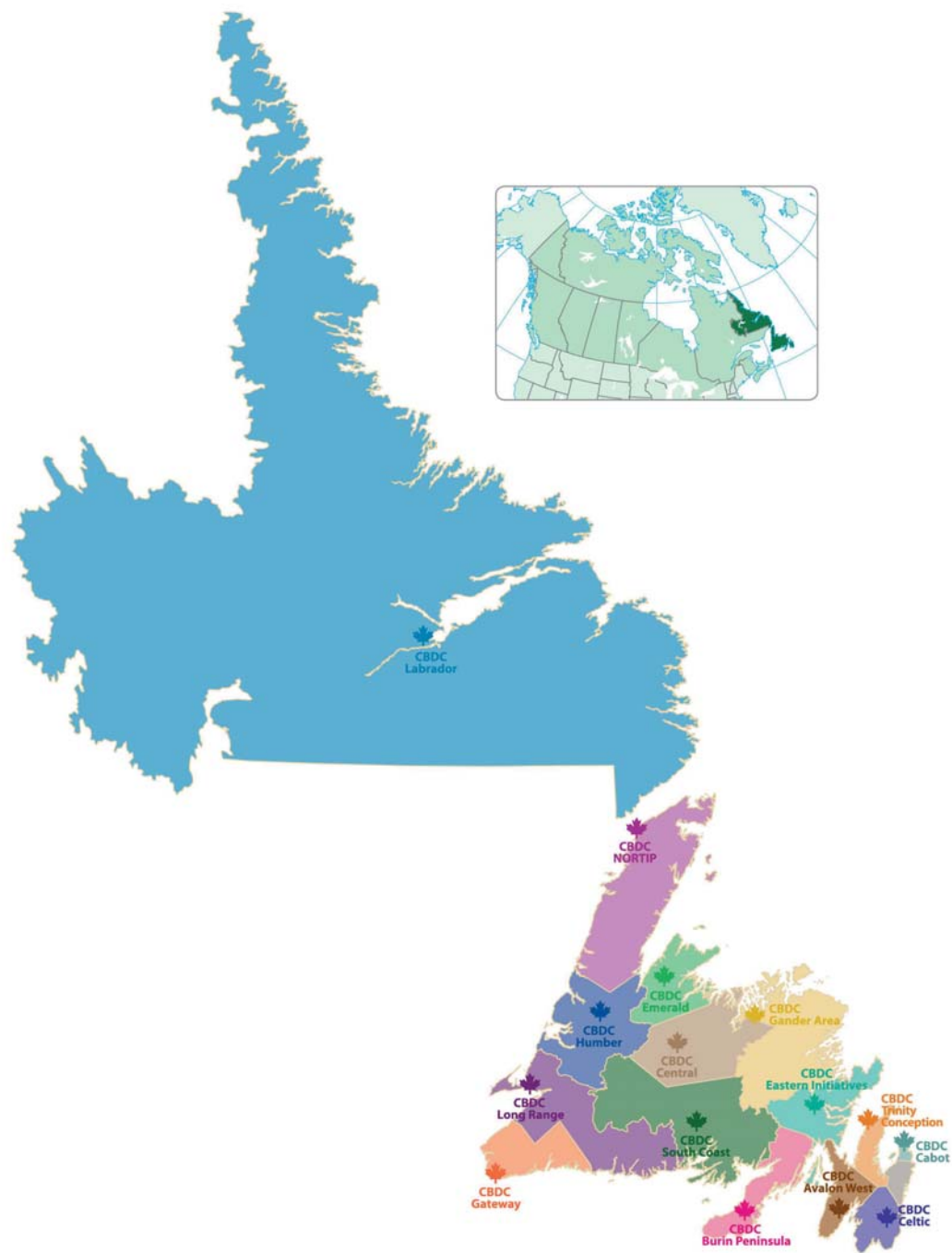


CBDC LOCATIONS



CBDC Celtic

ANNUAL REPORT 2014-15



April 1 - March 31

PROVIDING FLEXIBLE FINANCING AND ADVICE TO BUSINESS



Celtic Business Development Corporation

Tel: 1-800-563-4377 or 709-432-2662 / Fax: 709-432-3056
www.cbdc.ca/celtic



at 'CBDC' Celtic



@CBDC Celtic



Atlantic Canada Opportunities Agency

Agence de promotion économique du Canada atlantique



Think Business ... Think CBDC

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at "CBDC Celtic"



