

# SMALL BUSINESS BUREAU

## ANNUAL REPORT 2016

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## ACRONYMS AND ABBREVIATIONS

<b>ACCA</b>	<b>Association of Certified Chartered Accountant</b>
<b>ADF</b>	<b>Amerindian Development Bank</b>
<b>BDS</b>	<b>Business Development Programme</b>
<b>CDB</b>	<b>Caribbean Development Bank</b>
<b>CDP</b>	<b>Cluster Development Programme</b>
<b>CEO</b>	<b>Chief Executive Officer</b>
<b>GAPA</b>	<b>Guyana Agro-processors Association</b>
<b>GBTI</b>	<b>Guyana Bank of Trade and Industry</b>
<b>Go-Invest</b>	<b>Guyana Office of Investment</b>
<b>GRA</b>	<b>Guyana Revenue Authority</b>
<b>GRIF</b>	<b>Guyana REDD+ Investment Fund</b>
<b>IMF</b>	<b>International Monetary Fund</b>
<b>IPED</b>	<b>Institute of Private Enterprise Development</b>
<b>IDB</b>	<b>Inter-American Development Bank</b>
<b>LCDS</b>	<b>Low Carbon Development Strategy</b>
<b>MOU</b>	<b>Memoranda of Understanding</b>
<b>MSED</b>	<b>Micro and Small Enterprise Development</b>
<b>MSMEs</b>	<b>Micro, Small and Medium Enterprises</b>
<b>NPTAB</b>	<b>National Procurement and Tender Administration Board</b>
<b>PFIs</b>	<b>Partners Financial Institutions</b>
<b>PTIs</b>	<b>Partners Training Institutions</b>
<b>RDC</b>	<b>Regional Democratic Council</b>
<b>SBB</b>	<b>Small Business Bureau</b>
<b>SBC</b>	<b>Small Business Council</b>

<b>SBDF</b>	<b>Small Business Development Fund</b>
<b>SMEs</b>	<b>Small and Micro Enterprises</b>
<b>VAT</b>	<b>Value Added Tax</b>
<b>WADNET</b>	<b>Women's Agro-processors Development Network</b>

## TRANSMITTAL LETTER TO THE MINISTER OF BUSINESS

The Honourable Dominic Gaskin, M.P.  
Ministry of Business  
229 South Road, Lacytown  
Georgetown  
Guyana

Dear Minister,

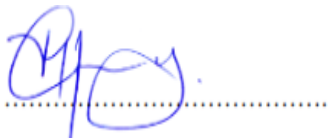
The Small Business Council (SBC) greets you and has the honour to submit for your attention and subsequent presentation to the National Assembly, the Annual Report on Small Business Bureau for the period January 1, 2016 to December 31, 2016.

Section 4(1) (c) of the Small Business Act No. 2 of 2004, mandates that submitted report covers the following:

1. Progress made in addressing developmental issues and streamlining administrative procedures relating to small businesses
2. Initiatives by Government to facilitate access to financing by small businesses
3. Status of procurement by Government from small businesses in 2016 and recommendations of fiscal incentives to small businesses
4. Audited financial statement

Statements of receipts and payments are also attached.

Best regards,



Valrie Grant  
Chairperson  
Small Business Council

## CHAIRPERSON'S REVIEW



The Small Business Council (hereafter referred to as the Council) was appointed and commenced its work in August 2016 and therefore had only five months in 2016 to undertake its work. The key task of the Council was to set the strategic direction for the Small Business Bureau (hereafter used interchangeably with SBB and the Bureau) and guide the SBB's strategy in a way that laid down the preconditions for meeting the mandates as stipulated in the Small Business Act of 2004. The board therefore convened for 5 statutory meetings for the period and also held an extra-ordinary meeting to define the strategic direction of the Bureau. Key Strategic areas of focus were:

- a. Small Business Procurement Programme
- b. Small Business Policy and Administrative Reform Agenda
- c. Register for Approved Small Businesses
- d. Small Business Development Fund
- e. Business Incubators
- f. SBB Resource Centre
- g. Public Awareness

The Council oversaw strategy execution and reviewed the governance model employed by the SBB to ensure effective management both in our external engagements and internal management practices. The Council commissioned the review and strengthening of an Accounting Policy and Procedure Manual to assist in strengthening the governance framework of the Bureau. The Council and SBB started the preparation of a National Entrepreneurship Strategy.

Recognizing that the mandate of the Bureau stretches to the far flung areas of Guyana there was a concerted marketing effort by the Bureau to reach areas of the Hinterland Regions, not previously serviced. These areas included Cuyuni-Marzaruni, Potaro-Siparuni and Upper Takutu Essequibo. The SBB also participated in several entrepreneurial seminars and initiatives. The SBB website was also launched in November 2016. These public awareness initiatives saw **2395** new registrants to the Bureau from across the ten regions of Guyana in 2016.

The SBB in partnership with CUSO International, Georgetown Chambers of Commerce (GCCCI) and GeoTechVision signed a MOU to establish a Business Incubator. Additionally, the Bureau also started plans for the establishment of two (2) Industrial Incubators.

During reporting period the Bureau continued to administer the Micro and Small Enterprises Development (MSED) Project seeing the approval of loans for sixty-three (**63**) businesses - which amounted to **\$237,743,000**. The Grant Committee also approved seventy-three (**73**) Grants totaling **\$21,900,000**. Through the grant scheme and mutual guarantee scheme approximately three hundred and seventy-three (**373**) jobs were directly created and/or sustained.

In 2016 the SBB established training agreements with several training partners. Through these arrangements coupled with internal resources, a total of one thousand, three hundred and fifty-three (**1,353**) persons were trained across Guyana, in various areas including business management fundamentals and hands-on technical skills training.

In 2016, the SBB benefited from recruiting **three (3)** additional staff members, a Finance Officer; a Junior Research Officer and a Procurement Officer. The process for recruiting a CEO also began. Staff members participated in various local and regional “Training and Development Initiatives” geared towards enhancing skills and workflow efficiency. There was also a staff development/retreat session for all members of the SBB, held in December 2016.

