

BERMUDA ECONOMIC  
DEVELOPMENT CORPORATION



# **COVID-19 BUSINESS SUSTAINABILITY & CONTINUITY FUNDING PROGRAMME**

BERMUDA GOVERNMENT'S \$12M AID FOR BEDC  
FUNDING FOR LOCAL SMALL AND MEDIUM ENTERPRISES



# OVERVIEW

## WHAT IS THE BUSINESS SUSTAINABILITY & CONTINUITY FUNDING PROGRAMME?

This Business Sustainability & Continuity Funding Programme is one of BEDC's key business financing tools created in response to the significant impact of Covid-19 on Bermuda's local small and medium-sized businesses. The Bermuda Government, BEDC's Board of Directors, and BEDC recognize the economic impact Covid-19 has had with local businesses, and in response, has developed this additional funding programme.

This streamlined funding programme totals \$24M consisting of \$12M in aid from the Bermuda Government and \$12M within BEDC's existing guarantee capacity. The funding programme is designed to assist as many viable local businesses as possible to tread water and stay afloat, while our Island perseveres through the State of Emergency; Shelter in Place; and Social Distancing requirements necessary to contain the spread of Covid-19 throughout the Island.



## **What does the funding programme include?**

The relief funding programme consists of a portfolio of financing products for businesses to take advantage of such as:

- BEDC direct micro loans inclusive of relief micro grants;
- BEDC guarantees for overdrafts from Banks;
- BEDC guarantees for loans from external entities (such as Banks; Credit Unions; Private Companies; and Individuals).



## **How long will this programme be in place?**

This funding programme will be in place for at least the next 9 months from April to December 2020 or until the support funds are extinguished, whichever comes first.



## **Who can apply for funds?**

Funds have been allocated to provide support to general business owners; existing clients who have BEDC products, and new clients seeking financial support.



## **What can the funds be used for?**

The funding is to provide support to businesses to assist them with covering immediate necessary business expenses like payroll, rent and other mandatory costs associated with operating that have been impacted as a result of Covid-19.





# **BEDC DIRECT LOAN AND GRANT RELIEF PROGRAMME**

BERMUDA GOVERNMENT'S \$12M AID FOR BEDC FUNDING  
FOR LOCAL SMALL AND MEDIUM ENTERPRISES (SMES)

# BEDC DIRECT LOAN AND GRANT RELIEF PROGRAMME

BEDC conducted a review of 17 jurisdictions around the world that were providing assistance to small and medium sized businesses impacted by Covid-19. The review indicates that loans and a small proportion of grants were being provided to help businesses. This review in conjunction with local survey results that we have received for the period March 20 – April 16 has been utilized to determine how the \$12M in funding will be allocated.

Funding thresholds are divided into 5 bands of financing with the first 4 allocated to small businesses as defined in BEDC's legislation and the last band allocated to medium-sized businesses as defined in BEDC's legislation. Funding will be distributed in tranches based on an agreed-upon schedule between BEDC and the business.

# BEDC DIRECT LOAN AND GRANT RELIEF PROGRAMME

Bands	Business Size	Annual Revenue	Number of Employees	Maximum Funding Allocated (Max request can be determined by Employees or Revenue)	Maximum Grant Relief Portion of Funding Approved (50% will be grant funds with exception of Band 5)	Disbursement Tranches of Approved Funds Over 3 Period		
						Tranche 1	Tranche 2	Tranche 3
1	Small	\$1 - \$100,000	1 - 3	\$10,000	\$5,000	%50	%30	%20
2	Small	\$100,001 - \$250,000	1 - 5	\$15,000	\$7,500	%50	%30	%20
3	Small	\$250,001 - \$500,000	1 - 7	\$20,000	\$10,000	%50	%30	%20
4	Small	\$500,000 - 1,000,000	1 - 10	\$30,000	\$15,000	%50	%35	%15
5	Medium	\$1,000,000 - \$5,000,000	11 - 50	\$40,000	N/A	%50	%40	%10



## **The details of the combined loan and relief grant financing programme are as follows:**

- Applications are processed by BEDC Officers with BEDC Directors or Executive Director approving.
- Approved financing packages are 100% guaranteed by the BEDC.
- No credit check fee required.
- Repayment terms are up to 42 months.
- First repayment of loan is on the last day of the month 3 months after the month in which the approved funds were first drawn down.
- Interest-only repayment periods will be automatically applied for the first 3 months once payment commences followed by principal and interest (P&I) payments.
- Interest-only payments can be extended on a case-by-case basis for an additional 3 months.