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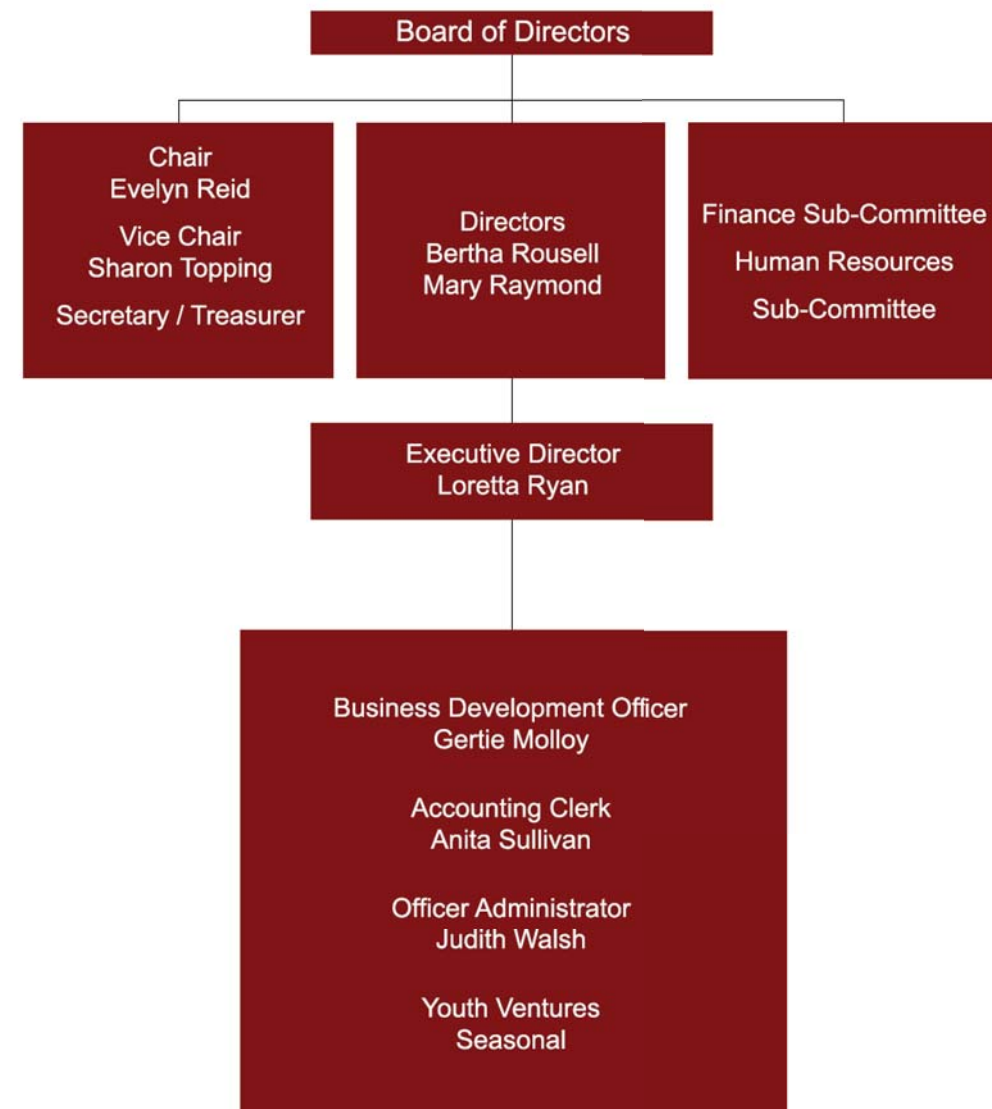
Evelyn Reid
Chair

CBDC Celtic has been dedicated to assist in the creation and expansion of small businesses by providing financial and technical services for over 20 years. Many clients have walked through our doors and their success has contributed to business growth in the Irish Loop. This annual report describes our activities for the fiscal year April 2014 to March 2015.

