

**BUSINESS
MENTORS**
INSPIRING SUCCESS

2018



Welcome to the Business Mentors Annual Report

2006 Mentors

Active independent
volunteer mentors

2140 Mentor
Matches

Community, SME and
StartUps

81% Overall
Satisfaction

Survey feedback service
level from BMNZ
Programme

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Board of Directors



Deborah Simpson

Founding Partner of The Purpose Business, New Zealand's only brand agency aligning purpose with culture, brand and business strategy. Deborah's career has spanned over twenty five years, encompassing research, advertising and marketing both here and internationally. In her capacity as either business leader or adviser, Deborah has led the strategic development of brands such as ASB, 2degrees, New Zealand Lotteries and Genesis.



Richard Austin

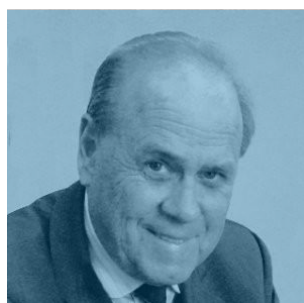
Richard is a Professional Director and is a Principal of IQ2 Private Wealth Limited, a boutique wealth management company which deals with high net worth individuals and family groups. He was a Trustee of The STOP Trust, a large charitable organisation and is an independent Director for several companies. Richard was formerly President of the New Zealand Institute of Chartered Accountants and Chairman of the Canterbury Westland branch of the Institute. He was made a Fellow of the Institute in 2010.



Leah Macdonell

Leah has been fortunate to work with corporates, government organisations, local regional councils, chambers and economic development agencies, which helps her to understand the mechanics of how to make things happen. She currently works for the Ministry of Business Innovation and Employment (MBIE) in the Provincial Development Unit, co-ordinating cross-agency regional work programmes, developing relationships and facilitating investment in regional projects.

A Note from The Chair Of Trustees



Dr Grahame Craig
Chairman of Trustees

Our focus over the next two years will be on developing and extending our business model

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Our organisation has undergone some significant changes over the last year ranging from changes to our service delivery network to changes in both our Board composition and more recently to our management.

Traditionally our mentoring service delivery structure has been through our own national network of 16 regional Agencies. Over the past year pursuant to discussions with MBIE we have partially amalgamated this network with New Zealand Trade & Enterprise (NZTE)'s own Regional Business Partners structure, Board changes have included the appointment of Sandy Moore as a director, along with the extension of Geoff Vazey's chairmanship for a further year.

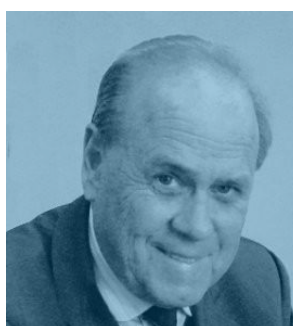
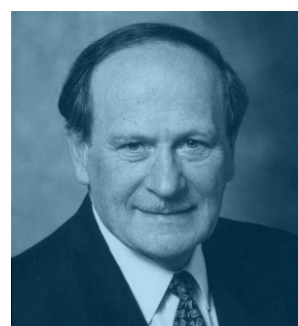
More recently Craig Garner has been appointed to the position of CEO following the retirement of Lisa Ford. Craig has a very strong background in SME sector including senior roles as CEO of the Tauranga Chamber of Commerce and with the EMA's Health & Safety Services. Craig also has extensive experience in the IT industry (particularly in Web Development and Digital/Social Media).

Given the above I believe that we are well-placed over the next two years to give our 27 year-old business model a significant upgrade. While the traditional face-to-face mentoring focus will always be a central part of the mix, there are new possibilities evolving for developing internet-based delivery channels focused on increasing our reach into the SME sector, our cost-effectiveness, and the generating new revenue streams.

Our focus over the next two years will be on developing and extending our business model to exploit these new opportunities.

Dr Grahame Craig
Chairman of Trustees

Role of The Trust Board



TOP:

Angus Fletcher,
Garry Moore,
Dr Grahame Craig,
Norman Geary

The Trust Board is responsible for the appointment of that company's Board of Directors and its Chairman. The Board in turn is accountable to the Trust and reports to the latter annually.

The Trust's over-arching role is to work with the Board in setting the overall strategic direction of the company and to monitor its progress in achieving that direction.

BOTTOM:

Sir Ken Stevens,
Sir Ralph Norris,
Sir William Gallagher,
Tom McClunie

Chief Executive's Report



Craig Garner
Chief Executive

This support and expertise can mean the difference between business failure and success

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Focusing on the future ensures survival. Moving towards the future means change is inevitable for each and every business.

Evolving or reinventing a business model due to technology paradigms or market demands places an increased burden on business people who have limited time, skills and resources.

There are over 500,000 small and medium businesses (SMEs) in New Zealand, and, with close to 400,000 of these being micro-enterprises (no employees), one of the most significant issues faced by start-up or emerging business owners is isolation.

Add to these numbers an estimated 850 new businesses starting every month and the demands for relevant and

practical support is increasing.

A successful business means better employment opportunities, superior innovation and improved community, regional and national economic prosperity. Business failures - often the result of poor planning, avoidable mistakes and waning founder motivation - means not just the lives of the individual entrepreneurs are negatively impacted, but the lives of their families, their investors, suppliers and broader communities – sometimes profoundly.

A business mentor won't have all the answers or be able to resolve every issue. But having someone with experience and the relevant skillset when you need it is invaluable. And having someone on hand when things are going

Our Business
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based on
business
location and
requirements

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well and acting as a sounding board for new ideas and initiatives is priceless.

Every business owner should have a mentor so it stands to reason that, as part of every good business plan, business growth or development opportunities are identified and a mentor secured to assist in ensuring that plan becomes a reality.

Our Business Mentors are independent and are matched with their mentees based on business location and requirements. Mentors are not business consultants or coaches; they listen, guide and make their mentee accountable for agreed targets or goals. This support and expertise can mean the difference between business failure and success and this has been demonstrated thousands of times within the over 75,000 businesses our service has reached.

While planning for the future is essential, we must learn from our past by acknowledging and recognising those who came before us. Business Mentors New Zealand has a 27-year history of doing what it does today - mentoring people who own, or

are responsible for, a business. The vision and determination of the founders of this organisation - Dr Graeme Craig and the late Bill Hall - ensured that thousands of others gave their time and knowledge, both professionally and voluntarily, to the cause of improving our SME community.

Over the past three years, former General Manager Lisa Ford and her team ensured that the organisation remained sustainable and relevant to its purpose and cause. The Net Promoter Score of 47.1 (see article related to the NPS) achieved in the last quarter is testament to the value our clients place on the service and the support our mentors have provided them. Making this positive recognition possible was the result of hard work and dedication by Lisa, the management team, coordinators, agencies, board and trustees, and the hundreds of mentors who have given so much of their time and expertise.

Much of this work, and many of the associated individual commitments and interventions, will often go unrecognised, regardless that it is the passion for giving to others - the same principles gifted 27-years ago by

Our mentors
are our
champions
and the reason
Business
Mentors New
Zealand has
had, and will
continue to
have, a place
in our business
community

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our founders and investors - that affords our not-for-profit initiative its heart and soul.

Our volunteer mentors must have a special mention. Business Mentors New Zealand could not provide a low cost and vital service without the mentor generosity and passion. It is difficult to quantify or qualify why they give their time; mentors are as diverse as the businesses they support. Many want to give something back and the majority are extremely busy, but the personal satisfaction of helping others gives them reason enough to find the time.

The article in this report written by Michael Ferrari exemplifies how amazing our mentors are. Michael recently 'retired' from

BMNZ after 20 years of service, with 300 clients benefiting from his support. When meeting with Michael recently and discussing his contribution, he was humble. On the topic of recognition, he said: "having the opportunity to help so many businesses, so many people, was rewarding enough".

Our mentors are our champions and the reason Business Mentors New Zealand has had, and will continue to have, a place in our business community. We look forward to the future.



Craig Garner
Chief Executive
Business Mentors New Zealand

BMNZ Origin Story



Bill Hall

To Inspire Success - Our Origin Story

Since its inception in 1991, Business Mentors New Zealand has been steadfastly focused on its core purpose: “To inspire success and enhance the wellbeing of New Zealand SMEs using the business skills and experience of volunteer mentors”.

Being new to the leadership role for an organisation where there are so many great business leaders involved is both inspirational and humbling. What motivates our mentors to give their time is difficult to quantify but is encapsulated in the reasons this organisation formed and why it is still so valued today.

I was fortunate to hear our origin story first-hand from Dr Grahame Craig during my induction training as a mentor in 2009. I recall the heartfelt passion expressed by Grahame as he shared his business challenges.

He reminded us of the selfless commitment and vision his business partner and friend, the late Bill Hall, gifted us in his aspiration that SME businesses would have every opportunity to succeed.

‘People helping people’ was Bill Hall’s dream and the continuing determination of our co-founder Dr Grahame Craig after Bill’s untimely passing meant that other business visionaries continued to support the formation of Business Mentors New Zealand.

The late Sir James Fletcher, amongst others, was inspired and motivated to assist. The efforts of these visionaries pioneered a business-helping-business model that has seen tens of thousands of small and medium businesses mentored and thousands of mentors giving their time to

'People
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people' was
Bill Hall's
dream

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fulfil the increasing demand for knowledge.

The value, both personally and economically, of a mentoring relationship is priceless to both mentor and mentee, giving an increased opportunity for the mentee's business not only to survive - but also to thrive. These business people, via business efficiencies and growth, continue to support employment and economic growth in our urban and rural communities across New Zealand. Many who have received mentor support repay the gift by becoming mentors themselves - adding the value of their skills and experience to others.

If you can spare just under eight

minutes of your time, you can hear a summary of this origin story told by Dr Grahame Craig himself. Inspired by the selfless acts of others, you may consider adding value to Bill Hall and Grahame Craig's vision and getting a mentor to help you expand your business mind, or if you want to assist others, become one of our valued mentors.

