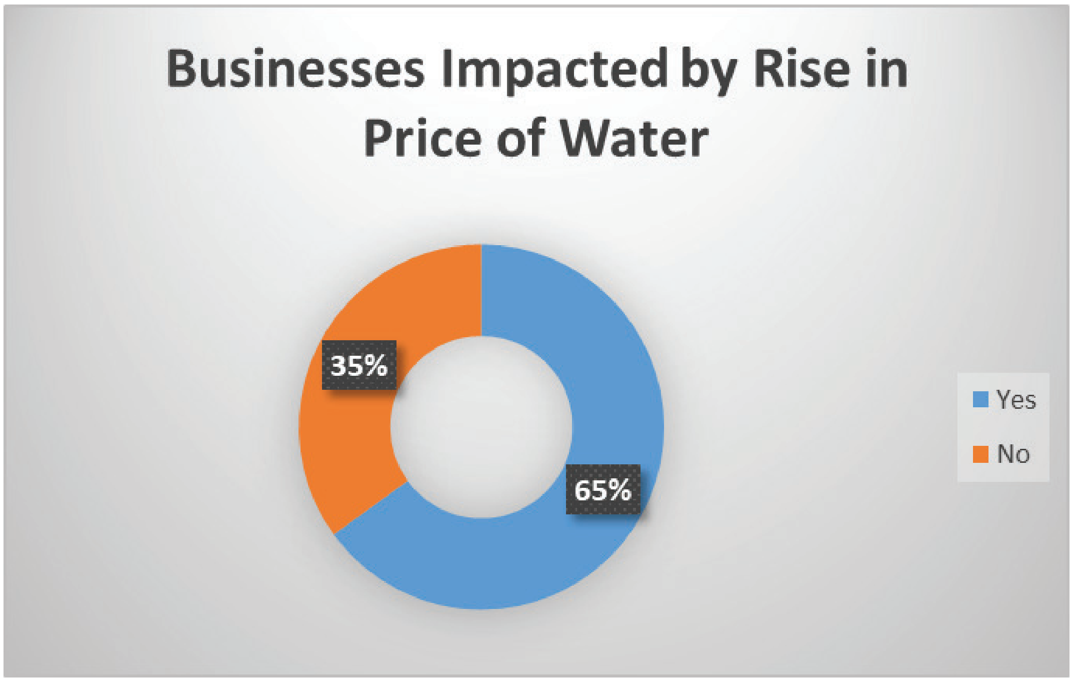


Figure 10

a) Of the 65% of agribusiness respondents affected by the sewage levy, 40% stated that the rise in water prices represented between 11% - 25% of their operational costs, 30% indicated that this price increase accounted for less than 10% of their business expenses, while 20% stated that it contributed between 26% - 50% of their operating costs. Notably, 10% indicated that the rise in the price of water accounted for over 50% of their costs.

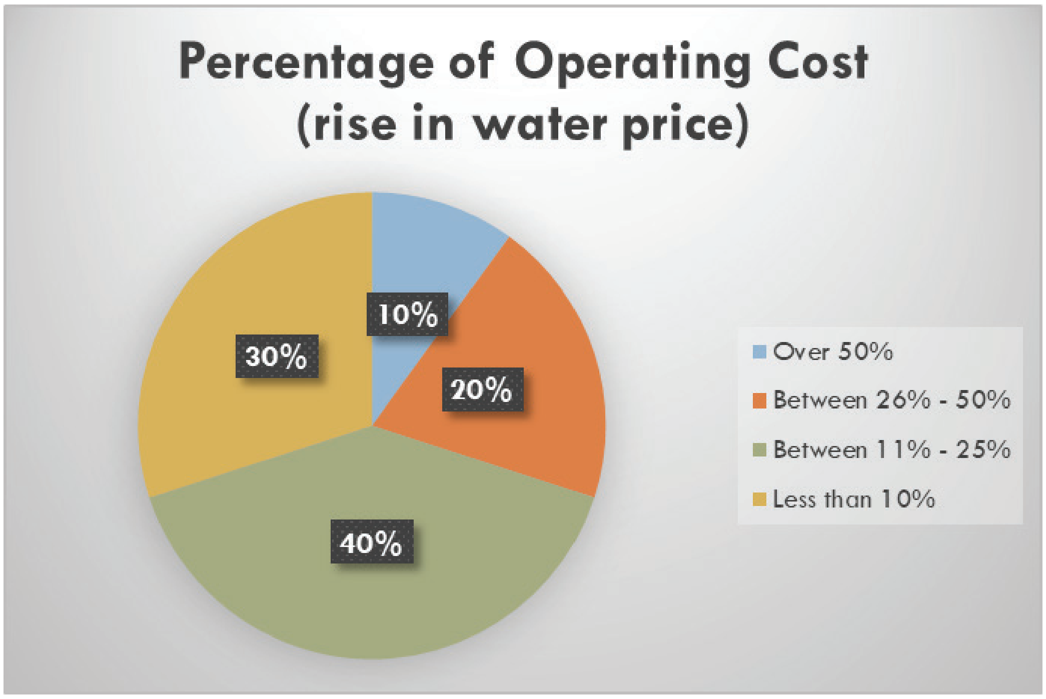


Figure 11

2) SKILLS DEVELOPMENT

The SBA continued its skills development thrust during the year through the staging of three semesters of training in its Entrepreneurial Training Series. Due to the continued impact of the COVID-19 pandemic and the resultant restriction on physical gatherings, the association moved all training to an online mode of delivery. This resulted in an increase of 189 participants or 130% over the previous fiscal period of 145 students.

The training programmes offered during the year included:

- **QuickBooks**
- **Marketing for Small Businesses**
- **Social Media Management**
- **Customer Service Excellence**
- **Small Business Management**
- **Developing E-learning Solutions**
- **Grow your own Food**

The latter course was introduced in light of the depressed economic conditions caused by the pandemic and the need to encourage citizens to be more self-sufficient. The figures below show that females continue to patronise the training more than their male counterparts, and that non-members attended more of the sessions than members. Further analysis of the training data indicated that more persons were attracted to the management-type courses compared to the computer-assisted training, during the review period under review.