CBDC Celtic gives support to individuals and communities to build their capacity and capability to shape their own future through our programs and services. As you read this annual report, you will see evidence of how CBDC Celtic continues to provide business and financial support, as well as counselling and advice. The graphic on page 6 illustrates the wide variety of businesses in CBDC Celtic's loan portfolio as of March 31, 2015. Here I would like to highlight two programs that we deliver:

- **Consulting Advisory Services:** This service helps to answer questions such as "is there a market for my business idea"? Marketing and feasibility studies, from a full assessment to a specific area such as management or competitiveness, can prove to be an important factor in starting or growing a business. Three businesses and one not-for-profit group accessed this program in the fiscal year 2014-15.
- **Entrepreneurial Training:** Expert trainers and facilitators trained 33 individuals and six business clients through individual and group training focusing on business management skills. Training sessions included social media tools, Facebook and LinkedIn, and marketing and financial management tools.

CBDC Celtic is an independently managed organization whose aim is to provide financial and non-financial help and support to regional businesses. Similar regional corporations are found throughout Canada as Community Business Development Corporations (CBDCs) in Atlantic Canada and Community Futures Organizations (CFOs) in other parts of Canada. Together these two groups form a Pan-Canadian network. CBDC Celtic is a member of the Provincial and Atlantic Association of CBDCs and is also part of the Pan-Canadian Network. In addition to these vast CBDC networks of knowledge and support, our corporation continues to work with our many local and regional partners to provide the best level of support and guidance for our many clients. Such local partners include all levels of government and various organizations and associations operating within our region.



Star Client



Photo Credit - Craig Westcott

Celtic CBDC executive director Loretta Ryan, centre, presents the Irish Loop Chamber of Commerce Seagull Award for Most Promising New Business to the co-owners of In 'Da Loop Restaurant & Pub in Fermeuse, Linda Cook, left, and Denise Leonard.

In 'Da Loop Restaurant and Pub

Linda and Denise fulfilled a lifelong dream when they opened In 'Da Loop Restaurant and Pub in December 2013. Their commitment to their business is really starting to show results with a 30% increase in sales over their projections for Year 1 in just 9.5 months. They have also seen a need to expand to meet the growing demand for event catering and this year completed an addition to facilitate that demand.

Both Linda and Denise have participated in the training programs offered by CBDC Celtic.

In 'Da Loop Restaurant and Pub is a full service restaurant and pub in Fermeuse.

Partnering/Community Connections

The work we do in our communities generally involves participation with other community groups, social enterprises and various organizations. We work with the Irish Loop Chamber of Commerce on various initiatives to promote business development in the region including the hosting of the Irish Loop Fall Fair. The Southern Avalon Tourism Association, Southern Avalon Development Association, Cape Race Heritage Inc., Colony of Avalon Foundation Inc. and Southern Shore Folk Arts Council are organizations that are actively involved in the economic and business development in the region and with whom we share common goals. CBDC Celtic is also an active member of Mistaken Point Ambassadors Inc., the organization partnering with government to achieve United Nations Education, Scientific and Cultural Organization (UNESCO) World Heritage Site status for Mistaken Point. We also partnered with the Harris Centre, other community organizations and individuals in hosting Memorial Presents Public Forum on planning in the Irish Loop and a workshop with topics on Regional Collaboration, Land Use Planning and Technology in Rural Areas. We have a program services agreement with Futurpreneur Canada, an organization that provides young entrepreneurs with start-up financing, support in developing business plans and connects them with mentors.