## **The details of the combined loan and relief grant financing programme are as follows:**

- For seasonal businesses, interest-only periods can be available periodically throughout the life of the loan.
- In addition to the combined loan and relief grant, small businesses can also be approved for a BEDC guaranteed bank overdraft subject to a maximum of \$70K in combined funding of loan, grant, and overdraft.
- BEDC will only approve loan funding for medium-sized businesses to a maximum of \$40K, however the first expectation is that medium-sized businesses will be assisted through BEDC's \$12M Guarantee Fund to guarantee bank loans and overdrafts.
- If a medium-sized business is approved for a BEDC administered loan, in addition to that loan, they can also be approved for a BEDC guaranteed bank overdraft and BEDC guaranteed external loan subject to a maximum of \$300K in combined funding of BEDC's direct loan, BEDC's bank overdraft guarantee, and BEDC's guaranteed loan.

# Small and Medium Enterprises (SMEs)

## Who can apply?



The Business Sustainability & Continuity Funding Programme is available to all existing small and medium-sized businesses, island wide; including vendors and those businesses located in a designated Economic Empowerment Zone.



Under BEDC's legislation, a "Small business" is defined as Bermudian-owned and owner-operated business enterprise with:

- Gross annual sales revenues of less than \$1,000,000; or
- An annual payroll of less than \$500,000



Likewise, a "Medium sized business" is Bermudian- owned and owner-operated business enterprise with at least 3 of the following attributes:

- Gross annual revenues of between \$1 million and \$5 million
- Net Assets of less than \$2.5 million
- An annual payroll between \$500,000 and \$2.5 million
- Between a minimum of 11 and a maximum of 50 employees; and
- Been in operation for a minimum of 10 years

**\*BEDC reserves the right to prioritise applications based on our assessment of need.**

# TERMS:

Interest rates for the programme have been reduced significantly by 1.5% from BEDC's existing micro-loans in order to provide further relief for businesses impacted by Covid-19 and are currently the lowest financing interest rates on island. Likewise, BEDC has reduced all application fees for its products by 50% as a result of Covid-19. Businesses applying for this funding package will pay the following fees once the application is approved and if the application fee is difficult to pay, it can also be added to the funding package for repayment with the financing.

## **ECONOMIC EMPOWERMENT ZONE BUSINESSES AND ISLAND VENDORS**

- 3% interest rate compounded annually over the life of the funding
- Application Fee – \$50 or 0.5% of the approved funding amount whichever is greater

## **ALL OTHER SMALL AND MEDIUM-SIZED BUSINESSES**

- 3.5% interest rate compounded annually over the life of the funding
- Application Fee – \$75 or 0.75% of the approved funding amount whichever is greater



## **BEDC Direct Loan and Grant Relief Programme**

### **Programme Criteria:**

- Applicable to existing businesses only.
- For businesses younger than 12 months old the business must demonstrate a significant decline in revenue attributable to Covid-19 for the 3-month period between March and May 2020 compared with the 3 months prior to March 2020.
- For businesses older than 12 months the business must demonstrate at least a 30% decline in revenue attributable to Covid-19 for the 3-month period between March and May 2020 compared with the same period during the previous year.
- Businesses must submit copies of the last 2 payroll tax filings (October 2019 and January 2020) to confirm payroll and size of business – it is understood that the April 2020 filing most businesses will probably not have been filed.
- Businesses must demonstrate that they are compliant and up to date with payroll tax and social insurance. If in arrears they must have an agreed upon payment plan that they are keeping up to date with.