## **Outlook**

Entrepreneurship is one of the most important drivers of job creation and economic growth, and is crucial for the development of a vibrant formal small and medium-sized (SME) business sector. It enhances productivity growth and can also help find practical business solutions to social and environmental challenges, including climate change. Currently, many of the entrepreneurs in Guyana can be classified as necessity entrepreneurs, that is, individuals that are pushed into entrepreneurship because they have no better alternatives for work, reflecting the scarcity of decent wage-labour opportunities in the economy. Despite the importance of entrepreneurship there does not exist a National Entrepreneurship Strategy or direct policy to support entrepreneurship. The Small Business Council therefore had as priority for 2017 the following:

1. Small Business Policy and Administrative Reform Agenda
  - a. Small Business Procurement Policy
  - b. Promote research and development within the Small Business Sector
  - c. Optimizing the Regulatory Environment by developing standards for the management of the Small Business Sector;

- d. Enhancing Entrepreneurship Education and Skills Development
- e. Continue the public private sector approach to managing the sector
- f. Facilitating Technology Exchange & Innovation
- g. Improving Access to Finance
- h. Promoting Awareness and Networking

## **2. National Entrepreneurship Strategy**

- a. Identify specific opportunities and challenges
- b. Define strategies to achieve specific goals and reach specific target groups
- c. Develop and prioritize actions
- d. Align entrepreneurship strategies with overall development strategy and other private sector development strategies
- e. Manage interaction and create policy synergies
- f. Strengthen the institutional framework and capacity building
- g. Measure the results and ensure policy learning.

It is our belief that these measures will assist in building the entrepreneurial Ecosystem in Guyana and thus help the SBB to better deliver on its mandate.

## **Conclusion**

I must now thank the hard working, committed members of the Council for their time, talent, and expertise during the five months of service in 2016. On behalf of the Council, I also want to thank the staff of the Bureau for their steadfast commitment to advancing the small business sector in Guyana. The successes of 2016 were only possible because of strong partnerships with the Financial Institutions, the Training partners, the Inter-American Development Bank (IDB), Civil Society, the NGO Community, Private Sector, the media, other agencies and Ministries. In view of this we thank all our partners and supporters! We are particularly proud of our clients who make full use of the support from the SBB to create innovative solutions and grow their businesses thus contributing to economic growth and development.

The team at the Small Business Bureau looks forward to continuing to serve the small business community even better in 2017!

## **INTRODUCTION**

Established under the supervision of the Small Business Council, the Small Business Bureau is a semi-autonomous Government agency that was created to fulfill and execute the mandate set out in the Small Business Act No. 2 of 2004.

The Bureau is required to fulfill its mandate through four distinct functional areas:

- Access to Financing for Small Business,
- Entrepreneurial/Business Development Services,
- A guarantee and commitment of 20% Government procurement from small businesses,
- And advocacy - (Policy and regulatory review for the assessment of their impacts on small businesses)

**The Small Business Bureau's strategic focus and objectives are as follows:**

- To raise the visibility of small businesses and the SBB
- To make it easier for small businesses to access government services and permits
- Policy advocacy for an improved environment for small businesses
- To implement programs to encourage small businesses to grow and develop, providing more value-added and jobs
- To serve as a point agency for expertise and data on small businesses
- To establish and facilitate sector clusters and networks for business development and innovation

The Bureau's work programme is guided by the following subheads or sub-programmes:

- Administration and Policy Development – (within the Council & Bureau)
- Training & Education
- Information Gathering, Visibility & Awareness
- Promotion of policies and programmes for small businesses
- Business & Technical support

The Small Bureau has implemented and manages a US\$5m project which provides training and access to finance for small businesses. This is called the Micro and Small Enterprise Development Project (MSED) and is funded through GRIF.

Under the Small Business Act No. 2 of 2004 (Part 2), the Small Business Bureau is managed by a Council appointed by the President and comprising not more than eleven (11) persons. The composition the Small Business Council members are as follows:

- A Chairperson, recommended by the Minister responsible for small business
- A representative of the Ministry responsible for small business
- A representative of the Ministry responsible for Finance
- Four (4) persons being members of legally constituted and functioning bodies or organisations recognized as representing small businesses in Guyana.



- One representative of a financial institution, other than a company licensed to carry on banking business under the Financial Institutions Act 1995, designed by the Minister as a financial institution providing significant financial assistance to small businesses
- One (1) person nominated from the organization representing bankers
- Two (2) other persons from other business disciplines of specific geographic areas
- The Chief Executive Officer of the Small Business Bureau, who shall serve as secretary to the council and shall not have voting rights.

### **Responsibility of the Small Business Council**

- To review draft legislation proposed by the Government relating to small business or to matters of the private sector and economic development in which small business may become involved and submit comments thereon to the Minister as expeditiously as possible;
- To prepare and submit annually to the Minister, a Small Business Policy and Administrative Reform Agenda, including recommendations for the addressing of developmental issues, the granting of incentives to small businesses and the facilitation of measures affecting them;
- Prepare the Annual Report on Small Business in Guyana for submission to the Minister, not later than 90 days after the end of each financial year; the report shall contain information on:
  - i. Progress made in addressing developmental issues and streamlining administrative procedures relating to small business
  - ii. Initiatives by the Government to facilitate access to financing by small businesses
  - iii. The status of procurement by the Government from small businesses
  - iv. The granting of fiscal incentives to small businesses; and
  - v. Statistics relating to the small business sector
- To maintain a register of approved small businesses under this act
- To supervise, manage and give directions to the Small Business Bureau
- To establish contact and linkages with other organisations, both local and overseas, with similar goals and objectives
- To pursue legal and lawful courses in the furtherance of the goals and fulfilment of this Act.

The operations of the bureau follow a structure, which incorporates key personnel from the subject Ministry, Council and Bureau.

### **POLICY AND REFORM AGENDA**

The Small Business Council started to look at the Policy Reform agenda. Given the time that the Council took office in 2016 with only a few months, the Council looked at the general framework of the policy and determined that any policy developed will:

1. be broadly focused – The Policy will be holistic and encompasses all components of the entrepreneurial ecosystem
2. Allow for natural growth– Build on existing industries that have formed naturally within the country

3. Identify new industries from that will benefit Guyana and encourage and promote opportunities in these sectors
4. Provide leadership but delegate responsibility and ownership to entrepreneurs
5. Develop policy that addresses the needs of both the business and its management team

There was therefore a recognition that the policy should be built on an understanding of the current entrepreneurial situation in Guyana. The Council thus embarked on the research to support the policy reform agenda as well as a national Entrepreneurship Strategy. This policy and Strategy will therefore form a major part of the Small Business Bureau's work plan for 2017.