CBDC Celtic hosted its annual Business Networking Breakfast in Bay Bulls, attended annual meeting of various organization and sponsored Irish Loop Chamber of Commerce Seagull Award for Most Promising Business.

CBDC Celtic publishes a newsletter three times a year that is circulated to all households from Riverhead in St. Mary's Bay to Goulds, Petty Harbour/Maddox Cove. Like us on Facebook at CBDC Celtic and follow us on Twitter @CBDCceltic.

CBDC Celtic, like all other CBDCs, is managed by a volunteer Board of Directors. Our Board is involved with decisions pertaining to loans and loan applications from existing and new clients and is also responsible for organizational decisions pertaining to the management and operation of the corporation itself. We strive to maintain Board diversity with members coming from differing business backgrounds and geographic areas within our region. This ensures that a broad perspective of knowledge and experience is available for our discussions. The privacy and security of our clients' information is also very important at CBDC Celtic with both staff and board members signing an oath of confidentiality.

The members of our Board for year end March 31, 2015 were:

Evelyn Reid, Chair: Lives in Admiral's Cove and has broad background experience in management and corporate training.

Sharon Topping, Chair Elect: Lives in Trepassey and is the Town Clerk with a background of working with social housing in Saskatchewan and Newfoundland and Labrador Housing.

Susan Sheehan, Secretary/Treasurer: Lives in Renewes - Cappahayden and is the Town Clerk. She is an active volunteer in her community especially for Canada Day Events.

Bertha Rousell, Director: Lives in Trepassey and is the owner operator of Northwest Bed and Breakfast.

Mary Raymond, Director: Lives in Renewes - Cappahayden and works as a retail sales manager with education and experience in business and program management.

During the year we said good-bye to board member and Vice-Chair, Dan MacDonald as well as Directors Mary Fleming, Lil Hawkins and Derrick Thompson. We thank them for their contribution to CBDC Celtic and the communities we serve.

Board membership provides an opportunity to apply your knowledge and expertise to decisions that impact small business growth in our region. It's a rewarding experience, and if you are interested in serving on our Board, call CBDC Celtic office or send me an email message (evelyn.reid@cbdc.ca).

The commitment and enthusiasm of CBDC Celtic staff, Loretta Ryan, Gertie Molloy, Anita Sullivan and Judy Walsh are demonstrated daily. Our Board takes this opportunity to thank them publicly for their contribution to the successes described in this Annual Report.

CBDC Celtic looks forward to continued success, and invites you to be part of that either as a client or a board member. Call us (432-2662) or drop in to our office (Paul Building, Ferryland) for a chat about how we can work together.

Evelyn Reid

We are part of Community Business Development Corporations, a network of independent, not-for-profit organizations that work in cooperation with all levels of government and the private sector to meet the needs of small business. In Newfoundland and Labrador, there are 15 Corporations, each dedicated to small business development and job creation.



Vision

Helping you create and sustain your future by supporting business and growth.



Mandate

To achieve this vision, it is CBDC Celtic's mandate to stimulate private sector employment within its geographical jurisdiction by providing small businesses and social enterprises with Financial Assistance, Information, Support, and Advisory and Counselling Services. We also encourage and support youth in the development of entrepreneurial skills. The corporation will maintain and expand strategic partnerships with other development agencies and offer services in a professional and accountable manner.

What We Do

CBDC Celtic provides Business Development Services to all communities in the area from Goulds / Petty Harbour / Maddox Cove to Riverhead in St. Mary's Bay. We will meet you in your community if you have difficulty with transportation to our office in Ferryland.

Client Training

Part of the mandate of CBDC Celtic is to provide training and development for businesses in our region. Training can help a business owner better manage a business and ensure its success. CBDC Celtic organized three group training days in Facebook, LinkedIn and Sales to a total of 33 individuals. Six individual business clients received training in marketing and financial management. Value of training contributions: \$12,738. If you are a client or a business in the region and would like to see some specific training offered or are in need of training to better run your business, contact our office.