## **BEDC Direct Loan and Grant Relief Programme**

### **Programme Criteria:**

- Businesses must provide evidence of trying to negotiate for overhead reductions, deferrals, and delays where possible.
- Businesses must provide evidence of applying for the unemployment benefit for their employees and/or themselves if self-employed to reduce the amount of funding needed for payroll purposes through this programme. Approval under this programme will not result in double-dipping for the same amount of funds. This programme will supplement any shortfall in payroll by the unemployment benefit.
- Businesses must provide bank statements, previous business financials, and a cash flow projection – further details of what is required when applying can be found in the application checklist.
- Businesses must sufficiently demonstrate what their plan is to survive during Covid-19 and their recovery plan post Covid-19.



## **BEDC Direct Loan and Grant Relief Programme**

### **Funding Conditions:**

- For small businesses, the business must retain or re-employ at least 1/4 of existing Bermudian staff during/post Covid-19. Failure to meet this condition without a reasonable explanation may result in all or part of the grant being converted to loan funds.
- For medium sized businesses, the business must retain or re-employ at least 1/3 of existing Bermudian staff during/post Covid-19. Failure to meet this condition without a reasonable explanation may result in all or part of the grant being converted to loan funds.
- Disbursement for funding will be distributed in thirds over an agreed amount period.
- Evidence of payments made must be received before next disbursements.
- Businesses will have to supply copies of bank statements in repayment phase.
- Businesses will have to provide business financials on a regular basis in repayment phase.
- Businesses will be required to meet with BEDC officers on an agreed upon schedule in repayment phase.
- Businesses will sign a funding agreement letter and funding approval contract.

# Can I apply for this funding if I want to start a new business?

**No, but....**

## OTHER OPTIONS FOR BUSINESSES

As a result of receiving this \$12M aid package from the Government, BEDC now has the flexibility to reallocate the funds it had been using thus far (March 20th to April 16th 2020) for direct Covid-19 micro loans back to its \$1M portfolio of direct lending (a) General Micro Loan, (b) Debt Consolidation Micro Loan, and (c) Sports Club Micro Loan programmes. These funding programmes can be accessed for tangible new startups who are meeting a need during and post Covid-19 (e.g. new delivery service) or for existing businesses who don't need funding for the above identified immediate overhead/working capital needs. BEDC also has a full range of other products from tax reliefs to duty deferments that businesses can take advantage of if they of benefit to the business and they qualify. BEDC's staff can advise of those products during consultation of your business' needs.

A black and white photograph of two women smiling and looking down at a document. The woman on the left has curly hair and is wearing a light-colored top. The woman on the right has long straight hair and is also wearing a light-colored top. They are both smiling warmly. The image is partially obscured by a large green triangle in the bottom right corner and a diagonal line in the top left corner.

# **BEDC GUARANTEED LOAN AND OVERDRAFT PROGRAMME**

EXISTING \$12M BEDC GUARANTEE FOR EXTERNAL LOANS  
AND GUARANTEES OVERDRAFT PROGRAMME



# OVERVIEW

## BEDC GUARANTEED LOAN AND OVERDRAFT PROGRAMME

This Loan and Overdraft Guarantee Programme is a funding programme to supplement the BEDC Direct Loan and Grant Relief programme outlined above in order to deploy a total of \$24M in financial assistance to Bermuda's local small and medium-sized businesses impacted by Covid-19.

This streamlined loan and overdraft guarantee programme, grafted from BEDC's traditional 40-year loan guarantee programme, works in conjunction with a partnering local bank (or approved external entity) that acts as the lender, with BEDC acting as a guarantor. Your assigned BEDC Officer can provide invaluable free assistance as you develop the plan for your business' needs and help you to achieve your business financing goals as quickly as possible.

