

Treasurer's Report - 2020

The Chamber of Commerce remains resilient amid the world's unstable economic environment. The Coronavirus immediately affected businesses and prompted economic concerns in March of 2020. Lockdowns and the closure of businesses, resulted in the loss of income, jobs, reduction in customer demand and the slowdown in economic activity, especially in the Tourism Sector. Prior to the pandemic, Anguilla's economy grew by 10.9% in 2019 (Statistics), when compared with the year 2018, after recovering from Irma in 2017. It would appear that our recovering state of affairs, geographical location, susceptibility to natural disasters and the lack of access to capital are the pillars that drive the Anguilla people to become more creative, fight back and develop structures to withstand the economic storms. And so, my hashtag word for Anguilla is "bounceback," despite the fact that the Coronavirus has affected entities in nearly every sector, due to the following reasons:

- Reduced customer demand for goods and services, owing to the loss of income and or restrictions on customers' ability to move freely;
- Lack of investment in capital improvements and construction, reducing demand for many goods and services;
- Increase in the prices for commodities and services; and
- Disruption of global supply chains, owing to restrictions placed on the movement of people and goods.

The Chamber of Commerce remains committed to providing small to medium sized businesses with the supporting framework and professional expertise to create vibrant and prosperous businesses, through providing network opportunities, business workshops and seminars, marketing information for local and foreign investors, referrals and business contacts, and providing up-to-date information on local economic affairs.

Economic Outlook

Survey conducted in 2020 by the Anguilla Chamber of Commerce revealed that owing to the Covid 19 Pandemic, 67% of the membership needed financial support, 32% needed business support, 18% needed training and 26% needed advice on employment and workforce related matters. The survey results imply that it is critical that businesses obtain some level of financing to fully reopen their doors to the general public. The survey implies that if businesses reopen, it would be at a minimum capacity because of a lack of finance. The survey results also indicate that because of the level of business uncertainty, there is a need for business support, training and advice on employment, as businesses reposition in the market.

While businesses are striving to bounce back, rising commodity prices in the US and around the world, coupled with inflation and escalating freight and fuel costs, have caused businesses to scale back their services and business operations. Businesses will be forced to become more efficient, creative and innovative in delivering goods and services, by using limited capital and resources to realize a return on investment.

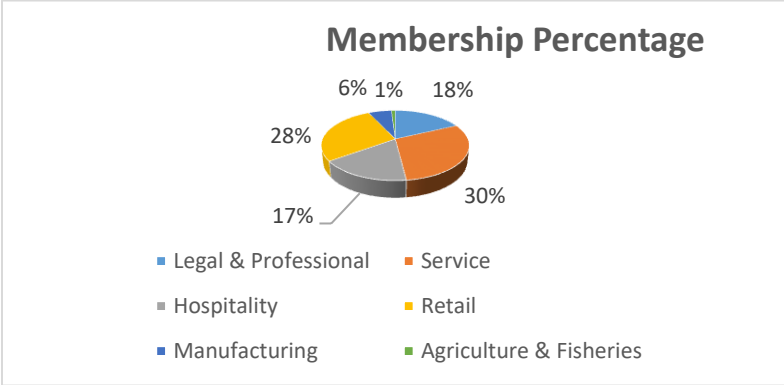
Financial Performance

Revenues

The Anguilla Chamber of Commerce reported a slight decline in revenues, from US\$87,927 in 2019, to US\$84,773 in 2020. Despite the slight decline in total revenues, membership fees grew by 12%, moving from US\$17,900 in 2019 to US\$20,100 in 2020, owing to an increased drive for new members at the beginning of 2020. At the end of 2020, the membership stood at 144, with 30% in the Service Industry, 18% Legal & Professional, Hospitality 17%, Retail 28% and Manufacturing and Fisheries 7% (Refer to