Self-Employment Assistance Program (SEA)

Three business owners were approved to start businesses under SEA Program in 2014-15.

Consulting Advisory Services

Three businesses and one not-for-profit group accessed this program in the fiscal year 2014-15 to have marketing and feasibility studies done.

Conferences/Workshops

Staff and Board Members attended a number of conferences and workshops including the Provincial, Atlantic and National CBDC's Annual General Meetings. Our Board members also participated in training on governance and staff completed training in Accounting and our loan portfolio management system.

Youth Ventures

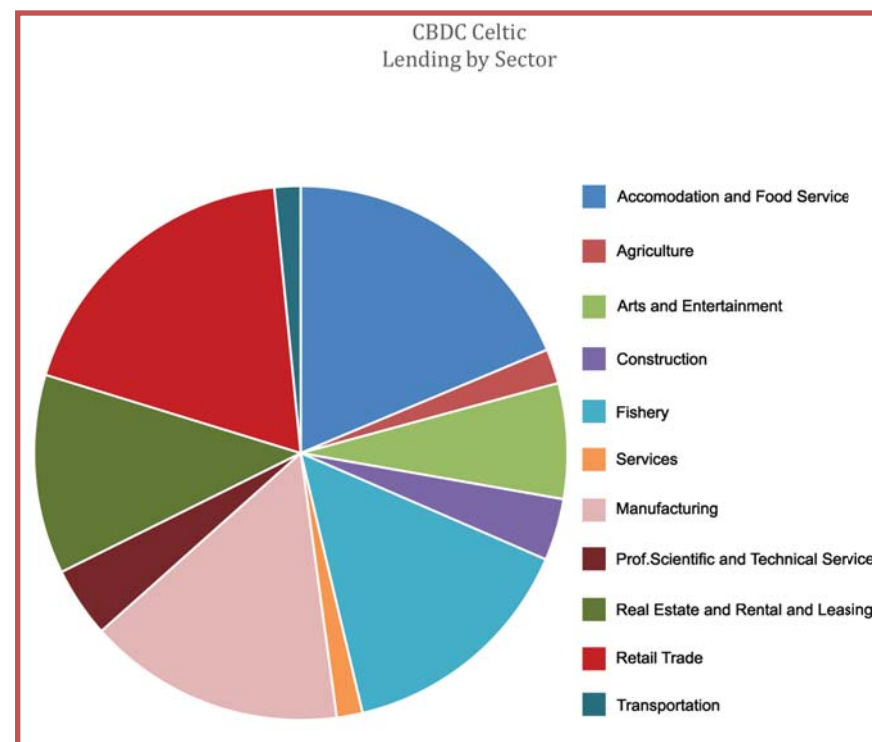
CBDC Celtic participated in the Youth Ventures Program in 2014, with six registered participants; one existing and three new business start-ups. Our Youth Ventures Coordinator made ten presentations in five of the six schools. The coordinator attended various events in the region, held a promotional car wash in Trepassey and partnered with the Bay Bulls-Bauline Athletic Association and the Community Youth Network to create awareness of the Youth Ventures program. One of the business ventures operating in the region under the Youth Ventures program in 2014 accessed the Kick\$tart loan to get her business up and running. Kick\$tart is a program delivered through our Provincial Association that allows young people to borrow at low or no interest rates to develop business skills.

John H. Barry Memorial Scholarship

The John H. Barry Memorial Scholarship is awarded annually to a student who graduated from one of the five high schools in our region. The award is based on academic merit and awarded to a second year student enrolled full time in certain programs at College of the North Atlantic. The winner of the award for 2014-15 was Anna Curran from Goulds who completed a Welding Engineering Technology Program at the Burin Campus of the College of the North Atlantic.