# Scope and Details of Programme

## How does the Programme work with BEDC & My Lender?

While not a bank, the BEDC can act as a Guarantor of a Bank (or other approved) loan for small and medium-sized businesses that are viable and where the credit worthiness of the borrower is sound. As a guarantor of last resort, in other words where the business has no other means of collateral, BEDC can guarantee up to 75% of the value of a bank loan and/or overdraft. While \$300,000 is BEDC's maximum guarantee to any one business and/or person, it can flexibly structure its guarantee in any number of ways to achieve business goals and at the same time, minimize BEDC risk. BEDC's loan and overdraft guarantee currently works with your bank of choice - HSBC, Butterfield or Clarien. Other lending entities will come on board once approved by BEDC.

- After internal bank approvals and with BEDC's guarantee factored within the banks' agreed-upon loan and overdraft underwriting terms, the bank then forwards the approved loan and/or overdraft funding to the business.
- BEDC remains a guarantor to the business until BEDC's guarantee is expired first with the business owners pledged collateral set to expire last or after BEDC's.
- The business then provides the Bank and BEDC with regular financial information to be informed of the business' financial health as required by the loan and guarantee conditions.

# BEDC GUARANTEED LOAN AND OVERDRAFT PROGRAMME

## DOES BEDC'S GUARANTEE COVER 100% OF THE BANK LOAN?

No. If needed, BEDC can guarantee or provide a collateral instrument to the bank to cover up to 75% maximum of the business loan with the Maximum repayment terms for loans up to 5 years.

Please note that BEDC's guarantee will be confirmed after an Officer analyses the percentage deemed right for the business.

In addition to BEDC's guarantee, the Bank will usually require the business to guarantee any remaining portion of the loan that BEDC does not cover; the business owner usually will place an asset (e.g. cash, property, marketable securities, another guarantor) to collateralize the balance of the loan. Every application is assessed on a case by case basis and as such, unsecured portions of a funding request can be considered based on the history and creditworthiness of the business. If you don't have any other collateral, please discuss with BEDC and/or the Bank asap.

## WHAT CAN I USE BANK LOAN FUNDS/BEDC'S GUARANTEE FOR?

Liquidity for wages, rent, vendor payables (working capital), capital purchases (e.g. equipment/renovations), inventory.

# **BEDC GUARANTEED LOAN AND OVERDRAFT PROGRAMME**

## **CAN I USE BEDC'S GUARANTEE FOR AN OVERDRAFT?**

Yes – BEDC's guarantee on a bank overdraft is 75%, up to a maximum guarantee dollar value of \$50,000. Maximum terms for overdrafts are up to 18 months unless converted to a term loan and then that criteria commences.

Any guarantee overdraft position (e.g. up to \$50,000 on a \$100,000 overdraft line of credit) will be considered with any term loan guarantee position so that the combined term loan guarantee and overdraft guarantee do not exceed \$300,000 for any one medium-sized business. Limited to a combination of BEDC loan, BEDC grant, and bank overdraft up to a maximum of \$70,000 for any one small business.

## **HOW LONG DOES IT TAKE TO PROCESS AN APPLICATION?**

15 business days, reduced from 25 business days for regular BEDC loan guarantee product. BEDC and your Bank of choice will provide you with a firm Go/No Go position on your financing request within 5 business days.



# BEDC GUARANTEED LOAN AND OVERDRAFT PROGRAMME

## PROCESSING REDUCTION

BEDC has allocated \$1M in guarantees per bank (\$3M total) in pre-approved loan and overdraft guarantees to reduce the amount of time required to process applications and disburse funds.

## REGISTER WITH BEDC

Businesses must be registered with BEDC - if the Banks' existing clients are not a member of BEDC, the client still applies to the Bank but must register with BEDC prior to the deal being finalized.

## REDUCED FEES

BEDC will charge a 50% reduced application and guarantee fee for all approvals. If it is one of the "pre-approved" guarantees that the Bank processes, the Bank will inform the applicant, they still need to pay BEDC. BEDC will send the Bank confirmation of that payment prior to the Bank finalizing the deal.

# BEDC GUARANTEED LOAN AND OVERDRAFT PROGRAMME

BEDC's guarantee declines proportionally as loan balance declines.