Watch the video here (7 minutes 45 seconds) : <https://vimeo.com/230523795/21698e6433>



Craig Garner
Chief Executive

Business Mentors New Zealand

Our Services

Business Mentors New Zealand - Our Service, Our Community

Mentors are
as diverse as
the businesses
they support

Business Mentors New Zealand (BMNZ) supports business owners and local communities by facilitating and promoting business mentoring throughout New Zealand. Our existence is made possible by funding or in-kind support from a variety of small to corporate enterprises and government agencies. Each partner supporter has a common interest in the wellbeing of the New Zealand small to medium enterprise (SME) sector and helping in the success of those challenged in growing those businesses to become profitable contributors to employment and our economy.

Partnering with regional Chambers of Commerce, Economic Development Agencies and other like-minded business

support organisations allow BMNZ to cultivate meaningful engagement with those who care most about their communities. Local mentor coordinators take responsibility for supervising the connection between client and mentor ensuring expectations, challenges and opportunities with SME business owners realised, and the relationships productive.

BMNZ clients are owners and influencers of small to medium businesses, startups, not-for-profits and social enterprises. Mentors are as diverse as the businesses they support. Of the over 2000 active mentors, some are retired and motivated about giving back to the business communities they have been part of, and an increasing number are emerging business leaders who

Mentors have no financial or emotional investment in the business; they are there to help those willing to listen

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have busy and demanding roles themselves. The altruistic nature of providing free help to other business people is a powerful professional and personal development opportunity that is extremely rewarding.

There is no one-size-fits-all solution to making a business successful, which is why the one-on-one mentoring service is so highly respected and valued by those who participate. In an increasingly information-rich age, someone needs to filter out all the noise and give those in need a steer in the right direction. Mentors have no financial or emotional investment in the business; they are there to help those willing to listen and who are prepared to learn from the mentor's hard-earned experience and skills. In doing so, business owners are challenged to push

themselves to achieve goals they may not have thought possible if they continued working in isolation.

Business Mentors New Zealand in its 27-year history has worked with thousands of small to medium-sized enterprises throughout New Zealand. Whether an existing business, a startup or a not-for-profit community organisation there will always be challenges, and at times what appear impassable barriers. Having a mentor available to confide in, to make you accountable for agreed actions is a solution to being more successful in any business enterprise. The value of our mentor support is proven countless times with feedback like "Life Changing" saying it all.

Supporters

Why our supporters mean so much to us - and so much to you

Our supporters invest in Business Mentors New Zealand because they share our vision. Social responsibility aside our partnerships are with organisations that have a common interest in the betterment of our small to medium business community. A healthy SME community means more employment opportunities, a more positive impact on our communities, our national economy and our overall wellbeing.

97% of enterprises have fewer than 20 employees. 70% of enterprises have zero employees meaning a considerable part of the New Zealand business infrastructure is micro-enterprise, people who work in isolation. New Zealand statistics reinforce that of these 'micro' businesses, or start-ups, only 37% will still exist after two years. Failure of

every business comes at a cost to the individual, their families, suppliers, their investors and beyond.

Our mentoring services is made possible by the goodwill of mentors who donate their time. Administration, marketing and management of resources and systems to support our mentors requires investment. Minimising cost to SME and maximising the effectiveness of a mentoring engagement involves the support of our partner community. They are the champions of our continuing success and should be recognised and celebrated.

Partner Level Supporters



ASB Bank Ltd



NZBusiness Magazine



Bartercard New Zealand Ltd



TVNZ



Datacom Systems Ltd



Inland Revenue



New Zealand Trade



NZME



OfficeMax New Zealand Ltd



Ministry of Business, Innovation and Employment

National Level Supporters

Business Sorter

Chester Grey Chartered
Accountants

Mobilize Mail Ltd

Spotcap

Tax Debt Brokers

The Back Office (Auckland)

Unleashing Potential

Western Union

Supporters

ACENZ

CodeBlue

Gallagher
Group Ltd

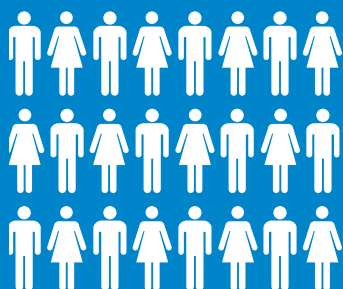
HamiltonJet

Port of
Tauranga Ltd

Sharp Corporation of New
Zealand Ltd

Performance Snapshot

2018 year (1 April 2017 to 31 March 2018)

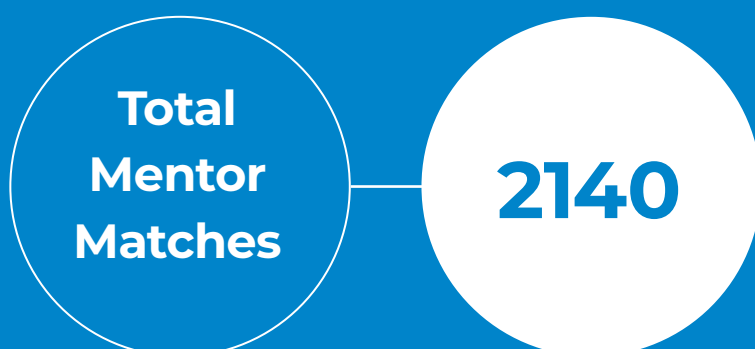


2006
independent
volunteer mentors (Active)



1740
registered clients
(Total)

Community	74
SME	1195
StartUp	471



Client Feedback

NPS +47.1 for Business Mentors

We survey
our clients 120
days after a
mentor match

Our Mentors volunteer their time. They do it to help others by providing their knowledge and expertise so that other business people will have a better chance at succeeding in their business ventures. It is essential that we get feedback from our clients to ensure our mentors, coordinators and support services are maintaining consistency in delivery based on client expectations. This feedback allows us to improve our service, and importantly celebrate our achievements.

Our Survey Method: We survey our clients 120 days after a mentor match. We engage an independent company, Beyond Consulting, to monitor feedback, conduct interviews and to review the survey data. The responses can vary, by the majority, this feedback tells us that the benefits for mentees are significant and the experience is positive. We

use the globally recognised Net Promoter Score (NPS) which requires respondents to give to a 9 or a 10 rating out of 10 before they are considered promoters, or genuine advocates of your product or service. Our NPS in our most recent survey showed Business Mentors New Zealand receiving a +47.1 rating. (Match Period: 1 December 2017 – 31 March 2018, Feedback Period: April – July 2018).

How the Net Promoter Score is calculated: Net Promoter Score (NPS) is derived from the client's likelihood to recommend the service to others. The likelihood to recommend is measured on an 11 point scale (ranging from 0 to 10). Associated with this question is an open-ended question for clients to give reasons for their rating. A 0-6 rating is regarded as a detractor, 7-8 passive and 9-10 promoters. The final NPS score is calculated by subtracting

The 3 top performing industries in New Zealand

Veterinarian (44)
Charities (35)
Fitness (30)

Top 3 lowest performing industries in New Zealand

Debt Collection (-32)
Recruitment Agencies (-25)
Business Consulting (-22)

detractors from promoters (%Promoters - % Detractors = Score) meaning a high number of 9 or 10 ratings are required to create a positive score.

What is a good NPS score: A good score varies by industry, a score of +50 to +80 is typically considered very good or even outstanding, depending on the industry. A score around +30 to +40 is universally seen as good, and anything above +20 is favourable. As a general rule in New Zealand, an average of +30 is considered up to standard - this will depend on individual industry fluctuations.

NZ Industry Benchmarking: To put our +47.1 rating in perspective here are some of the 2018 NZ benchmarks for other industries using NPS scoring. The highest scoring from the benchmark report being Veterinarians at +44 and the lowest being debt collectors at -32.

(Industry Benchmarking Source: <http://www.customermonitor.com>)

Client satisfaction results reveal ongoing continuous improvement

In an era of high competition and expectations delighting the customer is not just profitable, it is a business imperative ensuring competitive advantage. Compelling research has verified that client delight is a best-in-class standard of satisfaction and often also includes a behavioral measure of intention to recommend the provider. Client delight has been shown to generate positive business results such as word-of-mouth recommendations, loyalty and increased profitability. The Net Promoter Score (NPS) is widely adopted with majority of Fortune 1000 companies powerful metric used globally to measure customer engagement and advocacy levels.

Client satisfaction surveys are essential tools for listening to clients and for developing strategies for improvement. Successful client surveys maximize the retention of current customers, and help organisations to better position themselves among prospective clients. In their commitment to keep on raising the bar to ensure world-class service, BMNZ in

Profile of Respondents

Altogether 662 responses across New Zealand were received in 2017/2018 from businesses operating across a diverse range of industries and varying in business size and maturity. Response rates were high ranging from 61% to 63% for the 3 survey periods.

partnership with independent research consulting firm, Beyond Consulting, surveys clients regularly to measure the success of its mentoring service. The survey has gone through some modifications with a few new questions being added in April 2016.

All BMNZ clients are surveyed at 120 days from their match date with survey results collated three times a year for client match periods of April-July, August–November, and December–March. The survey consists primarily of 8 statements designed to evaluate the mentor service, using a 5-point rating scale (1=Poor, 5=Excellent). Clients are also asked whether they would recommend the service to others and to comment on their reasons.

Survey Highlights for the Financial Year April 2017 - March 2018

- BMNZ continues to consistently achieve a high standard of service delivery. The mean performance ratings of all 8 questions have exceeded the benchmark of 4.0

reaching new highs for 7 of the 8 questions in the last survey period since 2016 when the new survey came to effect.

- In the last survey period, mean ratings of overall extent to which the service had resolved client's business issues and the value the mentoring service had added to the client's business have exceeded 4.0 since they were first measured in 2016.

- The NPS score has increased significantly in the April-July 2018 feedback period (Dec 2017- Mar 2018 matches) when compared to the previous period, increasing from 39.5 to 47.1. In addition, NPS has reached a new high of 47.1 since the time it has been measured.