During the fiscal year April 1, 2014 to March 31, 2015 CBDC Celtic approved 22 applications for loans and disbursed funds in the amount of \$1,584,520 to eight new startups and five existing businesses: creating 34 fulltime jobs and maintaining 38. As of March 31, 2015 we had a total of 55 loans totaling \$3,293,579 outstanding. .

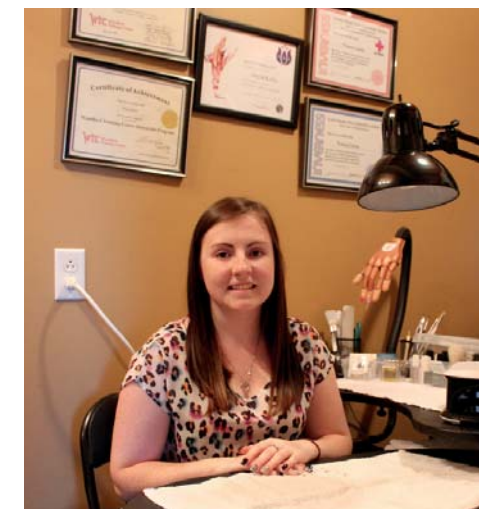
The value of CBDC Celtic's Loan Portfolio as of March 31, 2015 was \$3,293,579.



Investment

Our Investment Program provides financial assistance in the following categories: Youth (age range 18-34 years), First Time Entrepreneurs, General Business, Innovation and Social Enterprise to a maximum of \$150,000 in the form of Loans, Loan Guarantees and Equity Financing. CBDC loans are fully repayable and are negotiated at competitive interest rates and flexible repayment terms.

Youth Ventures



This program assists students aged 12-29 with the planning and implementation of summer businesses. Financing is also available if needed.

Consulting Advisory Services

This service provides funding to assess business operations ranging from a full assessment to specific areas such as management or competitiveness.

Self-Employment Assistance (SEA)

The SEA Program allows participants to receive financial support, planning assistance and mentoring during their business start-up. In order to be eligible for the program, applicants must be receiving or have received EI in the last 3 years (5 years for maternity leave) and cannot have their business already started. The maximum duration of support is 52 weeks. This program is offered through contract with the Department of Advanced Education and Skills.

Entrepreneurial Training

This fund provides financial assistance for business owners to access training that will enhance the viability of their business. We see this fund, launched through the Atlantic Association of CBDCs, as a very positive step towards giving businesses the support and training they need to ensure business success. The fund can also be used to provide group training sessions for clients and businesses in the region. Topics of general interest to business owners include Simply Accounting, Human Resource Management, Marketing and Income Tax for Small Business.

Counselling and Advice

CBDC Celtic provides business counselling and advice to new and existing businesses. We can help by assessing business problems or needs and recommending possible solutions.

Futurpreneur Canada

CBDC Celtic has a referral service agreement with Futurpreneur Canada an organization that supports entrepreneurs through business plan development, mentorship and financing.