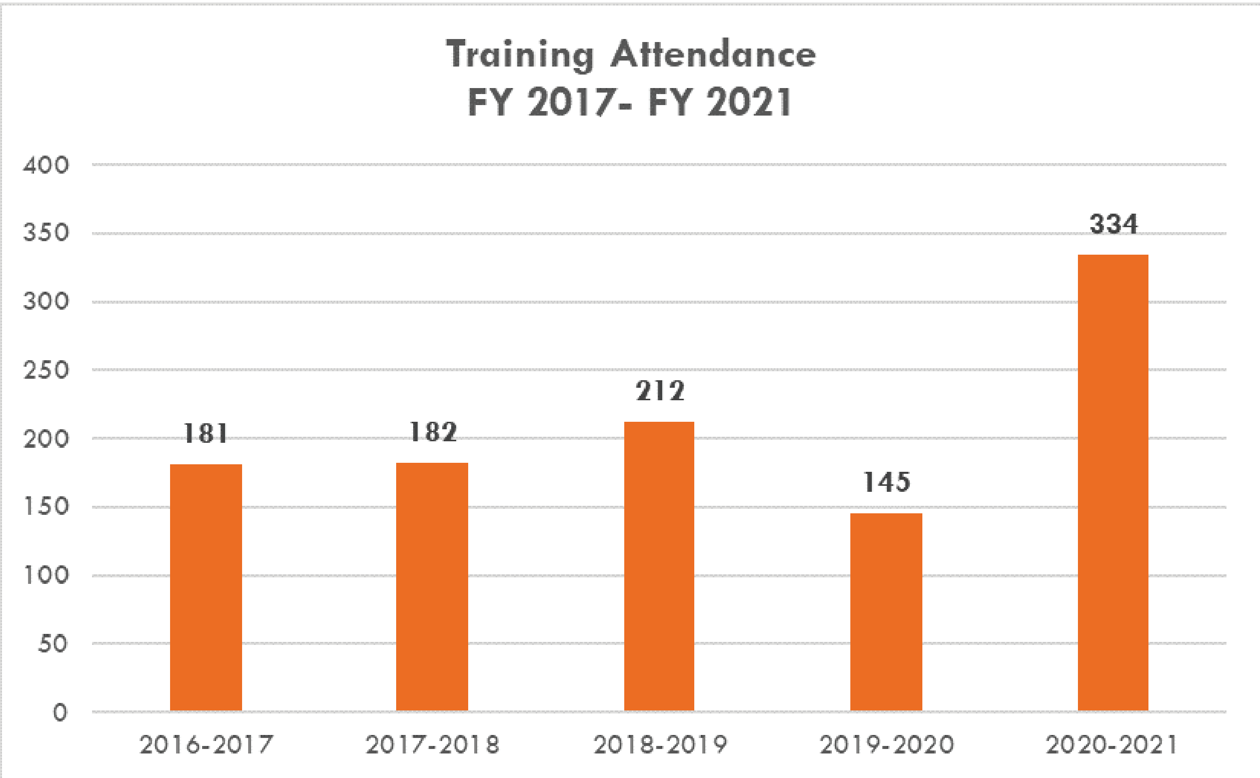


Figure 12

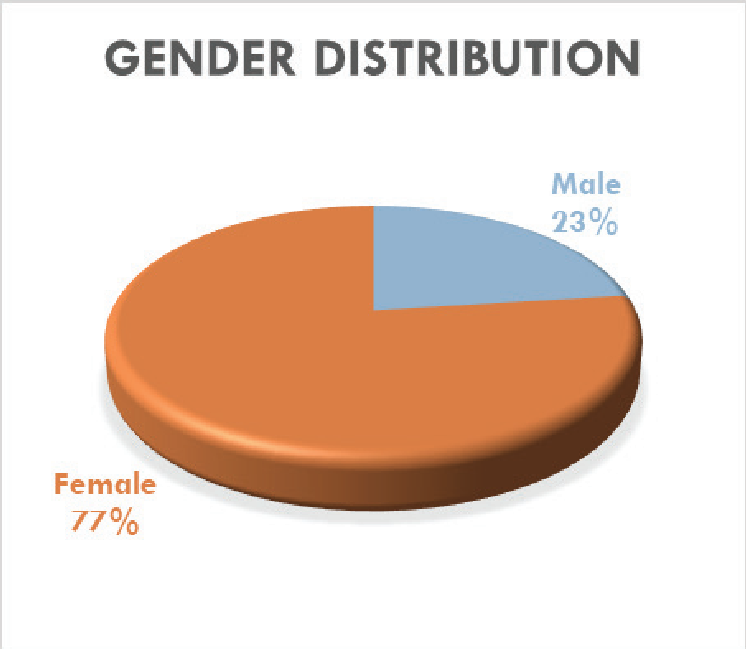


Figure 13

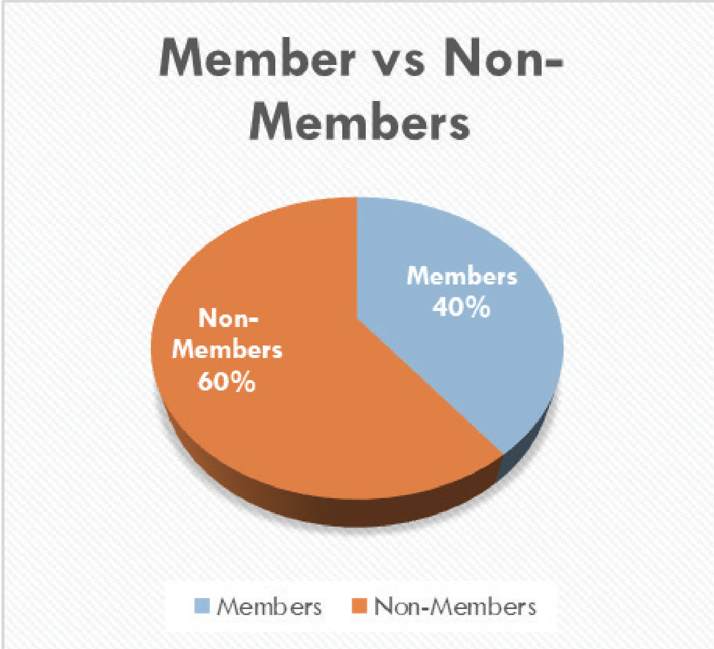


Figure 14

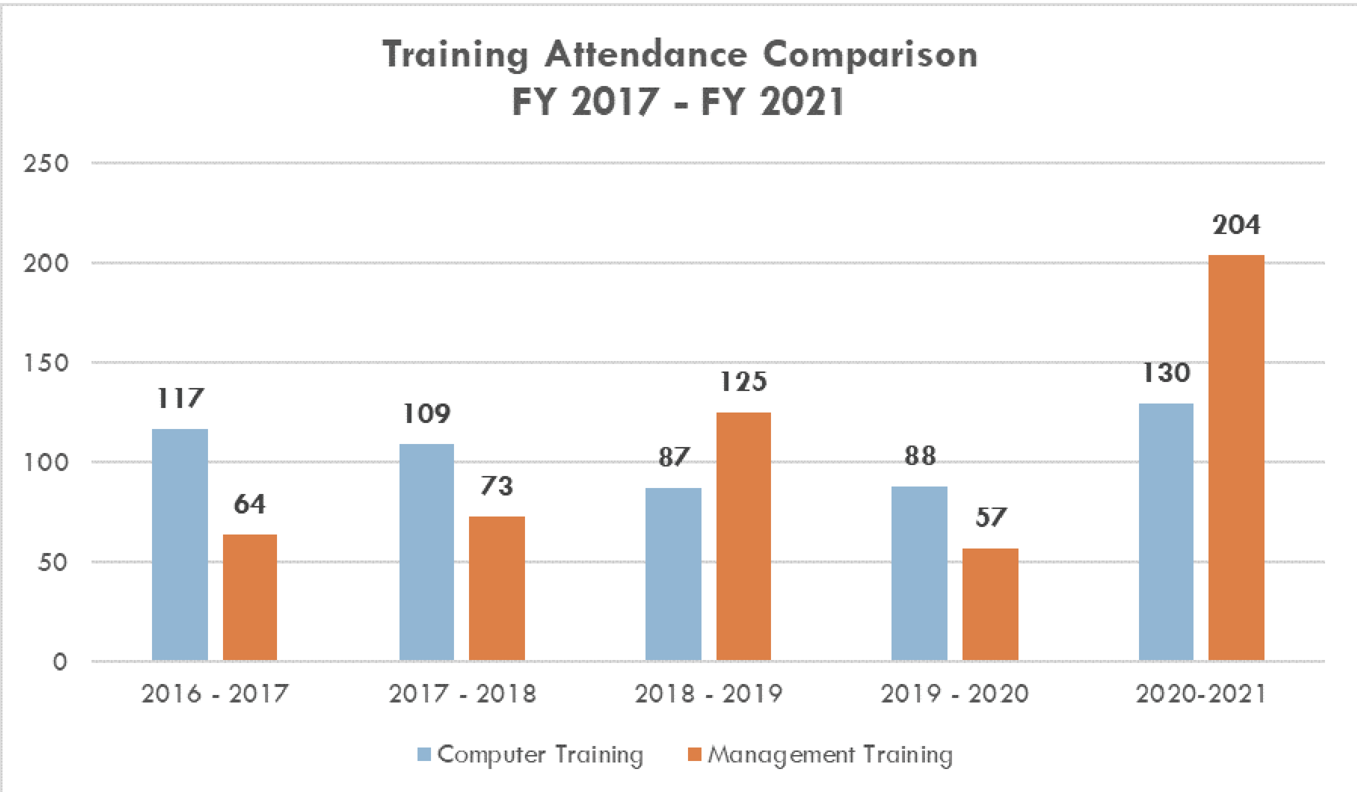


Figure 15

2.1 Graduation Event for 2019-2020 Series

The SBA held its first virtual graduation ceremony during the period for due to the restriction on physical gathering. The event was streamed live via Facebook and held under the theme **"Embracing a Mindset of Change for a Changing Environment".** Presentations were made by various speakers including the SBA president and motivational speaker, Mr. Raphael Saul.

The ceremony recognised those students who successfully completed their course of study during the 2019 – 2020 training cycle. During the event, testimonials were shared by two of the graduates, Ms. Rosita Lynch of Carlton Flowers and Mr. Don Allsopp of DNA Technologies, on what they learnt and experienced during the training programmes.

Those graduating, successfully completed their course/s of study in the following subject areas: Small Business Management, Maximising Social Media, Marketing for Small Business, Conversational Spanish, QuickBooks and An Intro to Moodle. Students received e-certificates, another first for the association due to the digital method of service delivery. Below is a collage of images from the event.

2.2 NVQ, E-Commerce Level 2

The SBA became an approved National/Caribbean Vocational Qualification (N/CVQ) Training Centre in 2015 and has been facilitating the N/CVQ programme from that period. These programmes are administered by the Technical Vocational & Educational Training Council and provides the opportunity for MSMEs to seek certification through competency-based training. This allows business owners to use their years of practical experience in managing their firms, as part of the assessment process to determine their competence in various occupational areas. During the period under review, the association offered the NVQ programme, E-commerce level 2 for an enrollment of 20 candidates.

This new course of study was facilitated through the use of the online training platform, Moodle, and allowed members the opportunity to build their own websites, as part of the training process. Following a period of three months training and portfolio development, some 19 candidates completed the programme representing a rate of 95% of the group. Thirteen portfolios were submitted for award certification, 12 of which were awarded full certification and one candidate received unit certification.