- A significant increase in clients implementing the changes recommended by the mentor is seen since the last survey period, reaching a new high of 70%, of which 84% of clients report that the implemented changes impacted their business positively to a moderate/large/very large extent.

The Net Promoter Score is one measure of their success!

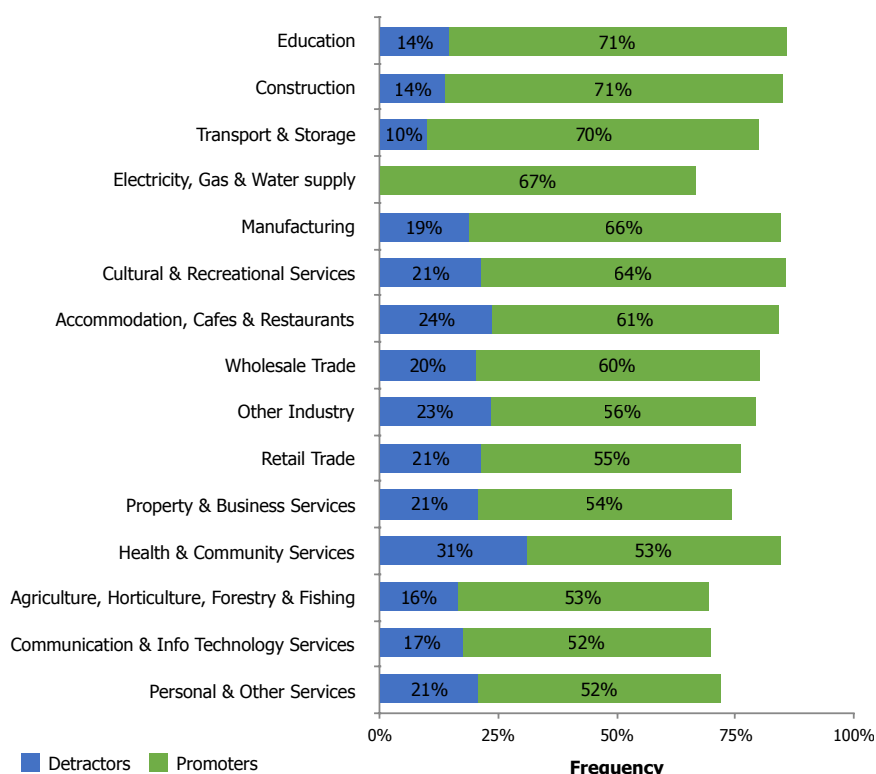
How NPS is Calculated

How likely are you to recommend the BMNZ mentoring service to others?

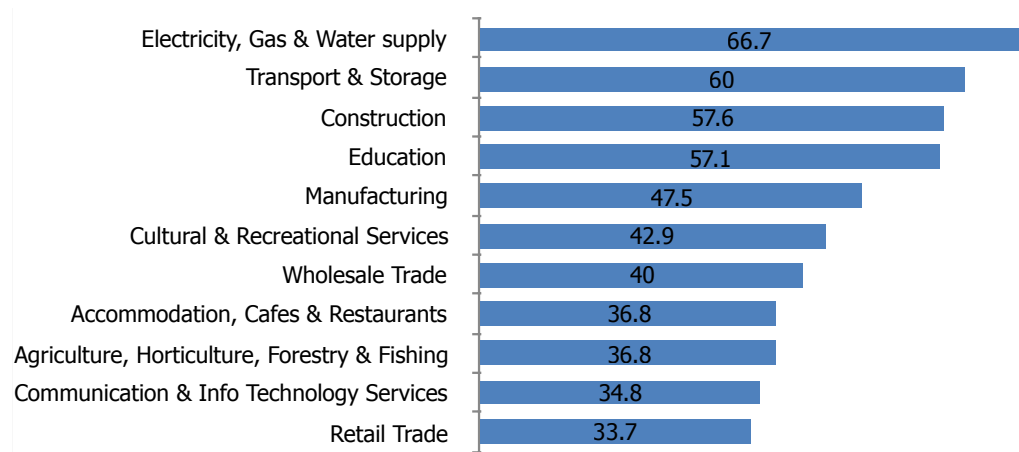


N=223

Frequency of Promoters and Detractors by Industry (April 2017 - March 2018)

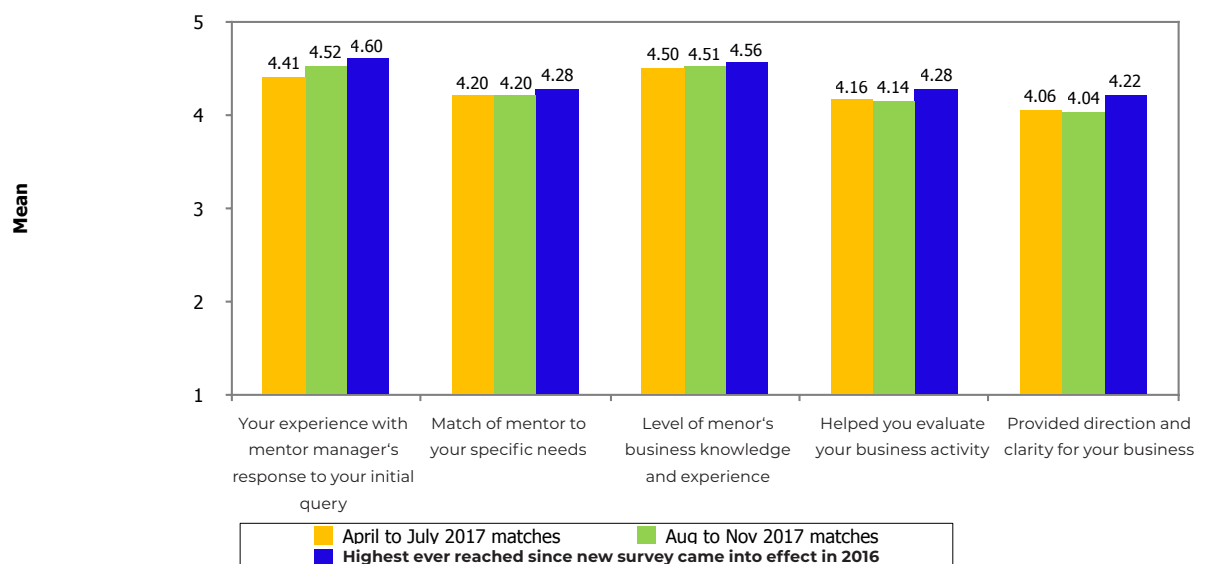


NPS by Industry (April 2017 - March 2018)



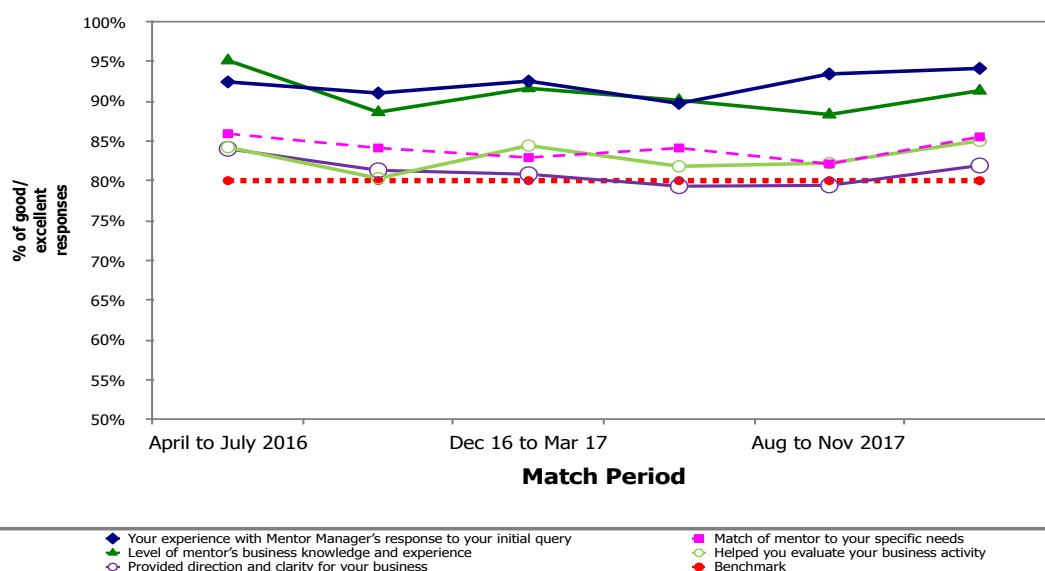
BMNZ Service Delivery 2017/2018: Trend in Means

A statistically significant improvement occurred in mentor manager's response to initial query when compared to previous survey period. Several new highs for service delivery since 2016



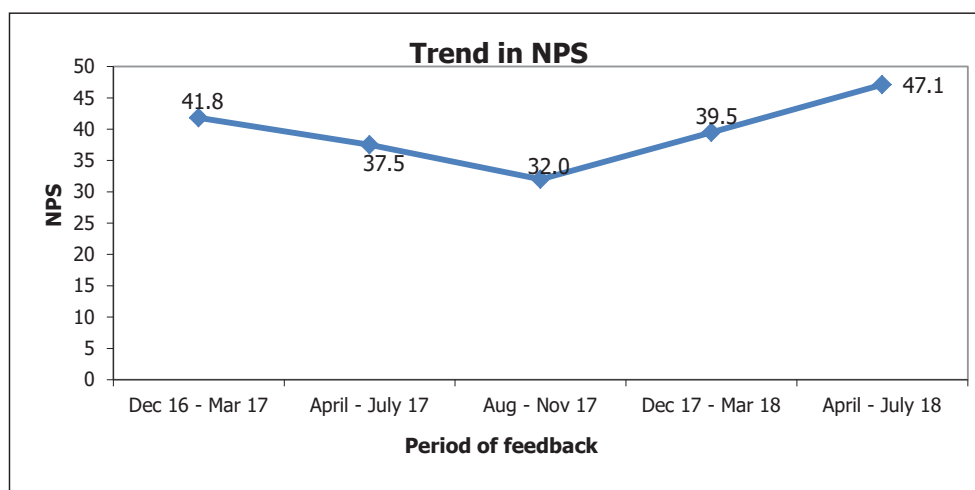
BMNZ Service Delivery 2017/2018: Trend in Frequency

Service delivery aspects are consistently above the benchmark of 80% good/excellent ratings and in general show a constant trend.