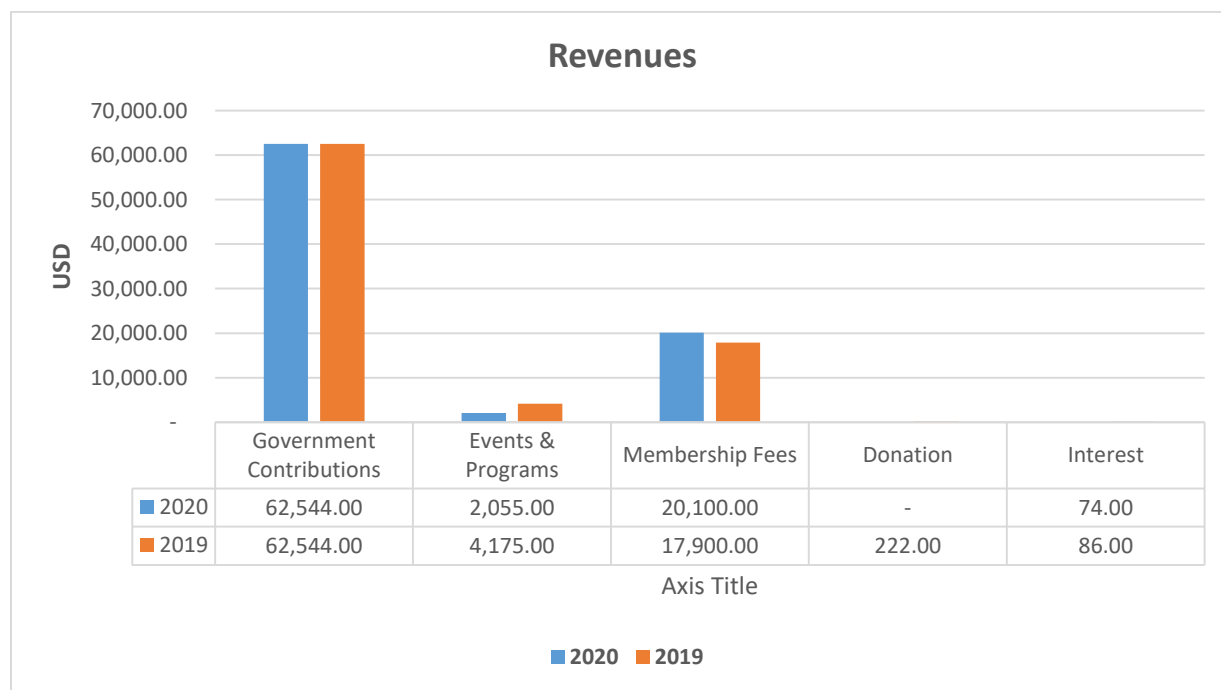
Figure 1). Eighty-two of these businesses pay an annual membership fee of US\$100.00, to gain access to all programs and opportunities offered by the Chamber.

Figure 1 – Membership



Revenues from Events and Programs recorded a 51% decrease, which was due to the Coronavirus (COVID 19) outbreak in March 2020, resulting in the closure of businesses and lockdowns of the island. It must be noted that 74% of the Chamber’s revenue is funded by the Government of Anguilla (Refer to Figure 2). In 2008, the Government of Anguilla and the Chamber of Commerce drafted a Co-operation Agreement in which the Government would provide an annual subvention to the Chamber in an amount equivalent to, but not exceeding fifteen percent (15%) of the audited annual revenue realized from business licenses paid in accordance with the Trades, Business, Occupations and Professions Licensing Act or any statutory modification or enactment thereof or eighty percent (80%) of the Chamber’s annual budget, whichever is lower, for a period of three years from the date of the agreement. That agreement never materialized. However, in lieu of that initial agreement, the Government remits a fixed monthly contribution of US\$5,212. While the Chamber is grateful for the monthly contribution, it is important that the directors seek opportunities to obtain grant funding, in order to achieve the Chamber’s strategic objective of promoting small business growth and development.