BEDC's guarantee on loans to be released when loan balance reaches 50% of original loan balance.

BEDC's guarantee on overdrafts to be released after 18 months unless converted into a loan then the loan criteria commences.

BEDC's guarantee is the last to be called – all other forms of collateral to be realized first.

# GUARANTEE FEES:

The loan or overdraft guarantee fee is payable to BEDC upon approval of the application and signing of guarantee agreement documents. The financial institution or lender may have separate fees. Please note that overdrafts have maximum guarantee period of up to 18 months while guaranteed loans have a maximum period of up to 5 years. If restructuring an existing loan guarantee, BEDC will charge an additional 0.25% on the total guaranteed amount.

Loan Fully Secured	Terms	
Guaranteed Amount	0 - 3 Years	4 - 5 Years
\$1 - \$50,000	0.75%	0.875%
\$50,001 - \$100,000	0.875%	1.00%
\$100,001 - \$150,000	1.00%	1.125%
\$150,001 - \$200,000	1.125%	1.25%
\$200,001 - \$250,000	1.25%	1.375%
\$250,001 - \$300,000	1.375%	1.5%

Loan With Unsecured Portions	Terms	
Guaranteed Amount	0 - 3 Years	4 - 5 Years
\$1 - \$50,000	0.875%	1.00%
\$50,001 - \$100,000	1.00%	1.125%
\$100,001 - \$150,000	1.125%	1.25%
\$150,001 - \$200,000	1.25%	1.375%
\$200,001 - \$250,000	1.375%	1.5%
\$250,001 - \$300,000	1.5%	1.625%



## **BEDC Guaranteed Loan and Overdraft Programme Criteria:**

- Applicable to existing businesses only.
- For businesses younger than 12 months old the business must demonstrate a significant decline in revenue attributable to Covid-19 for the 3-month period between March and May 2020 compared with the 3 months prior to March 2020.
- For businesses older than 12 months the business must demonstrate at least a 30% decline in revenue attributable to Covid-19 for the 3-month period between March and May 2020 compared with the same period during the previous year.
- Businesses must submit copies of the last 2 payroll tax filings (October 2019 and January 2020) to confirm payroll and size of business – it is understood that the April 2020 filing most businesses will probably not have been filed.
- Businesses must demonstrate that they are compliant and up to date with payroll tax and social insurance. If in arrears they must have an agreed upon payment plan that they are keeping up to date with.





## **BEDC Guaranteed Loan and Overdraft Programme Criteria:**

- Businesses must provide evidence of trying to negotiate for overhead reductions, deferrals, and delays where possible.
- Businesses must provide evidence of applying for the unemployment benefit for their employees and/or themselves if self-employed to reduce the amount of funding needed for payroll purposes through this programme. Approval under this programme will not result in double-dipping for the same amount of funds. This programme will supplement any shortfall in payroll by the unemployment benefit.
- Businesses must provide business plan, bank statements, previous business financials, and a cash flow projection – further details of what is required when applying can be found in the application checklist.
- Businesses must sufficiently demonstrate what their plan is to survive during Covid-19 and their recovery plan post Covid-19.



## **BEDC Guaranteed Loan and Overdraft**

### **Funding Conditions:**

- For small businesses, the business must retain or re-employ at least 1/4 of existing Bermudian staff during/post Covid-19. Failure to meet this condition without a reasonable explanation may result in the interest rate of the overdraft increasing and/or BEDC's guarantee being terminated early.
- For medium sized businesses, the business must retain or re-employ at least 1/3 of existing Bermudian staff during/post Covid-19. Failure to meet this condition without a reasonable explanation may result in the interest rate of the loan or overdraft increasing and/or BEDC's guarantee being terminated early.
- Disbursement for funding will be distributed in thirds over an agreed amount period.
- Evidence of payments made must be received before next disbursements.
- Businesses will have to supply copies of bank statements in repayment phase.
- Businesses will have to provide business financials on a regular basis in repayment phase.
- Businesses will be required to meet with BEDC officers on an agreed upon schedule in repayment phase.
- Businesses will sign a funding guarantee agreement letter before a guarantee agreement can be issued.