BMNZ Net Promoter Score: Trend 2016-2018

NPS has increased significantly to a new high of 47.1 since the time it has been measured.



Delighted Client Comments: 2017/2018

Comments from “Delighted” Promoter Clients

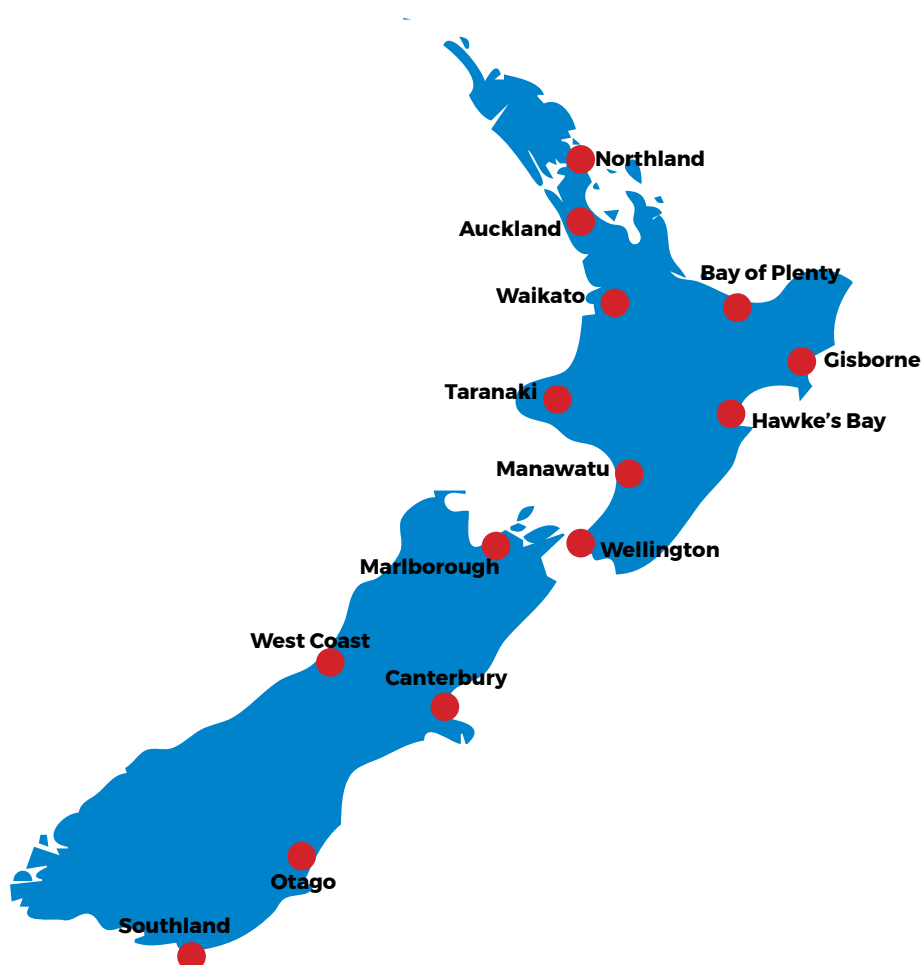
- Have already recommended people we know. Great service, value for money for an expert’s time and knowledge. Mentor grounds us, lifts us and pushes us. Brilliant service.
- An outside pair of eyes can bring clarity and focus. Sometimes you need that when you can’t see the woods for the trees. It is a great ROI!!!!
- Excellent value! Really useful for a micro-business such as ours to have competent, independent business advice.
- Fantastic help for anyone in need of a push forward, and to re-motivate.
- Great initial service and great match to a mentor who had a wealth of knowledge of the industry and was more than happy to share past experiences to help our business. The knowledge shared has been extremely valuable. I think it is a great opportunity to seek help from an outside party and get new ideas and prospective as to how a business runs. I would happily recommend to other business owners.
- I have had outstanding mentoring and enjoy the time.
- I have been really impressed by the quality of advice, and generosity by which it was given.
- our business mentor is incredibly helpful and has helped us too see our business potential, identify our areas that need attention and see our strengths. She has made us see how we need to value ourselves and our services. She has advised us on how to look to the future and build a plan for where we would like to be. I look forward to our next meeting.
- My mentor has just been amazing. I’m so grateful for his insight and experience. And he gives his time so freely.
- My mentor has been an absolute God send to our business. .... we have completely restructured our business and thanks to his advice, we have saved our home and lifestyle through this difficult time. Very very happy.

Agency Network

Northland
 Auckland
 Waikato
 Bay of Plenty
 Taranaki
 Gisborne
 Hawke's Bay
 Manawatu
 Wellington
 Marlborough
 West Coast
 Canterbury
 Southland
 Otago

Business Mentors New Zealand is a nationwide service delivered in partnership with the NZTE Regional Business Partnership network of 14 agencies. Each agency has regional mentor coordinators working alongside Economic Development Agencies, Chambers of Commerce and Employers'

Associations. All are highly motivated and skilled business and economic development professionals with strong links to their business and wider communities and a passion for helping small and medium enterprises succeed.



NORTH ISLAND REGIONS:

AUCKLAND REGIONS

National Office

Business Mentors New Zealand

PO Box 9043, Newmarket, Auckland 1149

Phone: 0800 209209

Contact: Anastasia Donnachaidh,
anastasia.donnachaidh@bmnz.org.nz

Auckland Central - North Shore - West

Auckland Chamber of Commerce

90 Symonds Street, Grafton, Auckland

Phone Auckland Central: 09 3742265 Phone

North Shore/West: 09 9769770

Contacts: Johanna Courtney,
jcourtney@chamber.co.nz

Mobile: 021315173

Wendy Rose,
wrose@chamber.co.nz

Mobile: 021513665

Auckland - South

Auckland Chamber of Commerce

33 Lambie Drive, Manukau

Phone: 09 3742265

Contacts: Johanna Courtney &
Wendy Rose,

Rodney

Auckland Chamber of Commerce

100 Mayoral Drive, Auckland

Phone: 09 3742265

Contacts: Johanna Courtney,
& Wendy Rose.

NORTHERN AND CENTRAL REGIONS

Northland

Northland Chamber of Commerce

The Orchard Business & Event Hub, Corner of

Walton and Cameron Streets, Whangarei

Phone: 09 4384771

Contacts: Tony Collins,
ceo@northchamber.co.nz

Tauranga - Rotorua - Whakatane

Chamber of Commerce Tauranga Region

PO Box 414, Tauranga 3140

Phone Tauranga: 07 5779823

Phone Rotorua/Whakatane: 07 5778950

Contact: Gayle Hardie,
mentors@tauranga.org.nz

Taupo

Enterprise Great Lake Taupo

Level 1, 32 Roberts Street, Taupo

Phone: 021 1321475

Contact: Rick Keehan,
rick@greatlaketaupo.biz

Mobile: 0211321475

Hawkes Bay

Hawke's Bay Regional Business Partner

Hawke's Bay Business Hub, 36 Bridge Street

Ahuriri 4110

Phone: 06 6501711

Contact: Leonie Wallwork,
leonie.wallwork@hbrc.govt.nz

Mobile: 021804871

Gisborne / East Coast

Activate Tairāwhiti

50 Childers Rd/PO Box 897

Gisborne 4010

Phone: 06 8630384

Contact: David Pardy,
david@activatetairāwhiti.co.nz

Mobile: 0211949995

SOUTHERN REGIONS

Horowhenua – Manawatu - Whanganui Taumarunui

Central Economic Development Agency (CEDA)

Level 1, Square Centre Building, 478 Main Street,
Palmerston North

Phone Horowhenua/Manawatu/Whanganui:
06 3501839

Phone Taumarunui: 07 8958188

Contact: Heidi Stevenson-Wright,
business.mentor@ceda.nz

Wellington

Wellington Employers' Chamber of Commerce

PO Box 1087, Wellington

Phone: 04 4709946

Contacts: Makerita Filipo-Dallas,

Makerita.filipodallas@businesscentral.org.nz

James Sauaga,

james.sauaga@wecc.org.nz

Taranaki / New Plymouth

Venture Taranaki Trust

PO Box 670, New Plymouth

Phone: 06 7595163

Contact: Kayleen Schoeman,
kayleen@venture.org.nz

SOUTH ISLAND REGIONS

Blenheim

Business Trust Marlborough

Level 2, 3 Main Street

Blenheim 7240

Phone: 027 9787637

Contact: Brian Dawson,

Manager@businesstrustmarlborough.co.nz

Canterbury - Canterbury North

ChristchurchNZ

PO Box 2962

Christchurch

Phone: 03 3536860

Contact: Ellen Pender,

ellen.pender@christchurchnz.com

Nelson

Nelson Tasman Business Trust

PO Box 1278 Nelson

Phone: 03 5390824

Contact: Sarah Holmes,

sarah@ntbt.co.nz

Mobile: 0223143720

Otago

Otago Southland Employers Association

PO Box 473

South Dunedin

Phone: 03 4561805

Contacts: John Rigby,

john.rigby@osea.org.nz

Mobile: 0274785121

Southland

Venture Southland

PO Box 1306, Invercargill

Phone: 03 2111425

Reflections of a BMNZ Mentor



Michael Ferrari
Business Mentor

My tuppence worth - Reflections of a BMNZ mentor

Michael is a recently retired Business Mentor, who has worked with over 300 clients in his 20 years with the Business Mentors New Zealand mentoring programme.