2.3 Business Growth Tips

In the association's ongoing efforts to assist members in developing their skills, the SBA introduced a value-added feature to its orientation and development of new members. This additional feature is designed to help in the 'hand-holding' of members in their developmental journey, especially those new to the field of business management.

The new service offering is known as Business Growth Tips and features a number of educational videos provided to new members following their orientation, on a number of business management subjects. The members are encouraged to view the videos as foundational steps to their business development and to incorporate the training in the other programming areas offered by the association.

Some of the topics provided in the video series include:

- **Accounting Basics for Small Business Owners [By a CPA]**
- **Salary for Small Business Owners: How to Pay Yourself & the Method to Use**
- **Cash Flow vs. Profit – What is the Difference**
- **Understanding Marketing Basics for Businesses**
- **Introduction to Marketing**
- **How to Write a Business Plan | Start a Business in 10 Steps?**
- **7 Strategies to Grow Your Business**

3) MARKETING SUPPORT

Marketing Support was identified as a key thematic area of focus for the association's programming due to the need for firms to strengthen their promotional strategies to reach consumers and to grow market share. Recognising the consumer trend towards social media platforms for information, products and services, the SBA continued its focus of enhancing its social media presence and using the popular platforms to market members' goods and services, as well as the service offerings of the association. As a result of these efforts, an increase in followership was recorded at the end of the financial year in all the platforms used by the association.

Several value-added features were introduced to give members greater presence for the promotion of their products. These include the launch of a Facebook marketplace and the rebranding of the Be SME SMART programme with the brand Support our Small Businesses (SOS) to enhance this initiative. The SOS brand was developed during the first wave of COVID-19 in June 2020, to encourage consumers to support small firms when making their purchases.

SOS! 'Support Our Small Businesses'

The SOS programme is aimed at assisting small businesses to stay financially afloat at this time due to the socio-economic instability caused by the COVID-19 pandemic. This is achieved by encouraging consumers to patronise small businesses from the association's membership, to help stimulate the local economy and assist small businesses to earn in the process. Two marketing campaigns were held during the period where patrons won a number of prizes for patronising firms during the SOS promotional period.

Recognising the significant number of followers on Facebook and the growth of this platform for the association over time, the SOS marketplace was launched during the reporting period as a further fillip to the marketing efforts of the organisation. The marketplace is a free tool for firms, members and non-members alike, to promote their products and a marketing opportunity for the SBA to promote membership and other service offerings. The enclosed is the image of the Facebook Group.

Weekly postings, similar to this image, are featured on the media pages, to promote specific sectors and/or businesses.

Marketing support is provided to the membership through weekly or seasonal promotions, an example of this includes Mothers' and Fathers' Day celebrations. Additionally, the social media following and consumer databases receive weekly promos to support small businesses based on specific calendar events or along sectoral themes.

To further support the SOS marketing initiative, a Christmas Catalogue was developed and launched in time for the Yuletide season. The annual catalogue showcases the goods and services offered by firms so as to encourage greater patronage by consumers during the Holiday shopping period and to provide a revenue stream for the association. Some 104 firms booked 108 adverts in the year's catalogue representing 53% members and 47% non-members. The SBA further supported this promotional activity by featuring each firm in the catalogue, in a series of weekly promotions on its social media platforms. A further event in the form of a Networking Expo was held in December 2020 to strengthen the marketing efforts of the firms.

Category Breakdown

Name of Category	Number of Firms
Beauty & Skincare	9
Building & Construction	6
Business Services	20
Fashion	14
Food & Beverages	20
General Services	24
Health & Wellness	7
Home & Garden	4
Total	104

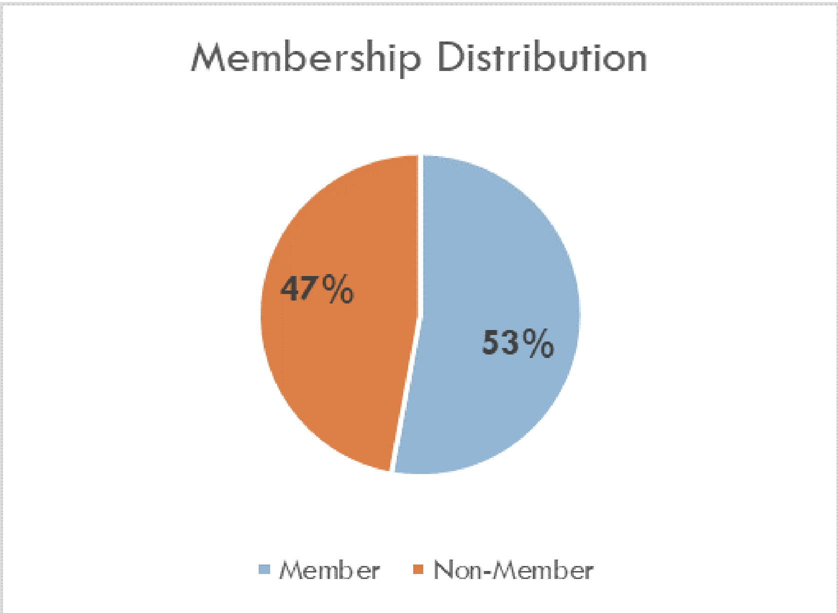


Figure 16

3.1 Social Media Data

Table 2

Platform	June 2020	June 2021	Actual Increase	Percentage Increase
Facebook	8827	9764	937	11%
Twitter	1820	2163	343	19%
LinkedIn	4092	5053	961	23%
Instagram	904	1911	1007	111%
Facebook Group		481		

Table 2 shows the movement in the followership on the various social media platforms at the end of the fiscal period compared to the previous year.

3.2 Website Data

The other e-communication tool used to support the marketing efforts of the association is its website. At the end of the reporting period this platform showed satisfactory performance in assisting potential members and the public to access critical information on the association. Again, due to the physical distancing measures on account of COVID-19, the SBA's website was used to provide membership information for potential applicants, to market the training programmes of the association and to disseminate information on key services throughout the year. The public was further encouraged to visit the membership directory on the site to access information on firms who they were desirous of engaging for their products and services. Figures 17 and 18 give information on the top pages visited by members and the public, as well as the five top downloads from the site, during the review period.