## **PART 1:**

### **PROGRESS OF THE SMALL BUSINESS BUREAU IN ADDRESSING DEVELOPMENTAL ISSUES AND STREAMLINING ADMINISTRATIVE PROCEDURES RELATING TO SMALL BUSINESSES.**

The year 2016 was a period of transitions and transformations for the Small Business Bureau. One such transition was the introduction of a new Small Business Council in August 2016. With the support and management of the council, alliances previously formed, were strengthened and new programmes introduced to foster business development in Guyana.

In this regard, a MOU was signed for the establishment of a Public/Private Business Incubator between the Ministry of Business/Small Business Bureau, CUSO, Action Coach and GeoTechVision. Once in operation, the incubator would serve as a nest for small businesses to be birthed and mature for an agreed period, with support and guidance from experienced and supportive teams.

Further, registrants of the bureau from outlying regions such as 1 (Barima -Waini), 7 (Cuyuni-Mazaruni) and 9 (Upper Takutu-Upper Essequibo) benefited from MOUs previously signed with the National Insurance Scheme (NIS, Guyana Revenue Authority (GRA) and the Deeds Registry. This allowed the bureau to facilitate the acquisition of TIN Certificates, NIS Registration and Business Registration documents for persons within the aforementioned regions.

Additionally, a major part of the bureau's work programme for 2016 was to ensure entrepreneurs in all 10 administrative regions had access to the bureau's services. As such, an aggressive awareness campaign was carried out in the outlying regions of 1, 7, 8 and 9. This enhanced the bureau's database of registrants from 2097 in 2015, to 2395 at close of 2016.

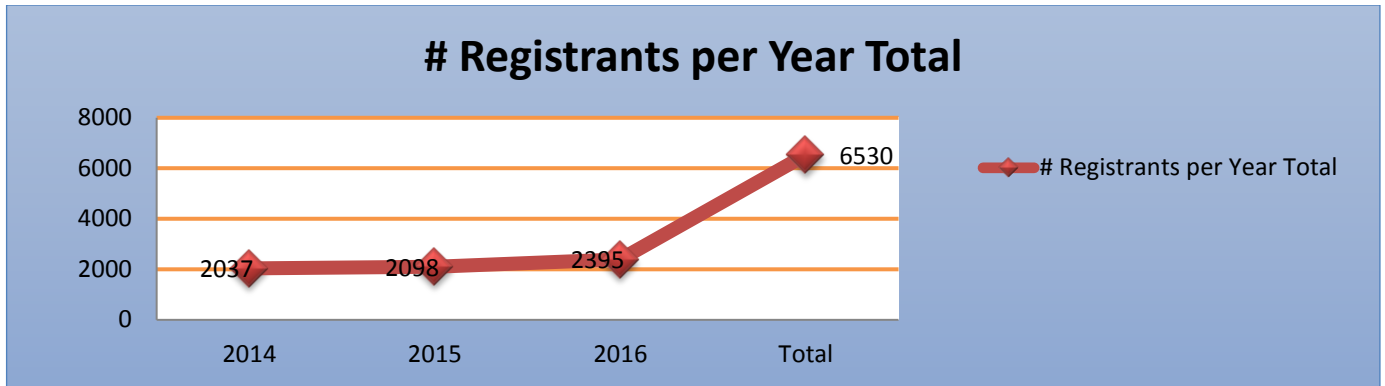


Figure 1: Comparison of total registrants for 2014, 2015 and 2016.



Image 1: Participants at an awareness session at Moco Moco, Region 9.

For the year 2016, the number of businesses registered with the Small Business Bureau increased by 297. Records also indicate, more female headed businesses were registered with the bureau, while the highest ranked business sectors of the period were Professional and Business Services, Cultivation of Fruits and Vegetables and Low Carbon Agriculture and Agro-Processing.

# Registrants by MSED Sector	
<b>Apiculture</b>	1
<b>Aquaculture</b>	64
<b>Arts and Craft</b>	69
<b>Bio-ethanol</b>	0
<b>Business Process outsourcing</b>	1

<b>Eco-Tourism</b>	7
<b>Energy efficient transportation and logistics</b>	0
<b>Entertainment, music and performing arts</b>	38
<b>Fruit and Vegetables-Farming and Processing</b>	480
<b>Internet and Computer Based Services</b>	21
<b>Low Carbon Agriculture and Agro-processing (excluding livestock)</b>	327
<b>Low Carbon energy production and/or production</b>	0
<b>Low Carbon Manufacturing Activities</b>	92
<b>Professional and Business Services</b>	895
<b>Publishing and Printing</b>	27
<b>Sustainable forestry and wood processing</b>	19
<b>Sustainable Mining</b>	1
<b>Undecided</b>	353
<b>Total</b>	<b>2395</b>

As anticipated, the greatest number of registrants for the year 2016 was from region 4. However, Regions 1 and 9 recorded significant numbers of registrants, which is testament to the interest of persons in hinterland communities to access business development services.

<b># Registrants by Region</b>	
<b>Region 1 - Barima Waini,</b>	403
<b>Region 2 - Pomeroon-Supenaam,</b>	146
<b>Region 3 - Essequibo Islands-West Demerara,</b>	66
<b>Region 4 - Demerara- Mahaica,</b>	463
<b>Region 5 Mahaica-Berbice,</b>	247
<b>Region 6 - East Berbice - Corentyne,</b>	261
<b>Region 7 - Cuyuni-Mazaruni,</b>	63
<b>Region 8 - Potaro-Siparuni,</b>	38
<b>Region 9 - Upper Takutu- Upper Essequibo</b>	361
<b>Region 10 - Upper Demerara-Upper Berbice</b>	274
<b>Blanks</b>	73
<b>Total</b>	<b>2395</b>

Table 5: 2016 registrants by Region

The Small Business Bureau took additional steps to address developmental issues for small businesses in Guyana, which included seminars and opportunities for sponsorship.

### Seminars

- The Small Business Bureau collaborated with CUSO International, Georgetown Chamber of Commerce, and GeotechVision, to organise a business incubation seminar titled “**The Business Incubation Process: Building an Ecosystem for Micro and Small Entrepreneurs in Guyana.**” This event was held on 2<sup>nd</sup> June, 2016 at the Arthur Chung Convention Centre. Opened to the public, the seminar was packed to capacity, with members of the private sector, particularly start-up businesses, seeking information to capitalize on the service.



Image 1: SBB staff assisting a participant of the event to register with the Bureau

Image 2: Participants engaged by presenters of the event.