CELTIC BUSINESS DEVELOPMENT CORPORATION INC. Statement of Financial Position

As at March 31, 2015

	2015		2014		
	Operating Fund	Investment Fund	FRAM-ED Fund	Total	Total
ASSETS					
Current					
Cash	\$ 55,332	\$ 1,016,062	\$ 20,439	\$ 1,091,833	\$ 851,432
Temporary investments	-	-	-	-	200,000
HST rebate receivable	3,099	277	-	3,376	4,143
Receivable from ACOA	13,738	-	-	13,738	29,117
Receivable from Province	10,507	-	-	10,507	11,397
Other receivables	5,792	6,287	-	12,079	1,109
Due from Operating fund	-	34,272	-	34,272	-
Due from Investment Fund	-	-	13,005	13,005	81,590
Prepaid expenses	2,654	-	-	2,654	3,700
Current portion of loans receivable	-	375,135	84,050	459,185	459,103
	91,122	1,432,033	117,494	1,640,649	1,641,591
Capital assets (note 2)	13,169	-	-	13,169	14,876
Investments (note 3)	-	37,500	-	37,500	55,500
Loans receivable (notes 4 and 5)	-	1,746,609	873,852	2,620,461	1,706,015
	\$ 104,291	\$ 3,216,142	\$ 991,346	\$ 4,311,779	\$ 3,417,982
LIABILITIES					
Current					
Payables and accrued liabilities	\$ 9,492	\$ -	\$ -	\$ 9,492	\$ 13,941
Statutory payroll remittances	448	-	-	448	2,280
Due to Fram-Ed Fund	-	13,005	-	13,005	-
Due to Operating Fund	-	-	-	-	81,590
Due to Investment Fund	34,272	-	-	34,272	-
	44,212	13,005	-	57,217	97,811
Severance payable	-	-	-	-	21,858
Long-term debt (note 6)	-	1,000,000	-	1,000,000	1,900
	44,212	1,013,005	-	1,057,217	121,569
FUND BALANCES					
Invested in Capital Assets	13,169	-	-	13,169	14,876
Unrestricted surplus	46,910	-	-	46,910	155,159
Restricted surplus (notes 4 and 5)	-	1,064,386	141,346	1,205,732	1,137,627
Contributed surplus (notes 4 and 5)	-	1,138,751	850,000	1,988,751	1,988,751
	60,079	2,203,137	991,346	3,254,562	3,296,413
	\$ 104,291	\$ 3,216,142	\$ 991,346	\$ 4,311,779	\$ 3,417,982

CELTIC BUSINESS DEVELOPMENT CORPORATION INC. Statement of Operations and Changes in Fund Balances

For the Year Ended March 31, 2015

	2015		2014		
	Operating Fund	Investment Fund	FRAM-ED Fund	Total	Total
REVENUE					
ACOA - operating grant	\$ 150,000	\$ -	\$ -	\$ 150,000	\$ 150,001
Investment income - loan portfolio	-	128,776	49,498	178,274	112,974
Investment income - other interest	553	1,969	1,447	3,969	8,540
SEA program	68,219	-	-	68,219	55,825
EAS contract - administration	-	-	-	-	16,181
Youth Ventures program	13,000	-	-	13,000	13,000
Other income	9,441	12,738	-	22,179	10,288
	241,213	143,483	50,945	435,641	366,808
EXPENDITURE					
Advertising	15,691	-	-	15,691	13,578
Amortization	3,692	-	-	3,692	6,768
Bank charges and interest	691	687	21	1,399	-
Entrepreneurial training	-	12,738	-	12,738	3,987
Insurance	2,876	-	-	2,876	2,120
Interest on long-term debt	-	2,946	-	2,946	-
Loan loss provision (recovery)	-	52,983	56,610	109,593	102,266
Meeting costs	5,251	-	-	5,251	4,555
Membership and fees	2,752	-	-	2,752	3,213
Miscellaneous	-	-	-	-	302
Office expenses	10,753	338	-	11,091	9,470
Professional fees	12,519	-	-	12,519	6,450
Rent	26,149	-	-	26,149	40,880
Salaries and employee benefits	226,461	-	-	226,461	203,457
Seminars and conferences	10,565	-	-	10,565	6,222
Special events	2,791	-	-	2,791	2,975
Telephone	7,876	-	-	7,876	9,594
Training - Clients	3,837	-	-	3,837	2,731
Travel	19,265	-	-	19,265	18,180
	351,169	69,692	56,631	477,492	438,254
Excess of revenue over (under) expenditure	(109,956)	73,791	(5,686)	(41,851)	(71,446)
Fund balance, beginning of year	170,035	2,129,346	997,032	3,296,413	3,367,859
Fund balance, end of year	\$ 60,079	\$ 2,203,137	\$ 991,346	\$ 3,254,562	\$ 3,296,413

The complete audited financial statements of the Corporation are available at our office.