

Annual Report

31 March 2018

**Coastal Business
Opportunities
Incorporated**



**Providing financial and advisory assistance to
Small Business since 1985**



1985-2018

1,078
loans
issued

4,856
jobs
created

1,154
SEB
contracts

500
assisted
with
programs

8,000 for
business
counselling



Small and medium-sized businesses play a vital role in our communities. For generations they have contributed significantly to the prosperity of our region by fueling economic growth and spurring innovation. Coastal Business, as a Community Business Development Corporation (CBDC), strives to eliminate barriers for entrepreneurs in starting or expanding their local small businesses.

As Chair of this corporation, it gives me great pleasure to share some highlights from our past year.

For the year ending March 31, 2018, Coastal Business provided \$1,032,985 in repayable loans to new and existing entrepreneurs and counselling to 89 clients. Through the issuance of loans and the delivery of other programs we assisted in the development and growth of 135 businesses which resulted in the creation of 180 employment positions in our community.

During the past operating year Coastal Business disbursed 24 investments totaling \$1,032,985 and reported a cumulative net cost per job of \$862. This figure clearly brands Coastal Business as one of the most economic and efficient job creation programs in the area.

The dedication and professionalism of our directors and staff have been prime factors in our success. I wish to thank and congratulate each of you for your efforts. I would also like to acknowledge the support provided by the Atlantic Canada Opportunities Agency (ACOA). Its continued assistance allows us to deliver valuable business services throughout the community.

In the final quarter of this year we were disappointed to learn ACOA would no longer support the successful Management Training Support for Women (MTSW) program. We remain hopeful that assistance for this sector will be forthcoming.

As we move forward, let us continue to be aggressive in our vision as we reflect on our operating results for the year ending March 31, 2018.

Jim Addicott
Chair



“Local people know where the ice is thin.”

Coastal Business is governed by a volunteer Board of Directors – local entrepreneurs and business professionals dedicated to the development and growth of our community.

CBDC clients experience higher employment, payroll and sales growth than non-CBDC assisted businesses.



Employment:

CBDC assisted clients – 6%
 Non-CBDC assisted – 4%

Payroll Growth:

CBDC assisted clients – 9%
 Non-CBDC assisted – 4%

Sales Growth:

CBDC assisted clients – 11%
 Non-CBDC assisted – 5%

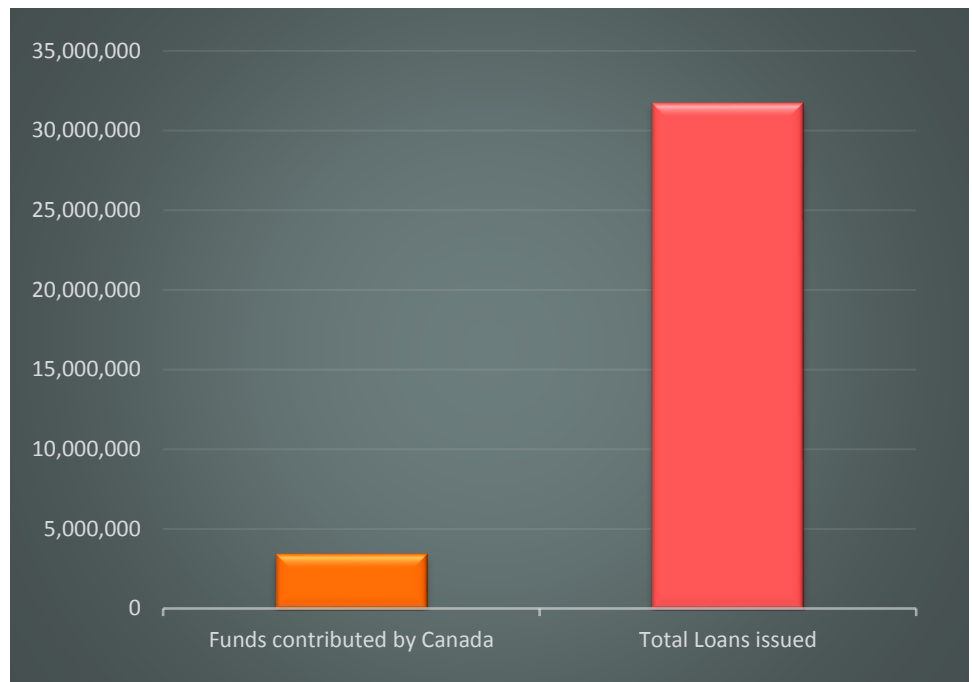
Five year Business Survival Rates:

CBDC assisted clients – 74%
 Non-CBDC assisted – 51%



We have always believed that local decision making is more informed and provides better risk/return assessments than those made remotely. Recent reports from Statistics Canada appear to support this belief. Key indicators used to evaluate results for CBDC-assisted firms were measured using Statistics Canada data. The performance results for CBDC-assisted firms were then evaluated against a comparable group of firms similar in size and age that operate in the same industrial sector and geographical location. This statistical analysis consistently reveals that CBDC-assisted firms outperform the comparable group in all of the key indicators. The most notable results in the 2016 study are shown on the left.