About 20 years ago, the CEO of the Otago Southland Employers' Association asked me to join the ranks of mentors with Business in the Community (BiTC).

I had just ended about 35 years of work in operations and general management in the meat, food manufacturing and civil contracting industries and was more than ready for a change, so I readily agreed.

A few years later, BiTC became absorbed into Business Mentors NZ (BMNZ).

I was motivated to become a mentor because I thought it would be both interesting and challenging; it would maintain my connection to the business community, and, I hoped, it would provide practical and experience-based advice to Small to Medium Enterprises (SMEs). I had no idea in 1998 that this was going to be a 20-year journey and that I would work with 300 SMEs in that time. Invariably, my experiences as a mentor lived up to my early expectations.

When I joined BiTC, I was training to be a Citizens Advice Bureau volunteer, which I am still doing. Three skills that I built on at CAB, and which crossed over very usefully to being a business mentor, were having the ability to listen, define the issues and talk

It is important to engage with a client in a way and on a level that makes them feel comfortable and which builds confidence in both mentor and the service

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through options with clients.

Twenty years is a long time to be a mentor and people have asked how I have stayed motivated. That's easy - each client was quite individual and the challenges they faced were, more often than not, quite different – both for similar and dis-similar businesses. Consequently, I found that an off-the-rack approach to mentoring had little merit and a bespoke approach was much more productive and motivating.

The clients also benefited from an inquiring and searching style of working because they felt involved and more committed.

The challenges a mentor faces include the capacity to be flexible, accommodating, patient, attentive, observant, empathetic, constructive, encouraging, realistic and respectful.

It is important to engage with a client in a way and on a level that makes them feel comfortable and which builds their confidence in both the mentor and the service. Much of that comfort and confidence is developed in the first 20 minutes of the mentor's first meeting with them; and, in that time, the mentor should be

doing a lot of listening and not so much talk about the business.

The main issue for many of the businesses that I worked with between 1998 and 2003 was survival. Over the next five years, the main issues were "should I grow?" "is my current growth going to continue?" and "should I hire?".

However, the Global Financial Crisis (GFC) of 2007 negatively affected the confidence that many SMEs had been building. Fortunately, the relative stability in our economy that continued during and beyond the GFC re-kindled the confidence of SMEs, and from 2009 to 2013 many invested in growth and development. At the same time there were a number of new entrants into businesses. Statistics show that the growth in the number of SMEs was about 30% in the 10 years up to 2013 – from about 320,000 to 416,000. Since 2013 there has been quiet confidence among the SMEs that I have worked with. So - getting to the point - in my time as a mentor, changing external influences also conspired to maintain my motivation, as the relevancy of options that were appropriate at one time, in

I was motivated to become a mentor because I thought it would be both interesting and challenging

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many cases waned and creative alternatives were required.

I have had many memorable mentoring assignments. A few of these follow:

- A Middle Eastern-styled café-restaurant called Emile's was doing reasonably well but was looking for ways to increase its sales. One of my suggestions was to establish a mobile service offering lunches in the student quarter of Dunedin – a few kilometres north of their city location - and perhaps elsewhere. The service would be called "Emile's on Wheels" - but the idea went down like a lead falafel, no matter that I thought it was a stroke of marketing genius. "Emile's", as a going concern, subsequently changed hands and, sadly, its name a few years later.

- Another enjoyable and successful mentoring job was a Café-Takeaway business. The new owner, who I will call Dre, had bought the business from a fellow countryman and friend for \$85,000 on an assurance that the business turned over, on average, \$5,000 per week and the net profit averaged \$1,800 per week. The purchase price

was to be repaid by 85 weekly payments of \$1,000. Dre took over the business at a time when the turnover, according to the vendor, was expected to be in the \$5,000 to \$6,000 per week range. As it happened, in Dre's first four weeks of trading his turnover averaged \$2,800, and in the second four weeks, \$3,000. In his third month of five weeks, his average turnover was \$3,420 per week. So, his average for his first quarter's trading was \$3,100 per week. His net profit before any drawings was \$995 per week and meeting his purchase price payments of \$1,000 per week could not be met from his cashflow. I was assigned to Dre when he signed up with BMNZ after his first three months of trading. He told me his sad story and explained that the previous owner would not vary the agreement made for the payment of the purchase price. I asked Dre whether, at the time he had negotiated the purchase, he had seen audited or reviewed accounts that supported the vendor's statement of turnover and net profit. He said that he had not; he had accepted his friend's representations on turnover and net profit. I asked Dre if there was an Agreement for Sale and Purchase covering

Since 2013 there has been quiet confidence among the SME's that I have worked with

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the transaction; he said that there was. Next question was – who was the lawyer that had acted for Dre in the Agreement? He said that he hadn't needed a lawyer because the vendor's lawyer had kindly acted for both parties at the vendor's cost. This raised serious issues and I put Dre in touch with a lawyer who opened discussions with the lawyer who had acted for both parties. As a result of those discussions between the lawyers and the vendor, the purchase price was reduced to \$50,000 and repayments were reduced to \$500 per week – 100 payments. Dre then operated the business successfully for some eight years and his turnover and net profit reached the represented levels in his third year of trading. An endnote to this story – about a month after we had resolved the sale and purchase issue, I called in to Dre's Café to buy lunch. There were about six customers there also buying lunch and a scattering of folk at tables. My order was an \$8.00 takeaway and I put a \$10 note on the counter. Dre pushed the note back saying "No no!" I quietly insisted on paying, whereupon Dre in a loud voice, announces "This man, he saves me \$35,000 and my business, and now he wants to

pay for his lunch!".

- Joseph, a firewood seller, was a more challenging assignment interpersonally. Joseph was a gang member and was on parole. He was quite intimidating in his appearance, style, and physique. Initially, he had the quiet menace and studied formality that reminded me of a Mario Puzo character. At the same time, he was attentive and smart; he was also responsive and slowly he became actively engaged. We worked together for about five months during which time we had five meetings. With each meeting, Joseph's confidence in his abilities developed, and we each earned the other's respect. The comfort and confidence that normally develops after 20 minutes in the first meeting took three meetings and about 120 minutes.

Occasions less memorable, but fortunately very few, were those when it was just not possible to prevent an SME from going to the wall. At best it was often too late to help, and at worst, the business was never going to make it. The cause of these, more often than not, was that the owner /operator had not responded to signals in the market, trends in the

My time as a mentor, changing external influences also conspired to maintain my motivation

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trade, competition in the sector, declining income or increasing costs.

Playing a part in failing was often under-capitalisation, not having good and sufficiently frequent financial performance information available, or not having the all-round skills needed to be an SME owner-manager. Often these failures were start-ups which had survived their first 12 to 18 months before striking the wall. And that points to a blind spot where BMNZ did not accept start-ups as clients for a number of years - it was not until about 2015 that BMNZ took on start-ups.

There are many benefits for a small business owner to engage with a mentor, and here are three:

1. First, the client will work alongside a person who has had substantial business experience. And while the mentor may not know much about the particular business, he or she will undoubtedly have been exposed to many of the client's challenges and concerns and be able to suggest ways of dealing with them. The mentor will usually have established business and community connections that can be most helpful to the client. For

example, BMNZ mentors have access to Waikato University's long-established Business Benchmarking statistics – this allows the mentor to see how the business's financial performance and position compares with other NZ businesses working in the same sector. Clients find this information helpful and often reassuring. The mentor will know a range of service providers – IT, Accounting, Legal, Marketing that the client can use; and BMNZ can provide the client with a second mentor for skills that the appointed mentor does not have. I have sometimes been that second mentor and at other times I've suggested that a second mentor be brought in.

2. Secondly, and perhaps most importantly, as a client, you will have an ongoing working relationship with your mentor for six months for a start-up, and 12 months for an established business. In my experience this can mean up to eight hours of mentor work, including reports to the client. It also means that you have someone you can phone for a chat or to have a coffee with and discuss any aspect of your business. The mentoring service represents great value for money at the registration cost

I suppose that the real reward is seeing a client's business becoming established and even flourishing, and that fleeting thought "Perhaps my tuppence worth helped"

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of \$225+GST for an established business and \$300+GST for a start-up. An allied service is through Community Mentors, which serves the not-for-profit sector.

3. Thirdly, as a client, you can be assured that you will get assigned a mentor who is a good match with you in terms of both temperament and your business needs. This is because BMNZ prides itself in matching with care. And in the very rare case when they get it wrong, you will be re-matched at no cost.

From a mentor's viewpoint the rewards are many. You get to meet a wide range of able enthusiasts with a variety of skills and levels of confidence. In working alongside clients, you will be able fill many of the gaps that they have in their knowledge, experience and skill sets; at the same time, you will be adding to your own. It is a special symbiotic relationship; the more mentoring work you do, the better you get at doing it because your own knowledge and skill base is being tested and expanded. However, those are selfish reasons for doing the work.

I suppose that the real reward is seeing a client's business becoming established and even flourishing, and that fleeting thought "Perhaps my tuppence worth helped".

Michael Ferrari
Business Mentor

Performance Report

Business In The Community Charitable Trust and Subsidiary
For the year ended 31 March 2018

Prepared by Chester Grey Chartered Accountants Limited

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Approval of Performance Report

Business In The Community Charitable Trust
For the year ended 31 March 2018

The Trustees are pleased to present the approved performance report of Business In The Community Charitable Trust for year ended 31 March 2018.

APPROVED

Angus Fletcher

Trustee

Date .....

Angus Fletcher
4 September 2018

Dr Grahame Craig

Trustee

Date .....

[Signature]
28 August 2018

Entity Information

Business In The Community Charitable Trust
For the year ended 31 March 2018

'Who are we?', 'Why do we exist?'

Legal Name of Entity

Business In The Community Charitable Trust

Entity Type and Legal Basis

Public benefit entity and registered charity

Registration Number

CC50955

Entity's Purpose or Mission

The Business In The Community Charitable Trust is a registered charity offering volunteer mentoring to the community sector through the Community Mentors programme.