- Twenty-Five (25) young entrepreneurs from varying backgrounds, across the country were invited to participate in a week long collaborative training workshop titled **Business Labs**, for young, potential/existing entrepreneurs, facilitated by MASHAV-Israel’s Agency for International Development Cooperation, Ministry Of Foreign Affairs, Jerusalem, The Golda Meir Mount Carmel International Training Centre (MCTC) in cooperation with YABT- Young Americas Business Trust- Organization of the American States and the Small Business Bureau.

The aim of the workshop was to provide young entrepreneurs and potential trainers with guidance and support to generate viable and innovative ideas to start and develop new businesses. The business lab stimulated innovation and generated entrepreneurial initiatives through practical exercises and interaction sessions with the participants. Many of those young entrepreneurs were so encouraged by the programme, they registered with the Small Business Bureau to access the services offered for business development.



Image 3: Facilitators, participants and well-wishers of the Business Lab

Image 4: Participants engaged by facilitators of the programme

- Entrepreneurs and stakeholders were invited to a joint seminar organised by the Georgetown Chamber of Commerce, CUSO International, GeoTech Vision and the Small Business Bureau on 19<sup>th</sup> November 2016, in observance of Women Entrepreneurship Day. The event was aimed at **“Fostering Entrepreneurship and Celebrating Women in Business.”** Directly, the purpose of the seminar was to promote further discussions with entrepreneurs and stakeholders on the topic of Business Incubation and some of the benefits that can accrue from the process. Panelists included experts from Guyana and the Caribbean, while the event also served as a mini exhibition of successful female entrepreneurs in Guyana.

Further, the seminar served a dual purpose of being the launch platform for the **Small Business Bureau’s Website**, which was unveiled by the Officer-in-Charge, Ms. Gillian Edwards and endorsed by Chairperson of the Small Business Council, Ms. Valrie Grant.



Images 5 and 6: Scenes from the seminar, including Ms. Gillian Edwards, presenting the Small Business Bureau’s Website to the gathering

## **Sponsorships**

The Small Business Bureau in an effort to realize the principles set in the Small Business Act 2004, has undertaken to provide business support in the form of sponsorships. This takes the form of cash donations for participation in events, acquiring of products or services or opportunities to attend developmental sessions locally and overseas. The following highlights clients who were sponsored in 2016 and the respective events. It is recognized however, there must be a specified sponsorship amount fixed in the Marketing budget annually to cater to this need, which creates an opportunity for clients who may not qualify or be interested in the other financial options available at the Small Business Bureau.

<b>Client</b>	<b>Business/Organisation Name</b>	<b>Sector</b>	<b>Activity/Event</b>	<b>Date of Sponsorship</b>
	Aishalton Village Council	Other	Aishalton Annual August Games	22nd August
	Linden Technical Institute	Mechanics	Graduation: Best Graduating Student of Fittings and Mechanics	May
Patricia Helwig		Arts and Craft	Market Day Trade Fair	3rd and 4th May
Jack Farley		Arts and Craft	Suriname Expo and Trade Fair	25th Nov to 1st Dec
Melba LaGoude		Arts and Craft	Market Day and Trade Fair	3rd and 4th May
Leisa Gibson		Agro-Processing	Market Day and Trade Fair	3rd and 4th May
Patricia Helwig		Arts and Craft	Berbice Expo	19th to 22nd August
Patricia Helwig		Arts and Craft	Cre8ive Holiday Arts, Craft and Music Festival	9th to 24th December
Deborah Mathias		Jewelry	Coconut Festival	21st to 23rd October
Jenell Pierre	BowJay's	Craft	Bow Jay's Anniversary Event	13th August
Deborah Mathias		Jewelry	Guyana Fashion Week	12th to 13th November
Athalyah Yisrael	Fun Park Rentals	Children Activity		
Jason Brandon	Jason's Ugalo Creations	Craft	Indigenous Heritage Exhibition	1st September
Marlloyd Kyte			Berbice Expo	19th to 22nd August
Carol Fraser		Clothing Design	Coconut Festival	21st to 23rd October
Ruth Johnson	Sensillo Creations	Event Planning	Event Planning Workshop	11th September
	Rae Monae	Craft	Craft Show	
Eon Rodney		Entertainment	Sprinkle the Blood Gospel Concert	3rd September

## PART 2:

### INITIATIVES BY GOVERNMENT TO FACILITATE ACCESS TO FINANCE BY SMALL BUSINESSES.

The Government of Guyana has facilitated access to entrepreneurial financing through several programmes managed by various government ministries and agencies. These include the Ministry of Education's Youth Entrepreneurial and Skills Training (YEST) Programme, the Ministry of Indigenous Affairs' Hinterland Employment and Youth Service (HEYS) Programme and the Sustainable Livelihood and Entrepreneurship Development (SLED) Initiative, among others

However, as directed by the Small Business Act of 2004, the Small Business Bureau facilitated access to financing for small businesses, under the Micro and Small Enterprises Development Programme (MSED). This programme has been managed by the Small Business Bureau since 2014 and has ensured access to financing for small businesses under two (2) components: Loans and grants of up to \$30,000,000 and \$300,000 respectively.

#### ➤ LOAN AND GRANT DISBURSEMENT BY THE SMALL BUSINESS BUREAU-2016

The Small Business Bureau, through the MSED project has been able to assist SME entrepreneurs with loans and grants. This has been an ongoing service from 2014, and will conclude in December, 2017. Through this programme, the SME sector has received a boost, with the creation of jobs, access to finance and collateral guarantee. The number of persons who have benefited and the total monetary value secured through loans and grants are noted in the following tables.

### LOANS

Loans issued to SME clients at the bureau, are facilitated through an agreement with Republic Bank (Guyana) and Guyana Bank for Trade and Industry (GBTI) Limited.