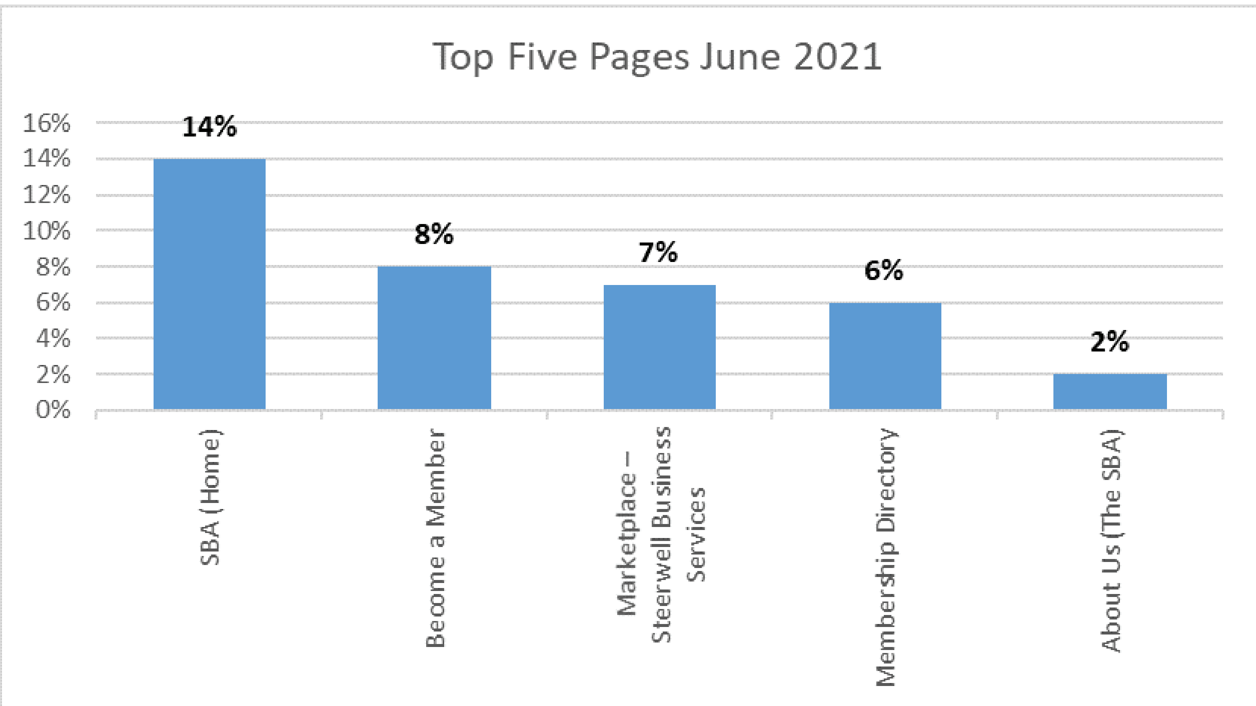


Figure 17

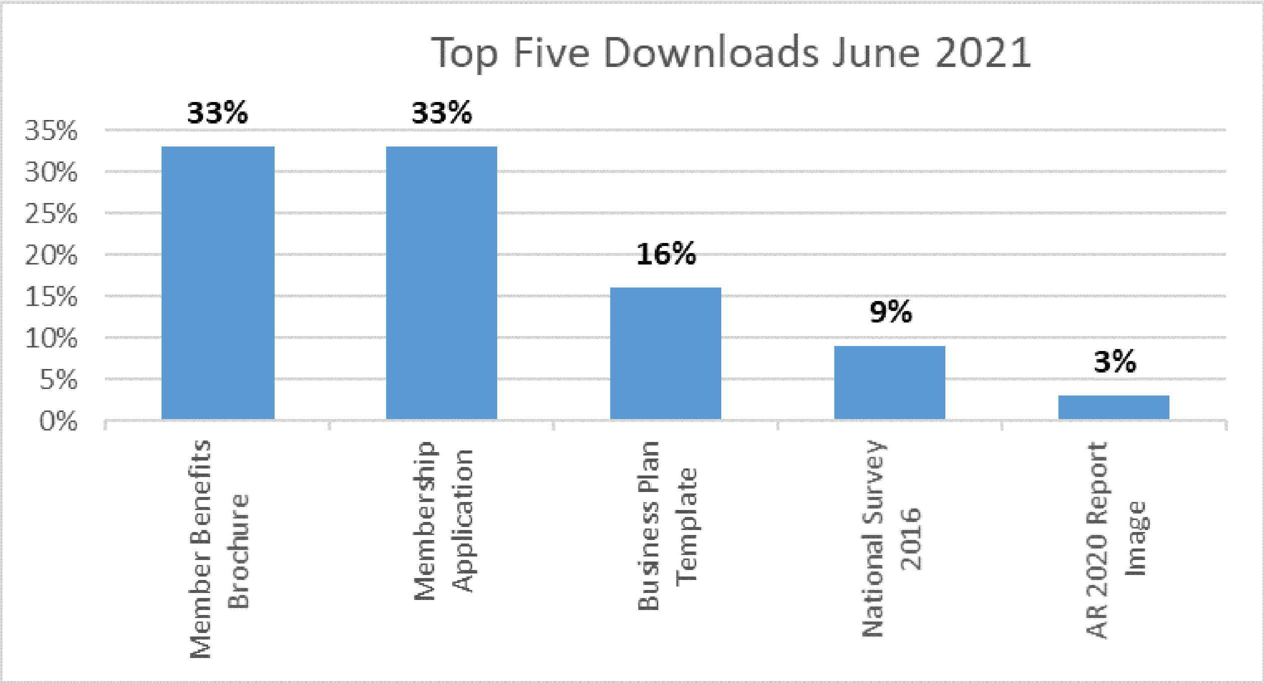


Figure 18

3.3 SOS - Be SME Smart Cards

The SBA continued the roll out of its smartcard programme during the financial year, adding a further 100 subscribers to this initiative compared to the previous fiscal period. At the end of June 2021, there were 3,185 smart cardholders, of which 2173 were female and 1012 were male. The majority of the smart cardholders were between the 46-65 age group and were employed.

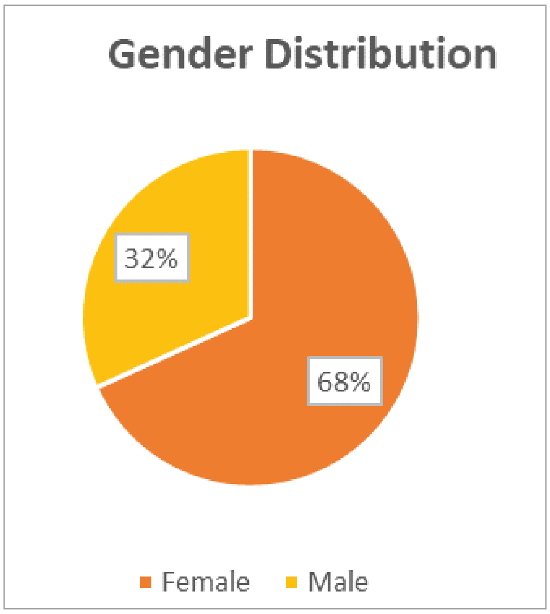


Figure 19

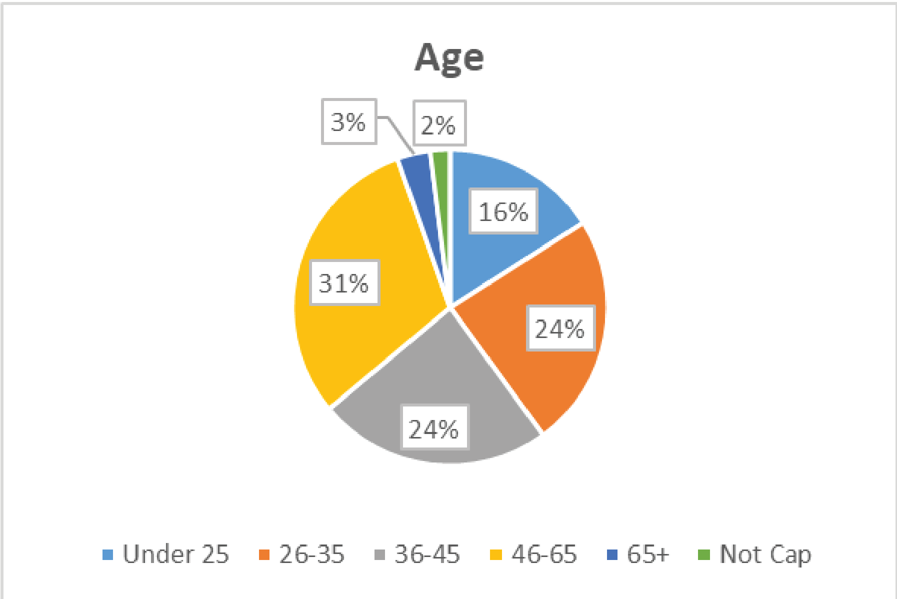


Figure 20

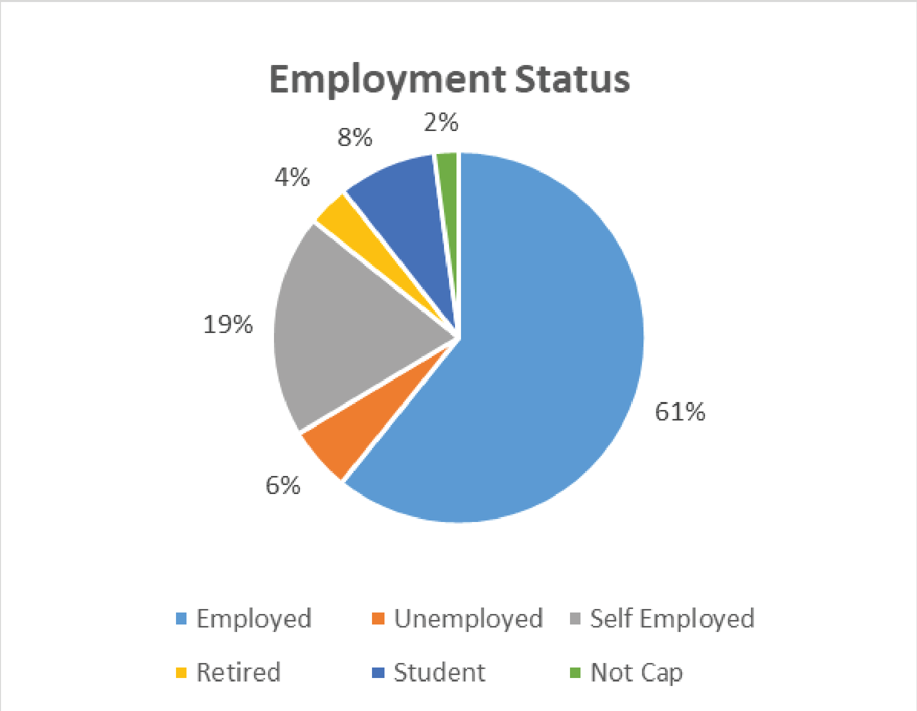


Figure 21

4) NETWORKING

The SBA organised one major networking event during the year, which was held online due to COVID-19 restrictions. The session featured presentations on key aspects of business development, namely human resources management, marketing, financial planning, information communications technology and legal requirements. All presentations were done by members who are experts in the subject area. In additional to the thematic presentations, the keynote address was shared by the Barbados Trust Fund Ltd, which focused on the importance of affordable funding for the business at this time. Throughout the session, promotional videos were featured highlighting the goods and services of members.