Community Mentors assists organisations who provide support in their communities for family violence, the aged, sports, environmental issues, cultural and community initiatives through:

- Addressing issues that are relevant to the community sector; and
- Contributing to effective capacity building.

Entity Information

Business In The Community Charitable Trust

For the year ended 31 March 2018

Entity Structure

Business In The Community Group is a separate registered entity (CC53047) and comprises the following registered charities:

The Business In The Community Charitable Trust (CC50955) (Parent Trust)

Trustees:

Dr Grahame Craig (Chair)

Angus Fletcher

Sir William Gallagher

Norman Geary

Tom McClunie

Garry Moore

Sir Ralph Norris

Sir Kenneth Stevens

Business In The Community (2013) Limited (CC50954)

Directors:

Geoffrey Vazey (Chair)

Richard Austin

Alexander Moore

Leah MacDonell

Deborah Simpson

Shareholders:

Trustees of The Business In The Community Charitable Trust - 99 Ordinary shares

Dr Grahame Craig - 1 Ordinary share

Main Sources of Entity's Cash and Resources

Business In The Community Charitable Trust has received its income from registration fees paid by mentored organisations and funding grants.

Main Methods Used by Entity to Raise Funds

Registration fees and grants

Entity's Reliance on Volunteers and Donated Goods or Services

Nationwide structured and supported volunteer community mentoring programme.

Physical Address

Level 3, 255 Broadway, Newmarket, Auckland 1023

Postal Address

PO Box 9043, Newmarket, Auckland 1149



Business In The Community Group

Statement of Service Performance

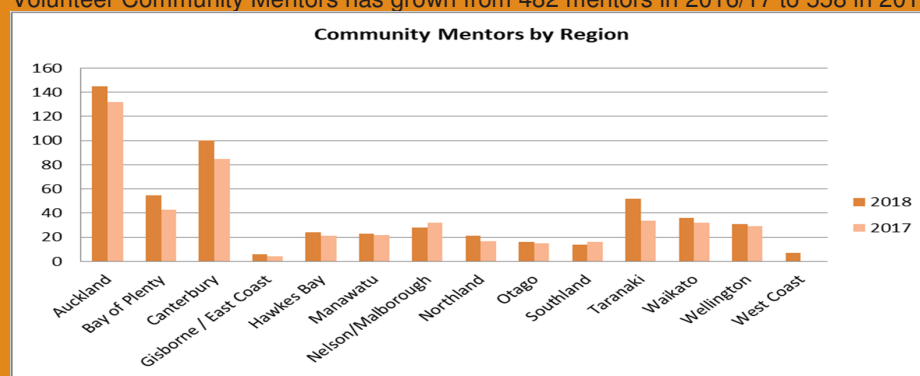
For the year ended 31 March 2018

Description of the Entity's Outcomes:

Community Mentors provides mentoring support to the charitable sector utilizing the skills, experience and knowledge of volunteer mentors. Mentors provide support which encourages community-led development and work with communities to develop leadership, skills and capacity. Organisations are supported at both a governance and operational level through best practice mentoring.

Description and Quantification of the Entity's Outputs:

Volunteer Community Mentors has grown from 482 mentors in 2016/17 to 558 in 2017/18.



Outputs

Activity	FY17-18	FY16-17
Number of Community Organisations registered	74	88
Number of governance training workshops provided for ongoing training for volunteer mentors	3	0
Number of Collaboration Training/Networking events trialed for community organisations	2	0

Funding for Community Mentors for 2017/18 was provided through the following:

- Registration fee paid the by organisation
- Auckland Council Grant
- Hawke's Bay Lotteries Grant
- Rata Foundation Grant
- Bay of Plenty Lotteries Grant

Feedback

The Hawke's Bay Community Mentors programme provides specialist mentoring support to community organisations, not-for-profits, social enterprises, NGOs and registered and unregistered charities. One of the first to benefit is the Tamatea Rugby Club. With rich history and over 500 members, the club has been operating in the Hawke's Bay since 1905. They have encouraged and trained thousands of children and their families during that time but when they formed a new leadership committee they realised that they didn't have the requisite skill base so contacted Community Mentors for help. "The implementation of our leadership committee came at a pivotal moment in the history of the club. Although we knew we needed the committee to ensure the clubs longevity we didn't know what it should look like or what the varying roles should entail," says Bonnie Parkes, Tamatea Rugby Club's Secretary. "When I heard about the Community Mentor programme I thought that they could put us on the right track." Community Mentors matched the club with John Worden. His roles with the RNZAF, Legal Services Agency and the Ministry of Justice meant he could provide the Tamatea Rugby Club with the knowledge and skills they needed to govern and run the club now and into the future. "Being a Maori rugby club we were initially nervous about getting outside support for cultural reasons, but John has been amazing. From our first meeting, he won over not only our minds, but our hearts as well," says Parkes.

Consolidated Statement of Financial Performance

Business In The Community Charitable Trust and Subsidiary
For the year ended 31 March 2018

'How was it funded?' and 'What did it cost?'

	Notes	2018	2017
Revenue			
Donations, fundraising and other similar revenue	1	130,900	90,900
Revenue from providing services	1	10,288	13,125
Interest, dividends and other investment revenue	1	2,227	279
Other revenue		0	470
Total Revenue		143,414	104,774
Expenses			
Volunteer and employee related costs	2	0	0
Costs related to providing service	2	39,122	40,845
Other expenses	2	25,207	42,879
Total Expenses		64,329	83,723
Surplus/(Deficit) for the Year		79,085	21,051

Consolidated Statement of Financial Position

Business In The Community Charitable Trust and Subsidiary
As at 31 March 2018

'What the entity owns?' and 'What the entity owes?'

	Notes	31-Mar-18	31-Mar-17
Assets			
Current Assets			
Bank accounts and cash	3	144,173	95,866
Debtors and prepayments	3	259	4,310
Other Current Assets		826	91
GST Receivable		1,599	0
Total Current Assets		146,856	100,268
Total Assets		146,856	100,268
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	12,495	18,270
Other current liabilities	4	0	25,563
GST Payable		0	1,159
Total Current Liabilities		12,495	44,992
Total Liabilities		12,495	44,992
Total Assets less Total Liabilities (Net Assets)		134,361	55,275
Accumulated Funds			
Accumulated surpluses or (deficits)	5	134,361	55,275
Total Accumulated Funds		134,361	55,275

Statement of Cash Flows

Business In The Community Charitable Trust and Subsidiary

For the year ended 31 March 2018

	2018	2017
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	112,100	109,700
Fees, subscriptions and other receipts from members	0	0
Registration Fees	10,063	9,074
GST	-2,963	6,470
Payments to suppliers and employees	(72,385)	(108,723)
Total Cash Flows from Operating Activities	46,814	16,520
Cash Flows from Investing and Financing Activities		
Other cash items from investing activities	1,492	188
Total Cash Flows from Investing Activities	1,492	188
Net Cash Flows	48,306	16,708
Cash Balances		
Cash and cash equivalents at beginning of period	95,866	79,159
Cash and cash equivalents at end of period	144,173	95,866
Net change in cash for period	48,306	16,708

Statement of Accounting Policies

Business In The Community Charitable Trust and Subsidiary
For the year ended 31 March 2018

'How did we do our accounting?'

Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

The entity is registered for GST from 1 December 2015. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

Business In The Community Charitable Trust and Business In The Community (2013) Limited are wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) original maturities of 90 days or less.

Revenue

Donations, fundraising and grants are recognised as revenue when the funds are received, unless there is a clear obligation to return the funds if specified conditions are not met.

Revenue from registration fees is recognised when received.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Notes to the Performance Report

Business In The Community Charitable Trust and Subsidiary
For the year ended 31 March 2018

	2018	2017
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Grant	130,900	85,900
Donations	0	5,000
Total Donations, fundraising and other similar revenue	130,900	90,900
Revenue from providing goods or services		
Registration Fees	10,288	13,125
Total Revenue from providing goods or services	10,288	13,125
Interest, dividends and other investment revenue		
Interest Income	2,227	279
Total Interest, dividends and other investment revenue	2,227	279
	2018	2017
2. Analysis of Expenses		
Volunteer and employee related costs		
Contractor Services	0	0
Total Volunteer and employee related costs	0	0
Costs related to providing goods or services		
Computer & Server	0	156
Entertainment Ded	0	574
Marketing & Public Relationship	4,977	4,063
Agency Costs	24,817	29,978
Registration Transaction Fee	13	13
Travelling	877	211
Survey	0	4,500
Website Development	8,438	1,350
Total Costs related to providing goods or services	39,122	40,845
Other expenses		
Audit Fee	4,975	4,900
Accounting Fees	5,494	7,730
Bank & Credit Card Fees	270	302
Business Mentors New Zealand Limited Management Fee	14,450	26,530
Insurances		1,680
Office Facilities	18	53
Printing & Stationery		1,571
Subscriptions & Memberships		113
Total Other expenses	25,207	42,879
	2018	2017
3. Analysis of Assets		
Bank accounts and cash		
ASB - BITC Cheque Acc	22,495	55,681
ASB - BITC Saving Account	121,677	40,186
Total Bank accounts and cash	144,173	95,866
Debtors and prepayments		
Trade Debtors	259	4,310
Total Debtors and prepayments	259	4,310
	2018	2017
4. Analysis of Liabilities		
Creditors and accrued expenses		
Trade Creditors	7,595	3,480
Accruals	4,900	13,564
Visa Accruals	0	1,226
Total Creditors and accrued expenses	12,495	18,270
Other current liabilities		
Business Mentors New Zealand Limited	0	6,763
Income in Advance	0	18,800
Total Other current liabilities	0	25,563

Notes to the Performance Report

	2018	2017
5. Accumulated Funds		
Accumulated Funds		
Opening Balance	55,275	34,225
Accumulated surpluses or (deficits)	79,085	21,051
Total Accumulated Funds	134,361	55,275
Total Accumulated Funds	134,361	55,275

6. Commitments

There are no commitments as at 31 March 2018 (Last year - nil).

7. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2018 (Last year - nil).

8. Related Parties

The Group's related parties include its trustees, directors, and key management staff. There were no related party transactions that were not conducted on an arms length basis.

Business Mentors New Zealand Limited

Business Mentors New Zealand Limited was incorporated as a company on 15 November 1991. This company has the same directors as Business In The Community (2013) Limited. Business Mentors New Zealand Limited is a registered company through which Business Mentors New Zealand delivers a mentoring programme to the SME sector.

A management fee of \$14,450 was charged by Business Mentors New Zealand Limited to Business In The Community (2013) Limited in the 2017/2018 year for services rendered. (2016/2017: \$26,530)

Business Mentors New Zealand Limited when required will provide management services which will then be recharged to Business In The Community (2013) Limited. There are no cross guarantees in place for either of two companies.

9. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

10. Goods or Services Provided to the Entity in Kind

Business Mentors wish to acknowledge the generous in-kind support received from our supporters.

The estimated value of goods and services provided in kind was \$12,262



Independent Auditor's Report

To the Trustees of Business in the Community Charitable Trust and subsidiary

RSM Hayes Audit

PO Box 9588
Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023

T +64 (9) 367 1656
www.rsmnz.co.nz

Opinion

We have audited the consolidated performance report of Business in the Community Charitable Trust (the trust) and its subsidiary (the group), which comprises:

- the entity information;
- the consolidated statement of service performance for the year ended 31 March 2018;
- the consolidated statement of financial position as at 31 March 2018;
- the consolidated statement of financial performance for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the statement of accounting policies and notes to the performance report.

In our opinion:

- the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the consolidated statement of service performance are suitable; and
- the consolidated performance report on pages 4 to 12 presents fairly, in all material respects:
  - the entity information for the year ended 31 March 2018;
  - the service performance for the year ended 31 March 2018, and
  - the financial position of the group as at 31 March 2018, and its financial performance and cash flows for the year then ended,

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).

Basis for opinion

We conducted our audit of the consolidated statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the consolidated performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated performance report* section of our report.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Hayes Audit is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.



We are independent of the trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the trust or its subsidiary.

Other information

The trustees are responsible for the other information. The other information comprises the approval of the performance report on page 3 (but does not include the consolidated performance report and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the consolidated performance report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated performance report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated performance report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the trustees for the consolidated performance report

The trustees are responsible, on behalf of the trust, for:

- Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- the preparation and fair presentation of the consolidated performance report which comprises:
  - the entity information;
  - the consolidated statement of service performance, and
  - the consolidated statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and
- for such internal control as the trustees determine are necessary to enable the preparation of the consolidated performance report that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated performance report the trustees are responsible, on behalf of the trust and group, for assessing the trust's and group'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 those charged with governance either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated performance report

Our objectives are to obtain reasonable assurance about whether the consolidated performance report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this consolidated performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, 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 our 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 society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the board members and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.

Who we report to

This report is made solely to the trustees, as a body. Our audit has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the trustees as a body, for our work, for this report, or for the opinions we have formed.

RSM Hayes Audit
Auckland

25 September 2018

Performance Report

Business Mentors New Zealand Limited
For the year ended 31 March 2018

Prepared by Chester Grey Chartered Accountants Limited

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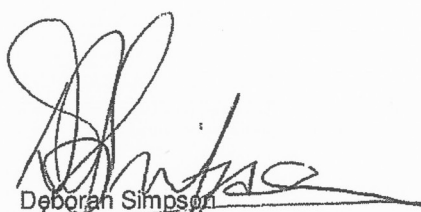
Approval of Performance Report

Business Mentors New Zealand Limited

For the year ended 31 March 2018

The Directors are pleased to present the approved performance report including the historical financial statements of Business Mentors New Zealand Limited for year ended 31 March 2018.

APPROVED



Deborah Simpson

Director

Date 29/08/18



RICHARD AUSTIN

~~Alexander Moore~~

Director

Date 27/8/18

Entity Information

Business Mentors New Zealand Limited
For the year ended 31 March 2018

'Who are we?', 'Why do we exist?'

Legal Name of Entity

Business Mentors New Zealand Limited

Entity Type and Legal Basis

Public benefit entity (Company registered under the Companies Act 1993)

Registration Number

522661

Entity's Purpose or Mission

Inspiring success and enhancing wealth and wellbeing of New Zealand SMEs through the knowledge and experience of our volunteer mentors.

Entity Structure

Directors:

Geoffrey Vazey (Chair)

Richard Austin

Alexander Moore

Deborah Simpson

Leah MacDonell

Shareholders:

Trustees of the Business Mentors New Zealand Trust - 99 Ordinary shares

Dr Grahame Craig - 1 Ordinary share

Main Sources of Entity's Cash and Resources

Registration fees paid by clients, sponsorship and government grants

Main Methods Used by Entity to Raise Funds

Registration fees, grants and sponsorship

Entity's Reliance on Volunteers and Donated Goods or Services

1,898 volunteer business mentors nationwide

Additional Information

Business Mentors New Zealand Limited offers a nationwide structured and supported volunteer business mentoring programme to SME New Zealand businesses and start-ups.

Physical Address

Level 3, 255 Broadway, Newmarket, Auckland 1023

Postal Address

PO Box 9043, Newmarket, Auckland 1149

Business Mentors New Zealand Limited

Statement of Service Performance

For the year ended 31 March 2018

**BUSINESS
MENTORS**
INSPIRING SUCCESS

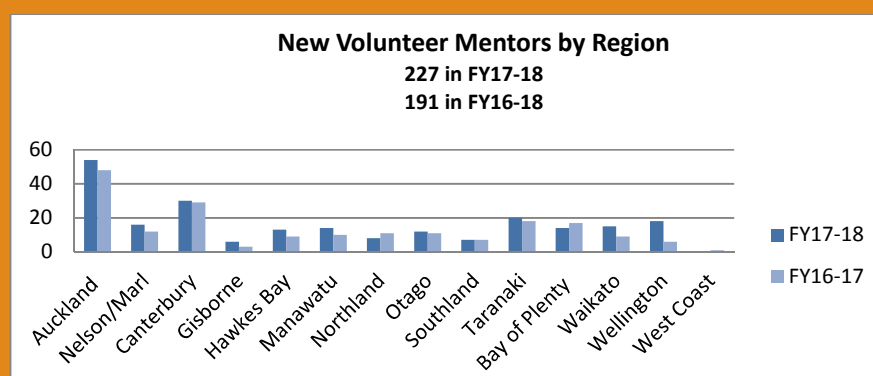
Description of the Entity's Outcomes:

A not-for-profit organisation dedicated to supporting the success and growth of SMEs and start-ups, utilizing the resources of successful business people, volunteering and applying their skills, knowledge and experience. We facilitate business knowledge worth sharing.

Description and Quantification of the Entity's Outputs:

Volunteer Business Mentors

2,128 mentors with business experience currently volunteer their time to mentor.



Outputs

Activity	FY17-18	FY16-17
Number of SME clients registered for mentoring	1195	1307
Number of Start-ups registered for mentoring	471	434
Mentors attending Mentor Accreditation seminars nationwide (video training content has now been introduced for new mentors).	155	177

Net Promoter Score

A Net Promoter Score of +39.5 was achieved in latest client satisfaction survey results (April 2018).

Client Satisfaction

80% of mentored clients' overall satisfaction with the service was rated as good/excellent
Beyond Consulting is an Independent Research Consulting Firm.

Feedback

Eco Educate, the programme set on educating Kiwi kids on how to reduce their waste, has just signed a new contract to take on 53 new schools in the Ashburton district. Lesley sought the help of a mentor from Business Mentors New Zealand to aid in getting her business off the ground and spread her eco-friendly message. Not only has Eco Educate got off the ground, but it is now being happily embraced by schools all around the country, something that Lesley hopes will only become more common. Lesley says it is hard to comprehend just how much the business has grown over the last year, "from taking on this new contract to hiring my first employee, the business has come on in leaps and bounds. This isn't just great for me, but great for New Zealand and the conservation of our beautiful country." "I definitely wouldn't have had the confidence to go for the new contract if I hadn't made the jump and got mentoring. Having an outsider's perspective and someone to bounce ideas off made all the difference. You can't do everything alone, and nor should you try to," says Lesley. And, to top of a year of great success, Lesley is now in the running for New Zealander of the Year in the Local Hero category, being recognised for her efforts in keeping New Zealand clean and green.

Statement of Financial Performance

Business Mentors New Zealand Limited
For the year ended 31 March 2018

'How was it funded?' and 'What did it cost?'

	Notes	2018	2017
Revenue			
Donations, fundraising and other similar revenue	1	558,308	583,836
Revenue from providing services	1	407,309	421,350
Interest, dividends and other investment revenue	1	8,372	8,352
Other revenue	1	14,900	27,255
Total Revenue		988,890	1,040,793
Expenses			
Volunteer and employee related costs	2	306,470	324,820
Costs related to providing service	2	547,348	504,843
Other expenses	2	122,153	116,231
Total Expenses		975,971	945,894
Surplus/(Deficit) for the Year before Tax		12,919	94,899
Tax Expenses / (Credit)			
Income tax expense		2,260	14,083
Total Tax Expenses / (Credit)		2,260	14,083
Surplus / (Deficit) for the Year		10,659	80,816

This statement should be read in conjunction with the statement of accounting policies and the notes to the performance report.

Statement of Financial Position

Business Mentors New Zealand Limited

As at 31 March 2018

'What the entity owns?' and 'What the entity owes?'