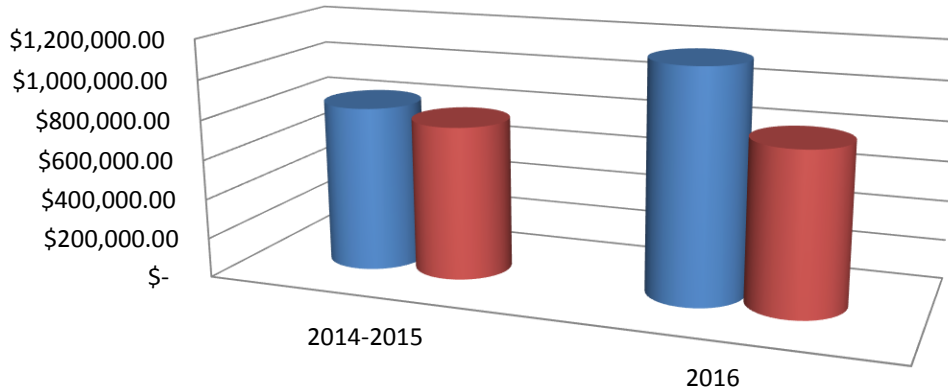
#### Loans Distributed by the Small Business Bureau: A Comparison of the period 2014 to 2016

Region	Total 2014 to 2015										Total Jan. to Dec. 2016									
	Approved				Disbursed				Jobs		Approved				Disbursed				Jobs	
	No.	Amount	M	F	No.	Amount	M	F	C	P	No.	Amount	M	F	No.	Amount	M	F	C	P
1	0	\$0	0	0	0	\$0	0	0	0	0	0	\$0	0	0	0	\$0	0	0	0	0
2	3	\$1,900,000	2	1	3	\$1,900,000	2	1	2	7	2	\$1,300,000	2	0	2	\$1,300,000	2	0	2	0
3	5	\$38,241,000	4	1	5	\$38,241,000	4	1	15	18	7	\$17,425,000	6	1	7	\$15,475,000	6	1	17	12
4	25	\$113,008,000	16	9	24	\$101,008,000	15	9	76	77	46	\$210,114,000	25	21	45	\$142,057,613	25	20	121	87
5	0	\$0	0	0	0	\$0	0	0	0	0	1	\$1,600,000	1	0	1	\$1,600,000	1	0	2	0
6	2	\$6,700,000	2	0	2	\$6,700,000	2	0	10	6	1	\$2,220,000	1	0	1	\$1,263,757	1	0	0	0
7	0	\$0	0	0	0	\$0	0	0	0	0	1	\$600,000	1	0	1	\$600,000	1	0	1	2
8	0	\$0	0	0	0	\$0	0	0	0	0	0	\$0	0	0	0	\$0	0	0	0	0
9	2	\$12,000,000	1	1	2	\$12,000,000	1	1	5	4	1	\$987,000	1	0	1	\$987,000	1	0	2	1
10	0	\$0	0	0	0	\$0	0	0	0	0	4	\$3,497,000	2	2	4	\$3,497,000	2	2	8	0
<b>Total</b>	<b>37</b>	<b>\$171,849,000</b>	<b>25</b>	<b>12</b>	<b>36</b>	<b>\$159,849,000</b>	<b>24</b>	<b>12</b>	<b>108</b>	<b>112</b>	<b>63</b>	<b>\$237,743,000</b>	<b>39</b>	<b>24</b>	<b>62</b>	<b>\$166,780,370</b>	<b>39</b>	<b>23</b>	<b>153</b>	<b>102</b>
<b>Total USD</b>		<b>\$832,198.55</b>				<b>\$774,087.17</b>						<b>\$1,151,297.82</b>				<b>\$807,653.12</b>				

Table 6: Comparison of Loans Approved and Disbursed by Administrative Regions: 2014-2016



### Loans Comparison:2014- 2016



	2014-2015	2016
Approved	\$832,198.55	\$1,151,297.82
Disbursed	\$774,087.17	\$807,653.12

Table 7: Loan Comparison-Approved vs. Actual Disbursement: 2014-2016

The Bank of Guyana also recorded MSME loan transactions for the financial year, 2016. (Please note, the Bank’s report includes information up to September 2016.) The Bank of Guyana’s Micro Finance Sector’s Financial Performance Report, compiled from the reports of the Institute of Private Enterprise Development (IPED) and the Small Business Development Trust (SBDF) notes a 6.2 percent decrease of loans for 2016, while the Small Business Bureau’s records indicate a 38% increase of loan transactions for the financial year. The total value of loans for the micro finance institutions was G\$2,213 million, while the Small Business Bureau total loan portfolio was valued just over G\$237 million.

➤ **GRANTS**

SME clients with start-ups or existing businesses can benefit from a grant of no more than three hundred thousand dollars (\$300,000), under the MSED project. The issuing of these funds is dependent on the clients’ successful completion of a business plan, inclusive of a six (6) month cash flow projection. Grants issued by the bureau during the period 2014 to 2016, may be viewed below.

## Grants Disbursed by the Small Business Bureau: A Comparison of the period 2014 to 2016

Region	2014					2015						2016							
	Approved				Jobs	Approved				Jobs	Disbursed	Approved				Jobs	Disbursed		
	No.	M	F	Amount	C & P	No.	M	F	Amount	C & P	Amount	No.	M	F	Amount	C & P	Amount		
1	0	0	0	\$0		0	0	0	\$0	0	\$0	0	0	0	\$0	0	\$0		
2	8	5	3	\$2,400,000	8	28	17	11	\$8,400,000	42	\$7,311,240	2	2	0	\$600,000	3	\$2,180,652		
3	1	0	1	\$300,000	1	11	2	9	\$3,300,000	11	\$3,600,000	5	3	2	\$1,500,000	7	\$600,000		
4	11	4	7	\$3,229,000	11	44	14	30	\$12,283,298	45	\$14,554,230	43	20	2 3	\$12,900,000	68	\$9,772,102		
5	4	3	1	\$1,200,000	4	15	11	4	\$4,500,000	15	\$4,923,230	14	5	9	\$4,200,000	22	\$2,977,655		
6	0	0	0	\$0		27	7	20	\$8,100,000	34	\$8,041,800	3	3	0	\$900,000	7	\$658,200		
7	0	0	0	\$0			0	0	\$0	0	\$0	0	0	0	\$0	0	\$0		
8	0	0	0	\$0			0	0	\$0	0	\$0	0	0	0	\$0	0	\$0		
9	0	0	0	\$0			0	0	\$0	0	\$0	0	0	0	\$0	0	\$0		
10	1	0	1	\$300,000	1	11	0	11	\$3,200,000	11	\$3,489,840	6	2	4	\$1,800,000	11	\$1,097,655		
<b>TOTAL</b>	25	12	13	\$7,429,000	25	136	51	85	\$39,783,298	158	\$41,920,340	73	35	3 8	\$21,900,000	118	\$17,286,264		
<b>TOTAL USD</b>	<b>\$35,975.79</b>					<b>\$192,655.20</b>					<b>\$203,004.07</b>		<b>\$106,053.27</b>					<b>\$83,710.72</b>	

**NB: No grant funds were disbursed in 2014**

Table 8: Comparison of Grants Approved and Disbursed by Administrative Regions: 2014-2016

Another major initiative was the initiation of discussions for the Youth Entrepreneurship Programme, among the Ministries of Public Security, Education and Business, through the Small Business Bureau. The programme will guarantee access for entrepreneurial training, financial support and capacity building for youth in vulnerable communities, across Guyana.