The five business development areas discussed were:

1. **Human Resource - HR Solutions - Celeste Carter**
2. **Social Media Marketing - PK Events & Media – Kimtara Clarke**
3. **Finance - KAASH Finance – Kamaal Bennett**
4. **Information Technology - Infinity Networkz – Dwayne Henry**
5. **Legal - Moseley Persaud Attorneys – Ryan Moseley**

SMALL BUSINESS WEEK 2020

The Virtual Edition

"The Era of Digital Disruption - Thinking Beyond the Box"

Church Service

Members of the Board of Directors, Management and Staff of the Small Business Association of Barbados at the Church Service

State of the Sector Conference

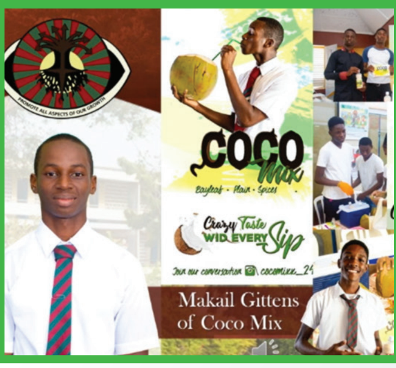
Minister of Energy, Small Business & Entrepreneurhsip, The Hon. Kerrie Symmonds giving his address

Former Director of Economics at CDB and Keynote speaker, Dr. Justin Ram

Competitiveness & Export Promotion's Manager, Mr. Damie Sinanan of CEDA giving the title sponsor's remarks

Head of CWC Multinationals - B2B at Flow Barbados, Mr. Jenson Sylvester giving the sponsor's remarks

EIA Youth Forum



Student of the Graydon Sealy School Makail Gittens, presenting his group's business - 'Coco Mix'

World renowned DJ, Mr. Andre "DJ Puffy" Parris, giving advice to the students online at the forum

Student of the Springer Memorial School, Faith Taylor, presenting her group's business 'Futuristic Events'

Awards Ceremony

The Hon. Kerrie Symmonds presenting the Minister's Award for Innovation to owner of IMORO, Ms. Portia Doyle

President of the SBA, Mr. Neil Corbin presenting the President's Award to Ms. Kathryn Daniel of Southpaw Grafix Inc.

5) INFORMATION SESSIONS

Addressing the current affairs issues of the day and other developmental areas are featured in the monthly information sessions organised for members and wider stakeholders. Eleven sessions were held during the year covering such topics as digitalisation, governance, tax compliance, and mental health, to name a few. The full list is seen in table 3 below. All sessions were held online following the new digital mode of service delivery by the association. This new technological method may have contributed to the exponential increase in participation by members and other stakeholders. The SBA recorded some 643 individual attendees for the 11 sessions. This represented an increase of 376 persons or 141% over the previous year's total of 267. Figures 22 - 25 show diagrammatically the information on these sessions.

Table 3 Members' Information Sessions

Webinar	Month
Navigating the Digital Divide	July
Financial Management Clinic	August
Market Intelligence Training	October
The Importance of Being Tax Compliant	November
Virtual Shopping and Networking Expo	December
Fundamentals of Good Governance	January
Coping with Mental Health During COVID	February
The Dos and Don'ts of Remote Work	March
The Impact of Leadership on the Organisation	April
Innovation Through Digitalisation	May
Developing Your Business - Completing the Puzzle	June