Figure 2 – Chamber Revenues

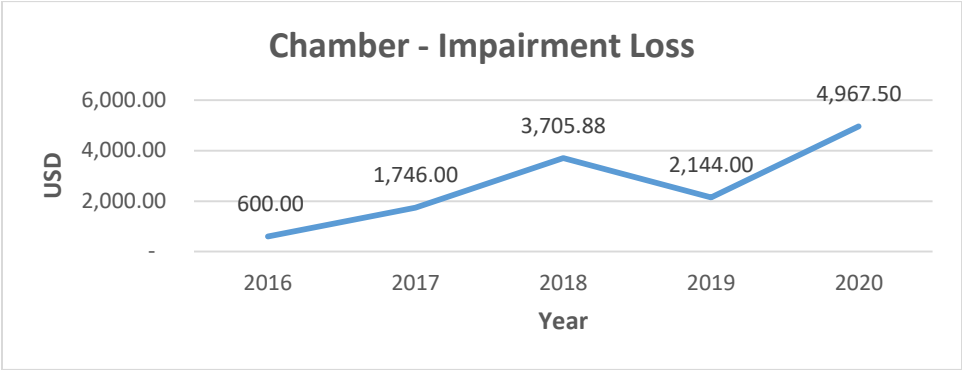


Operating Expenses

In 2020, total expenditure amounted to US\$79,144, as compared to US\$69,545 in 2019. The employment of additional staff to manage the affairs of the Chamber accounted for a 7% increase in payroll related costs, moving from US\$28,499 in 2019 to US\$35,657 in 2020. Marketing costs also increased by 6%, moving from US\$7,676 in 2019 to US\$8,173 in 2020, in order to allow for the updating of the Chamber’s website and monthly maintenance. Impairment Loss continues to escalate as members find it difficult to pay their yearly membership fees. At the end of 2020, impairment loss recorded a drastic increase of 132%, moving from US\$2,144 in 2019 to US\$4,986 in 2020 (Refer to Figure 3). The sudden onset of the economic downturn as a result of the Coronavirus (COVID 19) Pandemic, resulted in the inability of some members to pay their yearly membership fees. The Chamber remains

hopeful that the projected growth in the tourism industry and the encouraging indicators in bookings and an increase in airlift will see an increase in membership and the ability of members to pay their membership fees.

Figure 3 – Impairment Loss



Financial Position

The year 2020 ended with a net surplus of US\$5,629, as compared to US\$15,381 in 2019. Increases in payroll related costs, professional and marketing fees, and impairment loss totaling US\$11,811 in 2020, when compared with 2019, accounted for a 63% decrease in net surplus. The Chamber remains focused on achieving its strategic objective to provide business and development services to the business sector, and therefore retaining the relevant human resource skills is critical in targeting the gaps in doing business in Anguilla.

The unrestricted net assets at the end of December 2020 was US\$52,387, as compared to US\$46,758 in 2019, recording an increase of 12%. Strict spending guidelines and monetary controls have seen a steady increase in unrestricted net assets, despite escalating costs and sudden economic shocks.

At the end of 2020, cash held at the bank totalled US\$73,524 as compared with US\$67,846 in 2019, recording an 8% increase. The collection of outstanding receivables in 2020 accounted for the increase in cash held at the bank. The cash held at the bank included US\$28,569 for restricted and special

purposes and \$44,955 for operational purposes. Restricted cash consisted of proceeds from various programs and events, net of expenses held for a specific purpose.

Conclusion

Finally, the Anguilla Chamber of Commerce intends to use every difficult situation and turn it into opportunities for growth and development. Bouncing back with resilience and more improved ways of doing business, will certainly build a new Anguilla for economic prosperity and diversity. So, we implore you to continue to support the Anguilla Chamber of Commerce in developing a more robust business sector, allowing small and medium sized businesses to bounce back in any Pandemic or disaster.

Thank you for your confidence in the Anguilla Chamber of Commerce.

Felicia Hill

REPORTS

ANGUILLA CHAMBER OF COMMERCE AND INDUSTRY LTD.
Statement of Financial Position
As at December 31, 2020

(Expressed in United States Dollars (US\$))

	<i>Notes</i>	2020	2019
ASSETS			
Cash in bank	7	44,955	39,297
Accounts receivable	8	2,077	1,474
Other assets	9	29,129	29,109
Property and equipment - net	10	2,476	3,812
TOTAL ASSETS		78,637	73,692
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	11	26,250	26,934
Total liabilities		26,250	26,934
NET ASSETS			
Unrestricted net assets		52,387	46,758
TOTAL LIABILITIES AND NET ASSETS		78,637	73,692

ANGUILLA CHAMBER OF COMMERCE AND INDUSTRY LTD.
 Statements of Activities and Changes in Unrestricted Net Assets
 For the Year Ended December 31, 2020

(Expressed in United States Dollars (US\$))

	<i>Notes</i>	2020	2019
REVENUES			
Government contributions	12	62,544	62,544
Events and programs	13	2,055	4,175
Membership fees		20,100	17,900
Donation		-	222
Interest		74	-
Others		-	86
Total income		84,773	84,927
EXPENSES			
Salaries and employee benefits	14	(35,657)	(28,449)
Professional fees		(10,723)	(8,944)
Marketing and travel		(8,173)	(7,676)
Telephone		(4,986)	(5,015)
Impairment loss	8	(4,968)	(2,144)
Office expenses		(2,979)	(2,418)
Other chamber activities		(2,978)	(3,294)
Utilities		(2,963)	(5,690)
Depreciation	10	(2,241)	(3,069)
Repairs and maintenance		(1,616)	(615)
Bank charges		(1,065)	(960)
Events and programs	13	(135)	(500)
Miscellaneous expense		(660)	(772)
Total expense		(79,144)	(69,546)
NET CHANGES IN UNRESTRICTED NET ASSETS		5,629	15,381
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR		46,758	31,377
UNRESTRICTED NET ASSETS AT END OF YEAR		52,387	46,758