### ➤ TRAINING

For the first time in the Bureau, the Training Officer facilitated training to over one hundred (100) participants via collaboration with the Ministry of Education and the Rotaract Club of Georgetown.

The Ministry of Education's group consisted of their Youth Entrepreneur Ambassadors, who were trained on the topic of Youth and Business. This was mainly a train the trainer workshop, and consisted of youth ambassadors from several regions. These ambassadors will be utilized as facilitators in future sessions for training other youths from the regions.

The Rotaract Club's youth training targeted young persons who needed guidance on developing their entrepreneurial ability.

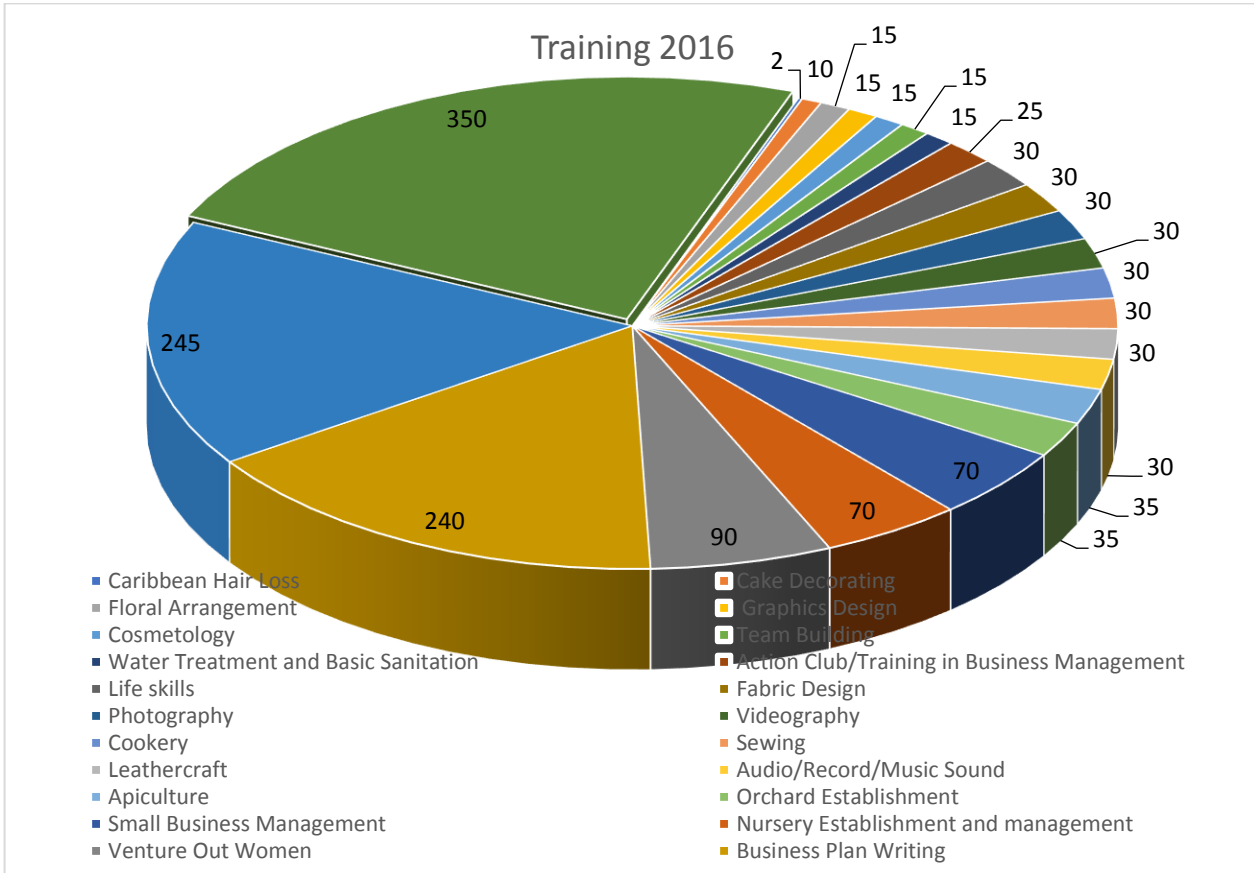
Region 1 Port Kaituma



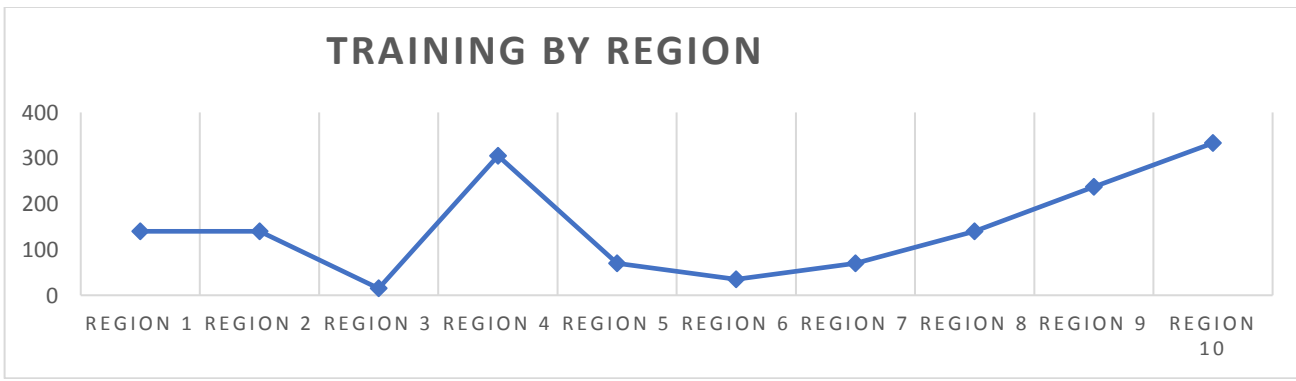
Total training coordinated and or facilitated by the Training Department 2016