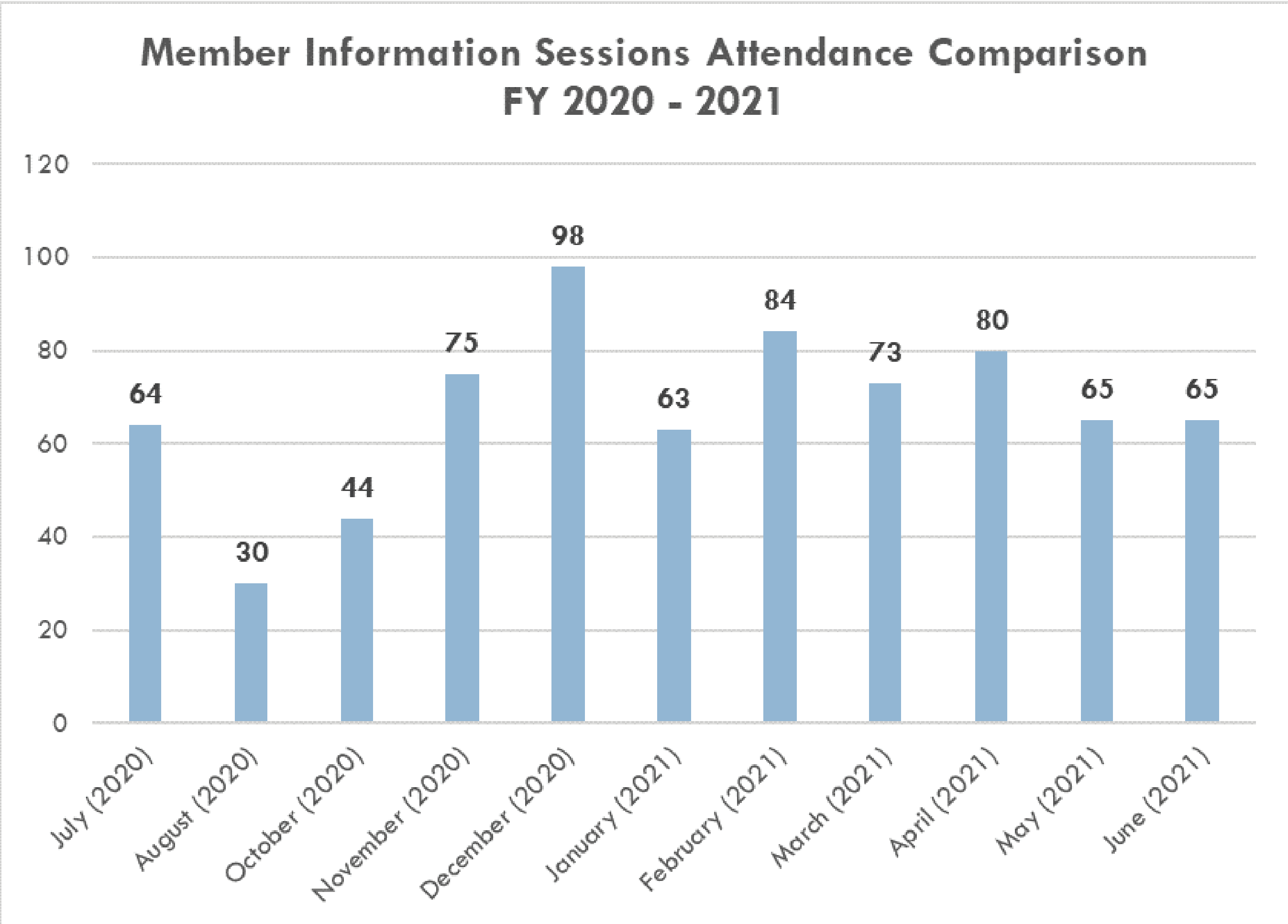


Figure 22

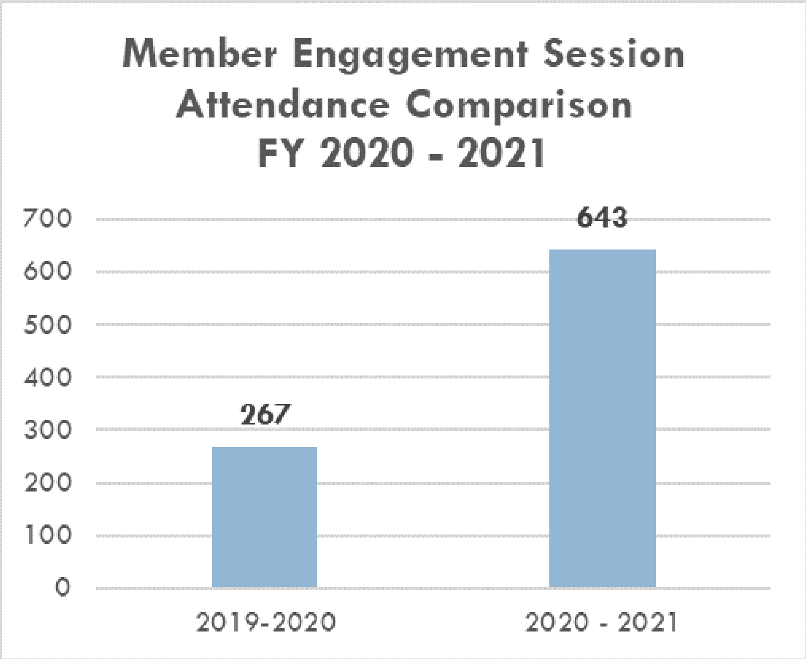


Figure 23

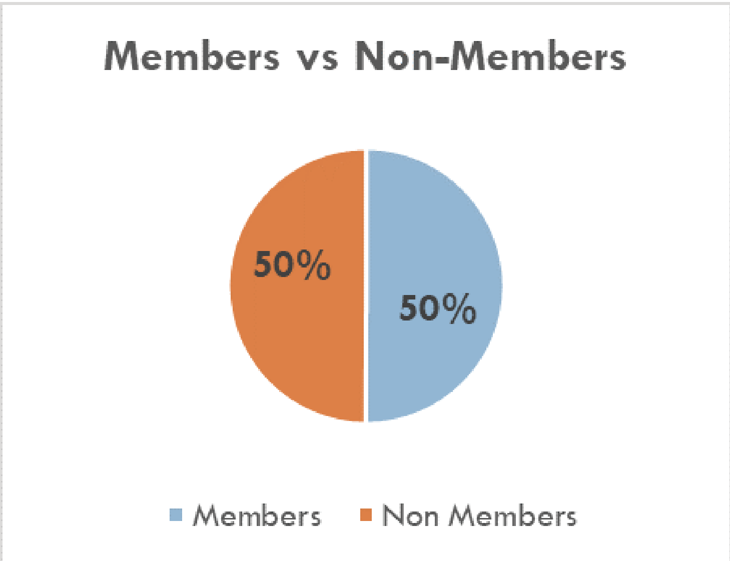


Figure 24

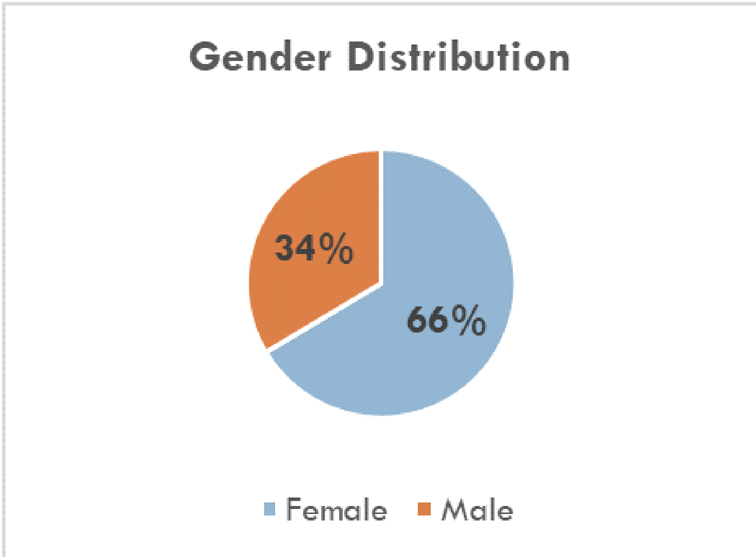


Figure 25

6) MEMBERSHIP

Due to the challenging economic conditions occasioned by the coronavirus, the Board of Directors took the decision to suspend the payment of the annual membership subscription fee until further notice, and to maintain the one-time $50 registration fee. This policy was introduced to provide some reprieve to members at this time of depressed economic conditions, reduced spending by consumers and the increased cost in doing business. The Board will revisit this policy as warranted.

This discontinuation of membership subscription may have resulted in an increase in new membership applications received during the reporting period, compared to previous fiscal years. At the end of the year one group association and 392 micro and small firms joined the SBA's membership.

This represents an increase of 274 new members from the 119 members in the previous year. The association has noted the majority of these firms are micro businesses (over 90%) and would have started their operations within the last two years. This may be a response to the challenging business environment and the resultant increase in unemployment. Such persons may have opted instead for self-employment as a means for self-sufficiency. The association has been adapting its programming to catering to this new membership category as required. Figures 26 – 29 show diagrammatically the following:

- Female-owned businesses represent the majority of members for the period
- More than 50% of the new members were in the general services category
- Members came from all the parishes on the island, with the majority emanating from St Michael, followed by Christ Church.