# KEY FUNDING DOCUMENTS

CASH FLOW, PROFIT & LOSS,  
BALANCE SHEET

# Sample Balance Sheet

		DEC 31, 15	DEC 30, 14	\$ Change	% Change
<b>ASSETS</b>					
<b>Current Assets</b>					
<b>Checking/Savings</b>					
	petty cash	696.54	400.00	296.54	74.14%
	HSBC - BD\$ Current	9,542.13	30,526.63	-20,984.50	-68.74%
	<b>Total Checking/Savings</b>	10,238.67	30,926.63	-20,687.96	-66.89%
<b>Accounts Receivable</b>					
	Accounts Receivable	97,303.57	60,486.41	36,817.16	60.87%
	<b>Total Accounts Receivable</b>	97,303.57	60,486.41	36,817.16	60.87%
<b>Other Current Assets</b>					
	Accounts Receivable - Other	44,864.94	44,864.94	0.00	0.0%
	Accts Rec - Bad Debt Resen	-44,864.94	-44,864.94	0.00	0.0%
	<b>Total Other Current Assets</b>	0.00	0.00	0.00	0.0%
	<b>Total Current Assets</b>	107,542.24	91,413.04	16,129.20	17.64%
<b>Fixed Assets</b>					
	Building - At Cost	571,678.00	571,678.00	0.00	0.0%
	Building - Accum Depn	-389,154.66	-372,653.12	-16,501.54	-4.43%
	Building Add'ns - Cost	64,116.23	64,116.23	0.00	0.0%
	Bldng Add'ns - Acc Depn	-23,207.88	-19,891.72	-3,316.16	-16.67%
	Land at Cost	400,000.00	400,000.00	0.00	0.0%
	<b>Total Fixed Assets</b>	623,431.69	643,249.39	-19,817.70	-3.08%
	<b>TOTAL ASSETS</b>	<b>730,973.93</b>	<b>734,662.43</b>	<b>-3,688.50</b>	<b>-0.5%</b>



**LIABILITIES & EQUITY****Liabilities****Current Liabilities****Accounts Payable**

Accounts Pay	15,802.44	15,462.44	340.00	2.2%
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Total Accounts Payable	15,802.44	15,462.44	340.00	2.2%
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**Other Current Liabilities**

Tenant Depos	8,780.00	6,890.00	1,890.00	27.43%
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Total Other Current Liabilities	8,780.00	6,890.00	1,890.00	27.43%
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Total Current Liabilities	24,582.44	22,352.44	2,230.00	9.98%
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**Long Term Liabilities**

Mortgage - HSBC	414,545.68	455,831.59	-41,285.91	-9.06%
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Total Long Term Liabilities	414,545.68	455,831.59	-41,285.91	-9.06%
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Total Liabilities	439,128.12	478,184.03	-39,055.91	-8.17%
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**Equity**

Retained Earnings	244,478.40	249,487.96	-5,009.56	-2.01%
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Share Capital	12,000.00	12,000.00	0.00	0.0%
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Net Income	35,367.41	-5,009.56	40,376.97	806.0%
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Total Equity	291,845.81	256,478.40	35,367.41	13.79%
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TOTAL LIABILITIES & EQUITY	730,973.93	734,662.43	-3,688.50	-0.5%
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# MONTHLY CASHFLOW STATEMENT