<b>Training Course</b>	<b>No. of Persons Trained</b>
Caribbean Hair Loss (Trinidad)	2
Cake Decorating	10
Floral Arrangement	15
Graphics Design	15
Cosmetology	15
Team Building	15
Water Treatment and Basic Sanitation	15
Action Club/Training in Business Management	25
Life Improvement	30
Fabric Design	30
Photography	30
Videography	30
Cookery	30
Sewing	30
Leathercraft	30
Audio/Record/Music Sound	30
Apiculture	35
Orchard Establishment	35
Small Business Management	70
Nursery Establishment and management	70
Venture Out Women	90
Business Plan Writing	240
Repair and Maintenance of Small Equipment	245
Climate Smart Agriculture	350
	<b>1487</b>

**Training by course 2016**



**Training by Region 2016**



### **PART 3:**

#### **STATUS OF PROCUREMENT BY GOVERNMENT FROM SMALL BUSINESSES IN 2016.**

The Procurement Act (2003) provides for small businesses in Guyana to access government contracts. As such, the Small Business Bureau has met with representatives of the Ministry of Finance, Ministry of Business, the Small Business Council and other stakeholders to implement the provisions set forth in the Act. However, there are concerns relating to some contrasts between the Procurement Act (2003) and the Small Business Act (2004), which will require constitutional amendments. Nevertheless, discussions will continue to ensure the smooth implementation of the Procurement Act, which will provide an opportunity for small businesses to be guaranteed, access to government contracts.

While work is being done on the development of the Small Business Procurement Policy, The Small Business Bureau encourages, ministries, and other government agencies to buy from small business.

#### **RECOMMENDATIONS OF FISCAL INCENTIVES TO SMALL BUSINESSES**

The Small Business Bureau, through the Research department, the Small Business Council and the Ministry of Business, has recommended fiscal incentives for small businesses in Guyana. These incentives play a pivotal role in the strengthening of the country's economy by boosting the growth of the small business sector. Currently, under the MSED programme, the government of Guyana provides small business grants of \$300,000 maximum, to small businesses. This is mainly provided for start-up businesses, but may be extended to existing businesses based on their needs. This incentive has led to the creation and resuscitation of many micro and small businesses in Guyana.

- Incentives which have been proposed were:
- Tax breaks for start-up businesses for at least 5 years of operation
- Reduced duty concessions for small businesses

**AUDITED FINANCIAL STATEMENT**

**PART IV:**



## Audit Office of Guyana

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana  
Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>

331/SO: 40/2/2017

28 July 2018

Ms. Gillian Edwards  
Officer-in-Charge/Credit Guarantee Fund Manager  
Small Business Bureau  
77 Croal Street and Winter Place,  
Georgetown.


Dear Ms. Edwards,


**AUDIT OF THE STATEMENT OF RECEIPTS AND PAYMENTS**  
**OF THE SMALL BUSINESS BUREAU**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

We wish to inform you that the audit of the above-mentioned Bureau has been completed. Accordingly, we are pleased to forward two copies of the audited financial statements, together with the Report of the Auditor General and the Management Letter thereon.

Should you need any clarification or explanation, please do not hesitate to let us know.

With best regards.

Yours sincerely,  
  
Chandrawattie Samaroo  
Audit Manager  
for Auditor General





## *Audit Office of Guyana*

*P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana  
Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>*

AG: 67/2017

28 July 2017

**REPORT OF THE AUDITOR GENERAL  
TO THE MEMBERS OF THE COUNCIL  
OF THE SMALL BUSINESS BUREAU  
ON THE STATEMENT OF RECEIPTS AND PAYMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

### *Opinion*

I have audited the Statement of Receipts and Payments of the Small Business Bureau for the year ended 31 December 2016.

In my opinion, the financial statement present fairly, in all material respects, of the financial position of Small Business Bureau as at 31 December 2016, in accordance with Generally Accepted Accounting Principles (GAAPs).

### *Basis for Opinion*

I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of my report. I am independent of the Bureau in accordance with the ethical requirements that are relevant to my audit of the financial statement in Guyana, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statement*

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



In preparing the financial statement, management is responsible for assessing the Bureau'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 Bureau or to cease operations, or has no realistic alternative but to do so.

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

*Auditor's Responsibilities for the Audit of the Financial Statement*

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

As part of an audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Bureau's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bureau's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Bureau to cease as a going concern.


I communicate with that charge with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

**SMALL BUSINESS BUREAU  
STATEMENT OF RECEIPTS AND PAYMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2016**

	Notes	2016	2015
<b>Receipts</b>		<b>G\$</b>	<b>G\$</b>
Government Subventions – Current	4a	49,248,009	31,575,835
Government Subvention - Capital	4b	1,982,075	0
Other Income	5	<u>715,000</u>	<u>0</u>
<b>Total Receipts</b>		<b>51,945,084</b>	<b>31,575,835</b>
<b>Payments</b>			
Employment Costs	6	21,998,008	18,051,474
Training & Marketing Cost	7	13,015,389	4,363,901
General Office Expenses	8	1,531,745	869,162
General Operating Expenses	9	12,012,822	7,868,962
Capital Expenditure	10	<u>1,978,076</u>	<u>0</u>
<b>Total Payments</b>		<b>50,536,040</b>	<b>31,153,499</b>
<b>Increase/Decrease in Cash</b>		<u>1,409,044</u>	<u>422,336</u>
Cash at Beginning of Year		2,755,290	2,332,954
Net Increase/Decrease in Cash		<u>1,409,044</u>	<u>422,336</u>
<b>Cash to Return to Accountant General</b>		<b>4,164,334</b>	<b>2,755,290</b>
<b>Cash returned to Accountant General</b>		<b>4,030,990</b>	<b>0</b>
<b>Cash and Cash Equivalents at End of Year</b>		<b><u>133,344</u></b>	<b><u>2,755,290</u></b>

.....  
  
 Gillian Edwards  
 Credit Guarantee Fund Manager/  
 Officer-in-Charge  
 Small Business Bureau

.....  
  
 Rajesh Jagarnauth  
 Permanent Secretary  
 Ministry of Business

**SMALL BUSINESS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2016**

**1. Background of the Entity**

The Small Business was established as the secretariat of the Small Business Council via Act No. 02 of 2004 and came into operation in March 2005 via Order Number 15 of 2005. The Bureau is the Secretariat of the Council and its responsibilities include the achievement of the goals and fulfillment of the functions of the Council.