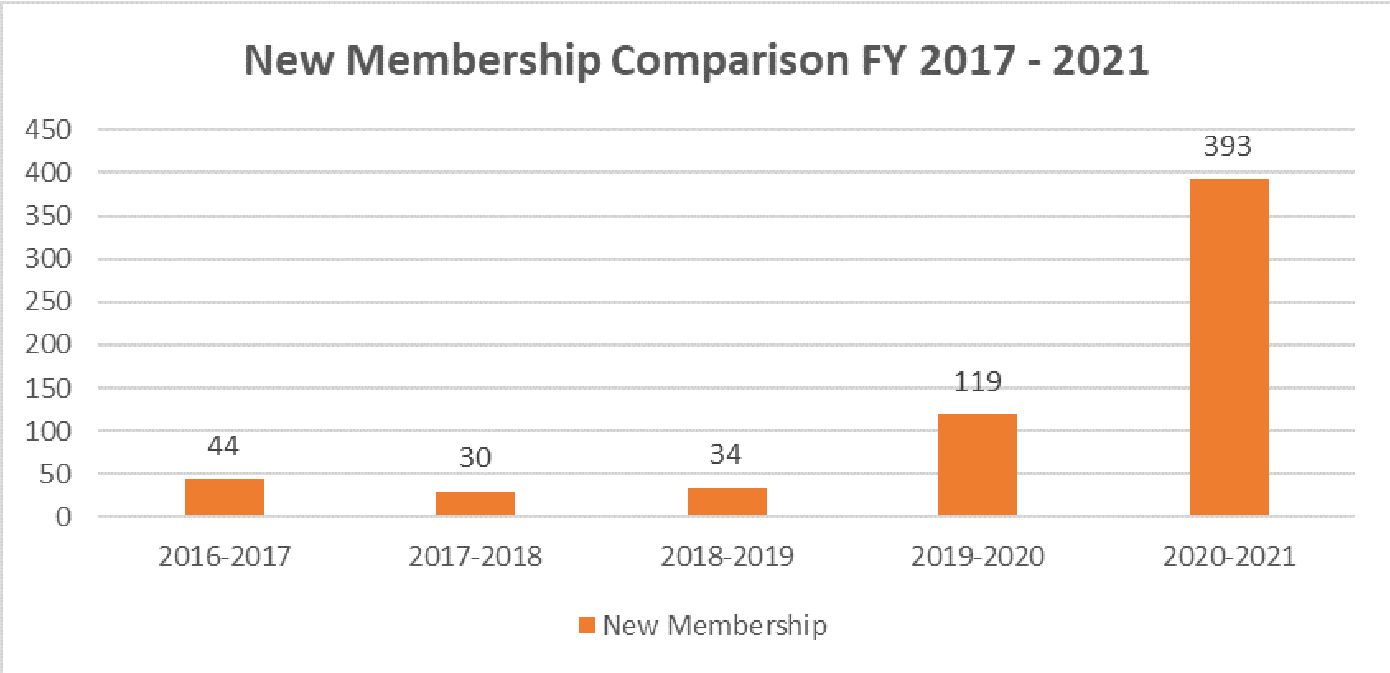


Figure 26

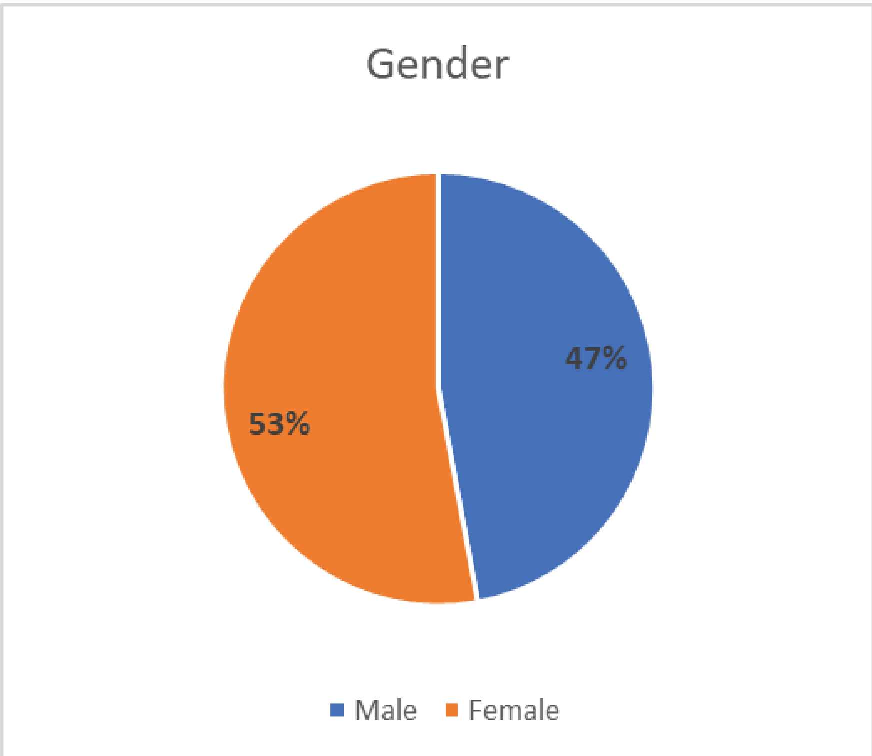


Figure 27

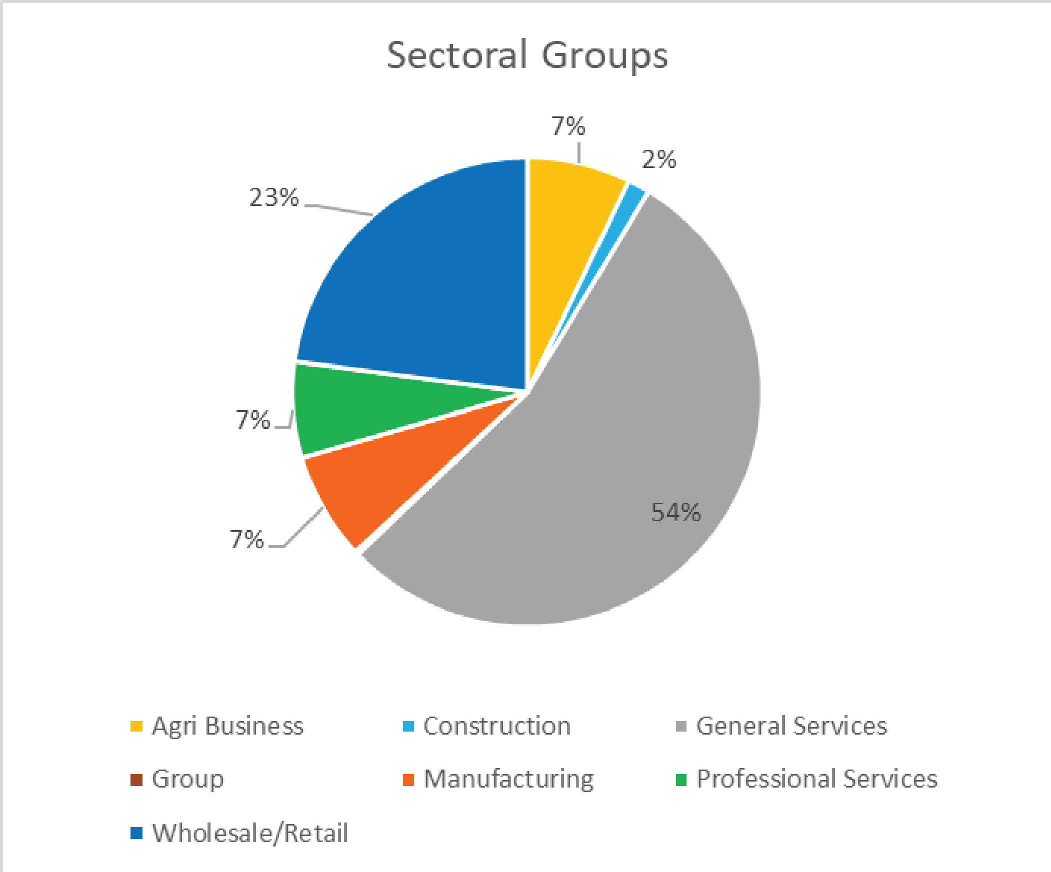


Figure 28

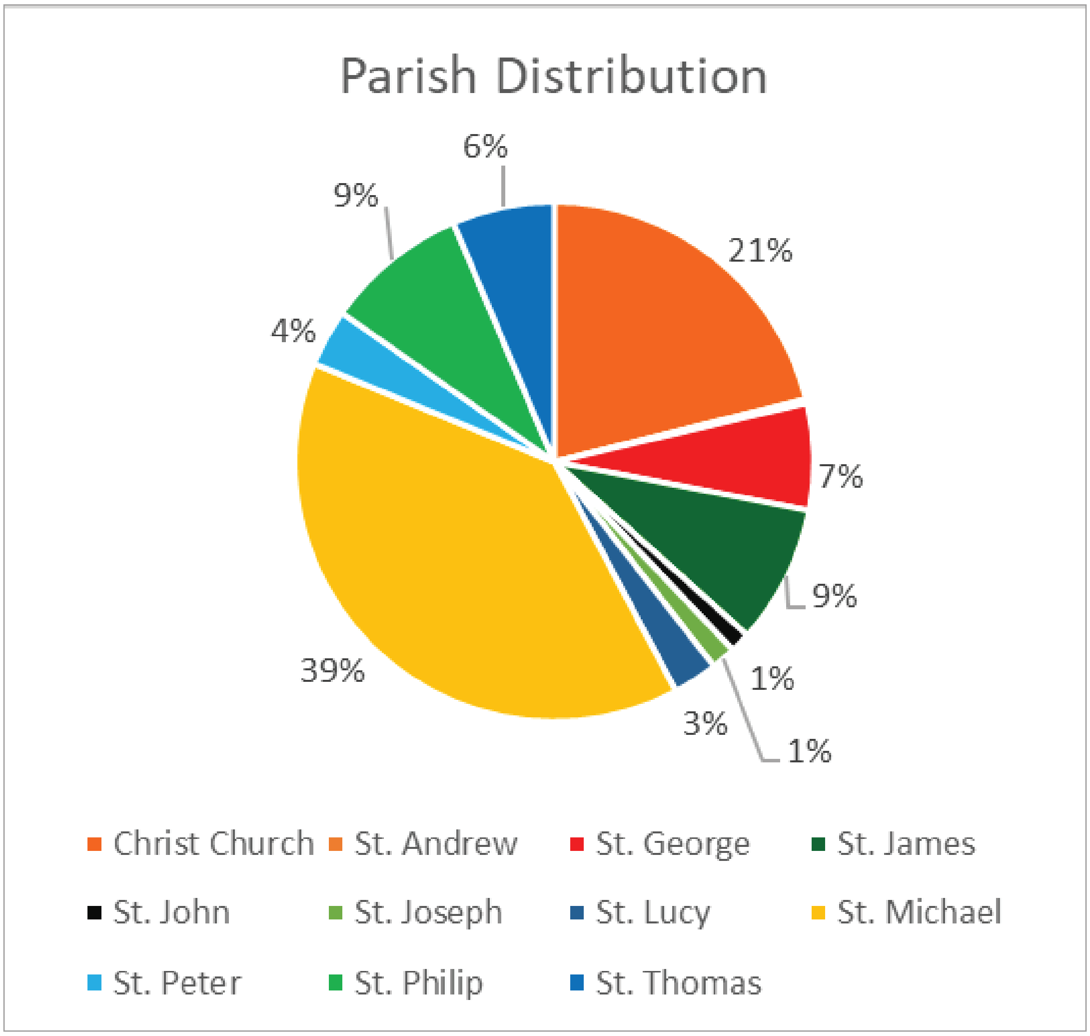


Figure 29

LOOKING AHEAD

The current business climate is challenging to forecast plans and project performance for the future. This is due to the uncertainty caused by the COVID-19 virus and its myriad of variants. Most business strategists and economists did not expect the prolonged uncertainty and may have planned for an economic rebound in 2021. This was however not to be the case as Barbados is currently battling its third wave of the virus, with some of the country's trading partners already in a fourth or fifth wave. This uncertainty makes it almost impossible to predict at what time the Barbados economy with rebound and by extension, growth of the country's productive sectors.

Accordingly, the SBA will continue its operations in this uncertain business environment with cautious optimism. Every effort will be made to keep the interest of the MSME sector at the forefront of the national conversation relative to improved policies, enabling legislation, access to financial & technical resources, and programmes that will stimulate innovation and attract increased patronage from the consuming public.

From a policy perspective, the SBA will continue its reprieve on annual membership subscriptions, as members continue to find it challenging to earn in this environment. The online platforms will be used to continue the communication with stakeholders on the activities of the association and as a vehicle for membership promotions. Strategic partnerships will be even more critical in this uncertain business climate. These partnerships will take the association's programmes to a regional and international level in an effort to attract new opportunities for membership networking and to pursue project development. The ensuing fiscal year will continue therefore to be about survival for the association and its membership, while seeking to lay a foundation for growth with a regional outlook for the future.

Presented on behalf of the Board of Directors
by

Neil Corbin
Chairman

STEVEN R. PAYNE & CO.
CHARTERED ACCOUNTANTS

STEVEN R. PAYNE
BSc (Accts. and Econ.), FCCA, CA

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Independent Auditors' Report
To the Members of Small Business Association

Opinion
We have audited the consolidated financial statements of **Small Business Association**, which comprise the consolidated balance sheet as at June 30, 2021, and the statement of consolidated surplus and accumulated fund, statement of consolidated cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Association as at June 30, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs).