Knowledgeable and dedicated local volunteer Board Members who make investment decisions for our community are central to our success. Under their governance and guidance Coastal Business, has since its inception, issued loans totaling \$31,700,870 of which \$3,374,999 was provided by Canada. This means that for every dollar invested in local businesses by this CBDC, the Government of Canada contributed less than \$0.11.



In the thirty-three years of operation to 31 March, 2018, Coastal Business Opportunities Incorporated invested in 622 businesses loosely classified below. While there were 1,078 actual loans disbursed, 42% of those were to repeat borrowers.



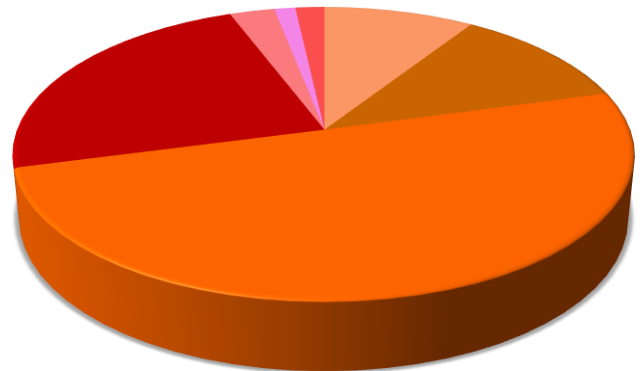
<u>Sector</u>	<u>Number</u>	<u>Dollars</u>	<u>%</u>
Food & Beverage	57	2,664,393	8.4%
Manufacturing	72	3,883,592	12.3%
Service	312	16,831,451	53.1%
Wholesale/Retail	145	6,027,312	19.0%
Primary	17	589,265	1.9%
Culture & Tourism	8	803,292	2.5%
Information Tech	11	901,565	2.8%
	622	31,700,870	100.00%



Loans By Sector



- Food & Beverage
- Manufacturing
- Service
- Wholesale/Retail
- Primary
- Culture & Tourism
- Information Tech



Of the \$31,700, 870 invested, 93% was via loans and 7% was via equity financing (fixed dividend redeemable preferred shares for the most part). These funds also leveraged \$34,626,296 for local business.

For the fiscal year ending 31 March, 2018 Coastal Business disbursed \$1,032,985. This resulted in 24 investments, 10 of which were to new clients.



Overall, since inception, this represents 11.6% of the funds invested. This failure rate is not unreasonable, having regard for Coastal Business's purpose and local economic conditions. It is also worth noting that write-offs in 61% of the businesses were for amounts less than or equal to \$10,000.

After allowing for job losses due to business failures, Coastal Business was instrumental in the cumulative creation/maintenance of 2,475 employment positions at a net investment of \$862 per job:



Coastal Business addressed its training mandate during the year with 425 training interventions. Relevant training was delivered to small business owners and those beginning self-employment through the SE, Entrepreneurship Training Fund (ETF) and Management Training Support for Women (MTSW) programs. The SE program's training component consisted of practical group training seminars while ETF and MTSW consisted of customized training.

Understandably, Bookkeeping experienced the highest involvement at 13% of total attendance. Marketing, Legal Aspects of Business, Advertising, and How to Hire Smart followed at about 10% each.

Bookkeeping/ Accounting/ Finance - 57	Marketing Essentials for Small Business- 47	Legal Aspects of Business - 42	Advertising Essentials For Small Business - 42
How to Hire Smart - 41	Taxation Matters - 29	Customer Service - 28	Conflict Resolution - 27
Negotiating Skills - 26	WHMIS - 25	OH&S - 23	Emergency First Aid/CPR - 22
	Stress Management - 13	Operations Management - 3	



The five year average, presented below, indicates fairly consistent results.

Year	\$ invested	# loans	# jobs
2014	1,203,224	25	66
2015	1,087,274	24	75
2016	1,717,697	29	129
2017	1,068,348	21	124
2018	1,032,985	24	122
Total	6,109,528	123	516
5 year average	1,221,906	25	103

“Felt like we were fumbling in the dark until CBDC turned the lights on. Without CBDC we wouldn’t have been able to start. They gave us guidance, they gave us the loan, they took a chance on us,”

*Cory Blundon and Kara Lackie,
Mermaid Food Truck and Restaurant*