Its mission is to enable sustained growth and uniformed diversification of Small and Medium Size Enterprises (SMEs) with local sectors; with view to create positive measurable impacts through expert guidance, effectively channeled resources, comprehensive networking and provision of a supporting environment for maximized performance.

In order to achieve its mission, the Bureau endeavours to enable development of Micro and Small Business sectors to their optimum, through cultivation of entrepreneurship, fostering business cooperation, and solidifying the value chain for maximum contribution to the mainstream economy.

**2. Basis of Accounting**

The Financial Statements have been prepared from the Bureau's financial information stored in its data base – QuickBooks in accordance with Generally Accepted Accounting Principles (GAAP). The transactions are recorded in Guyana dollars using the cash basis of accounting.

**SMALL BUSINESS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER, 2016**

**3. The Council Members and Key Management Personnel Remuneration**

Small Business Council: The Council was comprised of ten (10) members for the accounting period January 1, 2016 to December 31, 2016. Remuneration for the abovementioned period amounted to and was disbursed as follows:

No.	Name of Council Member	Position	2016 G\$	2015 G\$
1	Sukrishnalall Paasha	Chairman	0	210,000
2	Dhaneshwar Deonarine	Member	0	30,000
3	Donna Levi	Member	0	120,000
4	SBDF/Co ManjulaBrigmohan	Member	0	52,500
5	Patrick Zephyr	Member	0	127,500
6	Daniel Gajje	Member	0	30,000
7	Kwabina Griffith	Member	0	120,000
8	Patrick Sukhlall	Member	0	45,000
9	Yogieraj Das	Member	0	90,000
1	Valrie Grant	Chairperson	50,000	0
2	Parbatie Khan	Member	30,000	0
3	Mark Roopnarine	Member	15,000	0
4	Anije Lambert	Member	37,500	0
5	Natasha Gaskin-Peters	Member	15,000	0
6	Staydon Payne	Member	30,000	0
7	Michael Carrington	Member	30,000	0
8	Robert Williams	Member	22,500	0
9	Sharon Alexander	Member	30,000	0
10	Clarence Ceres	Member	15,000	0
	<b>Total</b>		<b>275,000</b>	<b>825,000</b>

**SMALL BUSINESS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER, 2016**

**Key Management Personnel: Remuneration paid during the period January 1, 2016 to December 31, 2016**

No.	Position	2016 G\$	2015 G\$
1	Chief Executive Officer –One Month salary	0	338,027
2	Chief Executive Officer – Benefits and Allowances	1,799,170	95,000
	<b>Total</b>	<b>1,799,170</b>	<b>433,027</b>

**4. Receipts: Subvention – Current & Capital**

Current subventions represent funds appropriated by parliament through the Ministry of Business, which is the Budget Agency.

Description	2016 G\$	2015 G\$
Subventions - Recurrent received during the year	49,248,009	31,372,690
Subvention - Capital	1,982,075	0
Subvention for revision of wages	0	203,145
<b>Total</b>	<b>51,230,084</b>	<b>31,575,835</b>

**5. Receipts: Other Income**

The other income for the year 2016 was contributions from the Ministry of Business and Republic Bank for support in hosting Business Incubator Seminar and the Ministry of Indigenous People Affairs

Description	2016 G\$	2015 G\$
Ministry of Business	150,000	0
Republic Bank (Guyana) Limited	50,000	0
Ministry of Amerindian Affairs	500,000	0
Stale dated cheque/expenses cancelled	15,000	0
<b>Total</b>	<b>715,000</b>	<b>0</b>

**SMALL BUSINESS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER, 2016**

**8. Expenditures: General Office Expenses**

Line Item	Description	2016 GS	2015 GS
6223	Office Materials & Supplies	779,885	291,886
6243	Janitorial and Cleaning Supplies	243,046	361,905
6271	Telephone Charges	120,205	60,000
6282	Equipment Maintenance	388,609	155,371
<b>Total</b>		<b>1,531,745</b>	<b>869,162</b>

**9. Expenditures: Other Operating Expenses**

Line Item	Description	2016 GS	2015 GS
6231	Fuel & Lubricants	103,740	15,000
6261	Local Travel and Subsistence	5,874,730	2,122,540
6264	Vehicle Spares & Services	217,300	394,441
6265	Other Transport, Travel & Postage	337,700	0
6284	Other Goods and Services Purchased *	1,774,030	2,951,868
6293	Refreshments and Meals	499,517	762,444
6294	Other Operating Expenses	3,205,805	1,622,669
<b>Total</b>		<b>12,012,822</b>	<b>7,868,962</b>

Detailed amounts categorized as "Other Goods and Services Purchased" are as Follows:

Description	2016 GS	2015 GS
Short Term contract for services	859,585	851,412
Collaborative Expenses – Business Associates	181,400	240,000
Event Dinner et-al	0	303,003
Payroll Software & Installation	0	190,000
Antivirus installation	225,000	0
Promotional Items & Advertisements	0	1,228,387
<b>Other Goods &amp; services</b>	<b>508,045</b>	<b>139,066</b>
<b>Total</b>	<b>1,774,030</b>	<b>2,951,868</b>

**SMALL BUSINESS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER, 2016**

Detailed amounts categorized as "Other Operating Expenses" are as follows:

Description	2016 G\$	2015 G\$
Support to clusters, Associations et al	2,211,484	208,000
Council Honorarium	275,000	825,000
Project Expenses met by SBB	0	168,000
Ads in Newspaper	0	271,959
Staff Retreat	448,878	0
Miscellaneous Operating Expenses	270,443	149,710
<b>Total</b>	<b>3,205,805</b>	<b>1,622,669</b>

**10. Capital Expenditure**

Qty.	Description	2016 G\$	2015 G\$
1	Samsung DVD Player	9,999	0
1	Cannon Camcorder	97,440	0
9	Metal Filing Cabinets	439,605	0
1	32" Television Set	99,000	0
1	Canon Photocopier	197,500	0
1	Canon Multi-functional Printer	127,600	0
10	Stacking Chairs	89,000	0
1	Kitchen Cupboard	82,000	0
1	HP Laptop Computer	130,000	0
3	Typist Chairs	81,432	0
1	Dell Desktop Computer	175,000	0
1	HP Scanjet Scanner	87,000	0
3	Lasko Heavy Duty Oscillating Fans	43,500	0
1	Black & Decker Microwave	28,000	0
1	Touch Screen Tablet	71,000	0
1	Samsung AC Unit	220,000	0
	<b>Total</b>	<b>1,978,076</b>	<b>0</b>