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

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

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

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

STEVEN R. PAYNE & CO.
CHARTERED ACCOUNTANTS

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

A further description of the Auditors' responsibilities for the audit of the financial statements is located at the Institute of Chartered Accountants of Barbados' website at:
https://www.icab.bb/ICAB_Public/Resource_Library/Technical_and_Professional_Matters/Auditing/03_2016_illustrantions_of_Auditors_Reports.aspx.
This description forms part of our auditor's report.

Steven R Payne & Co.

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Steven R. Payne & Co.
Chartered Accountants

October 26, 2021
St. Michael, Barbados

Small Business Association
(Limited by Guarantee)
Consolidated balance sheet
As at June 30, 2021

	Notes	2021 $	2020 $
ASSETS			
Cash at bank	3	579,058	507,500
Accounts and other receivables	4	11,275	150,195
Prepaid expenses		5,130	3,994
		595,463	661,689
Non-current assets			
Term deposits	5	214,970	14,970
Property, plant and equipment	6	8,395	12,731
		223,365	27,701
Total assets		**818,828**	**689,390**
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accruals		21,565	30,784
		21,565	30,784
Non-current liabilities			
Deferred income	7	412,931	293,081
		412,931	293,081
Total liabilities		434,496	323,865
Equity			
Accumulated deficit		(2,615,668)	(2,634,475)
Capital grant	8	3,000,000	3,000,000
		384,332	365,525
Total liabilities and equity		**818,828**	**689,390**

Approved by the Board of Directors on October 26th, 2021, and signed on its behalf by:

DIRECTOR.. DIRECTOR..

The accompanying notes form part of these financial statements.

Small Business Association
(Limited by Guarantee)
Statement of consolidated surplus and accumulated fund
For the year ended June 30, 2021

	Notes	2021 $	2020 $
Income	9	631,806	659,780
Expenses	10	(612,999)	(652,532)
Surplus from operations		**18,807**	**7,248**
Impairment loss on investments	2(f) & 13	-	(585,030)
Surplus/(deficit) for the year		**18,807**	**(577,782)**
Accumulated deficit at start of year		(2,634,475)	(2,200,269)
Adjustment to accumulated deficit	15	-	143,576
Accumulated deficit restated		**(2,634,475)**	**(2,056,693)**
Accumulated deficit at end of year		**(2,615,668)**	**(2,634,475)**

The accompanying notes form part of these financial statements.

Small Business Association
(Limited by Guarantee)
Statement of consolidated cash flows
For the year ended June 30, 2021

	2021	2020
	$	$
Cash flows from operating activities		
Surplus/(deficit) for the year	18,807	(577,782)
Adjustments for non-cash income and expenses		
Depreciation	10,592	10,761
Surplus/(deficit) before working capital changes	29,399	(567,021)
Decrease in accounts receivables	138,920	1,111
Decrease/(increase) in prepaid expenses	(1,136)	370
Decrease in accounts payable and accruals	(9,220)	(31,776)
Net cash from/(used in) operating activities	157,963	(597,316)
Cash flows from investing activities		
Addition to property, plant and equipment	(6,255)	(3,580)
Net cash used in investing activities	(6,255)	(3,580)
Cash flows from financing activities		
Increase/(decrease) in deferred income	119,850	(4,150)
Net cash from/(used in) financing activities	119,850	(4,150)
Net increase/(decrease) in cash for the year	271,558	(605,046)
Cash at beginning of year	522,470	1,127,516
Cash at end of year	**794,028**	**522,470**
Cash and cash equivalents comprise:		
Cash	579,058	507,500
Term deposits	214,970	14,970
	794,028	**522,470**

The accompanying notes form part of these financial statements.

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 is to promote the interest of its members and to encourage the development of small businesses in Barbados.

2. **Significant accounting policies**

a) **Basis of accounting**

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

b) **Consolidation**

These financial statements include the financial statements of the Association and its Subsidiary:

Small Business Association	100%
Small Business Venture Capital Inc.	100%

c) **Currency**

These financial statements are expressed in Barbados dollars.

d) **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%

2. **Significant accounting policies continued**

e) **Comparative information**

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

f) **Impairment of assets**

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

3. **Cash at bank**

	2021	**2020**
	$	**$**
Small Business Association	536,313	464,317
Small Business Venture Capital Inc.	42,745	43,183
	579,058	**507,500**

4. **Accounts and other receivables**

	2021	**2020**
	$	**$**
Government of Barbados - Subvention	-	120,000
UNDP	-	20,000
Membership fees and registration fees	350	160
Security deposit - Barbados Light & Power Co.	10,000	9,000
Other receivables	925	1,035
	11,275	**150,195**

5. **Term deposits**

	2021 $	2020 $
Small Business Venture Capital Inc. (NLICO)	14,970	14,970
Small Business Association (CFSI)	200,000	-
	214,970	**14,970**

As a result of the failure of CLICO (Int'l) Life Insurance Limited, the investments held by Small Business Venture Capital Inc. in that company, were acquired by New Life Investment Company Inc. (NLICO). Subsequently the fair value of these investments was estimated by NLICO to be $14,970.

6. **Property, plant and equipment**

	Furniture and fittings $	Office equipment $	Total $
Cost			
At July 1, 2020	57,696	155,457	213,153
Additions	-	6,255	6,255
At June 30, 2021	57,696	161,712	219,408
Accumulated depreciation			
At July 1, 2020	56,876	143,546	200,422
Charge for the year	231	10,360	10,591
At June 30, 2021	57,107	153,906	211,013
Net Book Value -2021	**589**	**7,806**	**8,395**
Net Book Value -2020	**820**	**11,911**	**12,731**

7. **Deferred income**

	2021	2020
	$	$
Project revenue (residual amount)	292,931	292,931
Ordinary Grant - Annual subvention	120,000	-
Membership dues	-	150
	412,931	**293,081**

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.

9. **Income**

	2021	2020
	$	$
Ordinary Grant - Annual subvention	480,000	480,000
Special Projects Revenue	-	210
Training Programme	59,340	30,683
Membership fees	21,200	49,825
Small Business Week	52,623	65,875
Membership Booklet	5,885	-
Enterprise in Action	5,000	15,500
Services	5,543	7,783
Interest income	137	192
Other income	2,077	9,712
	631,806	**659,780**

10. **Expenses**

	Notes	2021 $	2020 $
Personnel Cost		367,116	383,542
Projects expenses	11	69,454	85,616
Utilities		33,445	38,158
Rent		31,226	38,775
Secretariat expenses	12	18,279	23,404
Professional fees		11,978	13,616
Depreciation		10,592	10,761
Repairs and maintenance		15,144	12,638
Directors' fees		13,150	11,375
Marketing and business development		1,440	5,924
Insurance		3,785	4,138
Membership fees		6,000	6,000
Bank charges and interest		1,974	3,121
Advertising & public relations		1,844	-
Internet expenses		1,924	5,894
Overseas, conferences and meetings		-	3,658
Security		-	176
Training and seminars		-	3,205
Induction ceremony expenses		-	97
Miscellaneous		149	-
Bad debt expense		20,000	435
Donations		5,500	1,999
		612,999	**652,532**

11. **Project expenses**

	2021	2020
	$	$
Special project expenses	3,240	10,776
Small Business Week	30,235	55,393
Enterprise in Action Programme	-	12,386
Entrepreneurial Training	26,109	6,853
Programme expenses	8,870	-
Other	1,000	208
	69,454	**85,616**

12. **Secretariat expenses**

	2021	2020
	$	$
Meeting expenses	3,190	4,100
Supplies and stationery	3,068	6,488
Subscriptions	676	2,156
Postage and printing	976	402
General office expenses	3,248	475
Gas and diesel expenses	7,060	9,783
Other	62	-
	18,279	**23,404**

13. **Impairment loss on investments**

	2021	2020
	$	$
CLICO (Int'l) Life Insurance Limited	-	585,030
	-	**585,030**

14. **Summary of Financial Operations**

	SBA $	SBVCI $	TOTAL $
Statement of surplus			
Income	631,806	-	631,806
Expenses	(612,562)	(437)	(612,999)
Surplus/(deficit) for the year	**19,244**	**(437)**	**18,807**
Balance sheet			
Assets	**761,113**	**57,715**	**818,828**
Liabilities	434,496	-	434,496
Shareholder’s equity	326,617	57,715	384,332
Liabilities and shareholder's equity	**761,113**	**57,715**	**818,828**

15. **Adjustment to accumulated deficit**

The adjustment to accumulated deficit represents a draw-down from the project revenue (residual amount) in the previous year. There was no draw down in this current year.

STANDING ORDERS

The purpose of the following standing orders is to ensure the orderly and effective conduct of the Annual General Meeting, held this year via Zoom.

1. **A member should use the "raise hand" feature of Zoom and wait to be recognise by the Chair in order to address the meeting. At this time his/her mic will be unmuted.**

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 his/her mic will be muted.**

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 raises his/her hand 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 raising 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 an 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.**

Small Business
ASSOCIATION

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