## Sample Retail Store

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Beginning Cash Balance	\$ 1,000.00	\$ 1,827.00	\$ 4,654.00	\$ 7,481.00	\$ 10,308.00	\$ 12,335.00	\$ 14,222.00	\$ 15,909.00	\$ 18,596.00	\$ 22,283.00	\$ 28,470.00	\$ 35,657.00
Shoes	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,600	\$ 5,000	\$ 5,000	\$ 5,000
Loan Proceeds	\$ 10,000											
Bags		\$ 5,000	\$ 5,000	\$ 5,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,500	\$ 6,250	\$ 6,250	\$ 6,250
Accessories							\$ 800	\$ 800	\$ 900	\$ 1,250	\$ 1,250	\$ 1,250
Total Cash Inflows	\$ 15,000	\$ 10,827	\$ 13,654	\$ 16,481	\$ 17,508	\$ 19,535	\$ 22,222	\$ 23,909	\$ 27,596	\$ 34,783	\$ 40,970	\$ 48,157
Start Up Costs	\$ 8,000.00	\$ 1,000.00	\$ 1,000.00									
Salaries (Net)	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
COGS (S&H & Duty)												
Equipment Insurance	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Electricity/Utilities	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Telephone/Internet Service	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Office Supplies/Stationery	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Advertising	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
Payroll Taxes				\$ 1,000.00			\$ 1,000.00			\$ 1,000.00		
Health Insurance	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00
Private Pension						\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00
Social Insurance	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00
Transportation & Gas	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00
Liability Insurance	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Cleaning	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Loan Payments	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00
Total Cash Outflows	\$ 13,173	\$ 6,173	\$ 6,173	\$ 6,173	\$ 5,173	\$ 5,313	\$ 6,313	\$ 5,313	\$ 5,313	\$ 6,313	\$ 5,313	\$ 5,313
Net Cashflow	\$ 1,827	\$ 4,654	\$ 7,481	\$ 10,308	\$ 12,335	\$ 14,222	\$ 15,909	\$ 18,596	\$ 22,283	\$ 28,470	\$ 35,657	\$ 42,844

### Shoes Assumptions

# of Store open days	20.00	20.00	20.00	20.00	16.0	16.0	16.0	16.0	18.0	25.00	25.00	25.00
price per shoe	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,600.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00

### Bags Assumptions

# of Store open days	20.00	20.00	20.00	16.0	16.0	16.0	16.0	18.0	25.00	25.00	25.00
price per bag	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00
	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,500.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00

### Accessories Assumptions

# of Store open days	16.0	16.0	18.0	25.00	25.00	25.00
price per accessory	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
	\$ 800.00	\$ 800.00	\$ 900.00	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00

# MONTHLY PROFIT & LOSS STATEMENT

## Sample Retail Store

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Beginning Cash Balance	\$ 1,000.00											
Shoes	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,600	\$ 5,000	\$ 5,000	\$ 5,000
Loan Proceeds	\$ 10,000											
Bags		\$ 5,000	\$ 5,000	\$ 5,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,500	\$ 6,250	\$ 6,250	\$ 6,250
Accessories							\$ 800	\$ 800	\$ 900	\$ 1,250	\$ 1,250	\$ 1,250
Total Income	\$ 15,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 7,200	\$ 7,200	\$ 8,000	\$ 8,000	\$ 9,000	\$ 12,500	\$ 12,500	\$ 12,500
Start Up Costs	\$ 8,000.00	\$ 1,000.00	\$ 1,000.00									
Salaries (Net)	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
COGS (S&H & Duty)												
Equipment Insurance	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Electricity/Utilities	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Telephone/Internet Service	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Office Supplies/Stationery	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Advertising	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
Payroll Taxes				\$ 1,000.00			\$ 1,000.00			\$ 1,000.00		
Health Insurance	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00	\$ 440.00
Private Pension						\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00
Social Insurance	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00	\$ 280.00
Transportation & Gas	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00
Liability Insurance	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Cleaning	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Loan Payments	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00
Total Expenses	\$ 13,173	\$ 6,173	\$ 6,173	\$ 6,173	\$ 5,173	\$ 5,313	\$ 6,313	\$ 5,313	\$ 5,313	\$ 6,313	\$ 5,313	\$ 5,313
Profit/Loss	\$ 1,827	\$ 2,827	\$ 2,827	\$ 2,827	\$ 2,027	\$ 1,887	\$ 1,687	\$ 2,687	\$ 3,687	\$ 6,187	\$ 7,187	\$ 7,187

# Get in Touch

Interested business owners should contact the BEDC directly by calling or by email. Additional information can also be found on our website.

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