	Notes	2018	2017
Assets			
Current Assets			
Bank accounts and cash	3	647,945	603,979
Debtors and prepayments	3	57,548	52,270
Other Current Assets	3	8,444	7,040
Total Current Assets		713,937	663,289
Non-Current Assets			
Property, Plant and Equipment	5	7,517	13,508
Intangible Assets	6	0	0
Total Non-Current Assets		7,517	13,508
Total Assets		721,454	676,797
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	171,945	125,338
Employee costs payable	4	10,534	14,969
Other current liabilities	4	3,429	11,603
Total Current Liabilities		185,908	151,910
Total Liabilities		185,908	151,910
Total Assets less Total Liabilities (Net Assets)		535,546	524,887
Equity			
Capital contributed by owners or members		100	100
Accumulated surpluses or (deficits)		535,446	524,787
Total Equity		535,546	524,887

This statement should be read in conjunction with the statement of accounting policies and the notes to the performance report.

Statement of Cash Flows

Business Mentors New Zealand Limited

For the year ended 31 March 2018

'How the entity has received and used cash'

	2018	2017
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	562,658	583,836
Receipts from providing goods or services	420,332	489,716
Interest, dividends and other investment receipts	8,372	8,352
GST	8,438	(20,756)
Payments to suppliers and employees	(933,270)	(879,223)
Taxes Refunded (Paid)	(22,564)	16,807
Total Cash Flows from Operating Activities	43,966	198,732
Cash Flows from Investing and Financing Activities		
Payments to acquire property, plant and equipment	0	(9,848)
Total Cash Flows from Investing and Financing Activities	0	(9,848)
Net Increase/ (Decrease) in Cash	43,966	188,884
Cash Balances		
Cash and cash equivalents at beginning of period	603,979	415,094
Cash and cash equivalents at end of period	647,945	603,978
Net change in cash for period	43,966	188,884

Statement of Accounting Policies

Business Mentors New Zealand Limited

For the year ended 31 March 2018

'How did we do our accounting?'

Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

The income tax expense recognised in the statement of financial performance is the estimated income tax payable in the current year, using the taxes payable method.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Exchange Revenue

Exchange revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue has been earned.

Non-exchange Revenue

Grants, registration and patron income is recognised on receipt, unless there is a clear use or return condition in which case income recognition is deferred until the conditions have been fulfilled.

Services in kind

Services in kind are not recognised in the statement of financial performance. The amount disclosed in the notes as services in kind is Management's best estimate of the value of the services, based on information provided by the suppliers.

Financial assets

The Company's financial assets comprise of cash and cash equivalents and accounts receivable. Accounts receivable are recorded at their estimated realisable value.

Financial liabilities

The Company's financial liabilities include accounts payable and other payables.

Accounts payable and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Notes to the Performance Report

Business Mentors New Zealand Limited

For the year ended 31 March 2018

	2018	2017
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Government Grant	481,824	481,824
Sponsorship	76,484	102,000
Donations	0	12
Total Donations, fundraising and other similar revenue	558,308	583,836
Revenue from providing goods or services		
Registration Fees	407,309	421,350
Total Revenue from providing goods or services	407,309	421,350
Interest, dividends and other investment revenue		
Interest Income	8,372	8,352
Total Interest, dividends and other investment revenue	8,372	8,352
Other revenue		
Rental Income	450	725
Management Fee - BITC	14,450	26,530
Total Other revenue	14,900	27,255
	2018	2017
2. Analysis of Expenses		
Volunteer and employee related costs		
Contractor Services	69,034	55,194
Wages and Salaries	237,016	269,232
ACC Levies	420	394
Total Volunteer and employee related costs	306,470	324,820
Costs related to providing goods or services		
Computer & Server	13,476	13,338
Entertainment Deductible	36	534
Equipment Lease	5,299	6,728
Functions	2,116	12,234
Marketing	339,697	255,817
Survey	31,717	35,682
Recruitment Costs and Staff Training	1,293	2,047
Travelling	904	7,144
Agency Costs	90,963	87,239
Website Development and Support	61,846	84,079
Total Costs related to providing goods or services	547,347	504,843
Other expenses		
Accounting Fees	15,591	20,455
Amortisation	0	0
Audit Fee	9,927	8,760
Depreciation	5,991	2,731
Non Deductible Expenses	77	654
IRD Interest paid	330	70
Legal Fees	585	0
Bank and Credit Cards Fees	4,001	7,957
Board Meetings	8,656	9,018
Insurances	10,228	1,752
Office Facilities and General Expenses	10,937	9,896
Printing & Stationery & Postage	11,565	10,276
Subscriptions & Memberships	1,247	1,521
Telephone & Communications	8,016	8,141
Rent & Car Parks	35,000	35,000
Total Other expenses	122,153	116,231
Income tax expense / (credit)		
Income Tax Expenses	2,260	14,083
Prior Period Tax Adjustments	0	0
Total Income tax expense / (credit)	2,260	14,083

	2018	2017
3. Analysis of Assets		
Bank accounts and cash		
ASB - NZ Cheque Acc 00	36,534	121,974
ASB - Saving On Call 50	7,688	16,614
ASB - Saving Plus 52	398,746	265,156
ASB - Subscriptions Acc 61	204,977	200,235
Total Bank accounts and cash	647,945	603,979
Debtors and prepayments		
Trade Debtors	57,548	52,270
Total Debtors and prepayments	57,548	52,270
Other current assets		
Owed by Business In The Community (2013) Limited	0	6,763
FBT Refundable	0	70
GST Refundable	0	207
Income Tax Refundable	8,444	0
Total Other current assets	8,444	7,040
	2018	2017
4. Analysis of Liabilities		
Creditors and accrued expenses		
Trade Creditors	149,493	102,158
Accruals	20,110	17,912
Visa Accruals	2,342	5,267
Total Creditors and accrued expenses	171,945	125,338
Employee costs payable		
Holiday Pay Accrual	10,534	15,457
PAYE	0	(488)
Total Employee costs payable	10,534	14,969
Other current liabilities		
GST	3,495	0
Income Tax Payable	0	11,603
Total Other current liabilities	3,495	11,603
	2018	2017
5. Property, Plant and Equipment		
Furniture and Fittings		
Furniture and fittings owned	18,193	18,193
Accumulated depreciation - furniture and fittings owned	(14,763)	(14,063)
Total Furniture and Fittings	3,431	4,130
Office Equipment		
Office Equipment	109,346	109,346
Accumulated depreciation - office equipment	(105,260)	(99,968)
Total Office Equipment	4,087	9,378
Total Property, Plant and Equipment	7,517	13,508
	2018	2017
6. Intangible assets		
Website at Cost	305,082	305,082
Accumulated Amortisation	(305,082)	(305,082)
Total Intangible assets	0	0
	2018	2017
7. Accumulated Funds		
Opening Balance	524,787	443,971
Accumulated surpluses or (deficits)	10,659	80,816
Total Accumulated Funds	535,446	524,787

	2018	2017
8. Commitments		
Commitments to lease or rent assets - Premises & Photocopier		
In the next year	40,299	19,882
In the next 1-5 years	60,623	7,949
Total Commitments to lease or rent assets	100,922	27,831

The rental of premises is on a two year lease agreement. Total annual lease of premises and car parks is \$35,000 plus GST, lease renewed on 1 September 2017.

The rental of photocopier is on 25 monthly instalments of \$441.59 plus GST, commencement date on 29 April 2017.

There were no capital commitments at 31 March 2018 (Last year - \$nil).

9. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2018 (Last year - \$nil).

10. Goods or Services Provided to the Entity in Kind

Business Mentors wish to acknowledge the generous in-kind support received from our supporters. The estimated value of goods and services provided in kind was \$184,011 (Last year - \$363,234)

The Goods in Kind amount has dropped significantly as this was mainly attributed to the in-kind amount provided by radio partnerships. In 2016/2017 the strategy was to work with one radio station to consolidate a targeted marketing campaign rather than an adhoc approach for which we deemed of little benefit to our organization.

11. Related Parties

The company's related parties include its parent trust, trustees, directors, and key management.

Sir William Gallagher is a trustee of The Business Mentors New Zealand Trust and chairman and shareholder of Gallagher Group Limited. Business Mentors New Zealand Limited receives sponsorship income from Gallagher Group Limited.

Business In The Community (2013) Limited

Business In The Community (2013) Limited was incorporated as a company on 6 December 2013. This company has the same directors as Business Mentors New Zealand Limited. The shareholder is The Business In The Community Charitable Trust and the trustees are the same as those for The Business Mentors New Zealand Trust. Business In The Community (2013) Limited is a registered charitable trust through which Community Mentors will deliver a mentoring programme to the not-for-profit and social enterprise sector.

A management fee of \$14,450 was charged by Business Mentors New Zealand Limited to Business In The Community (2013) Limited in the 2017/2018 year for services rendered. (2016/2017: \$26,530)

Business Mentors New Zealand Limited when required will provide management services which will then be recharged to Business In The Community (2013) Limited. There are no cross guarantees in place for either of the two companies.

12. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - \$nil).



Independent Auditor's Report

To the Shareholders of Business Mentors New Zealand Limited

RSM Hayes Audit

PO Box 9588
Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023

T +64 (9) 367 1656
www.rsmnz.co.nz

Opinion

We have audited the performance report of Business Mentors New Zealand Limited (the company), which comprises:

- the entity information;
- the statement of service performance for the year ended 31 March 2018;
- the statement of financial position as at 31 March 2018;
- the statement of financial performance for the year then ended;
- the statement of cash flows for the year then ended; and
- the statement of accounting policies and notes to the performance report.

In our opinion:

- the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- the performance report on pages 4 to 12 presents fairly, in all material respects:
  - the entity information for the year ended 31 March 2018;
  - the service performance for the year ended 31 March 2018, and
  - the financial position of the entity as at 31 March 2018, and its financial performance and cash flows for the year then ended,

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).

Basis for opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the performance report* section of our report.

We are independent of the company in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

THE POWER OF BEING UNDERSTOOD
AUDIT|TAX|CONSULTING

RSM Hayes Audit is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the company.

Other information

The directors are responsible for the other information. The other information comprises the approval of the performance report on page 3 (but does not include the performance report and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the performance report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the performance report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the performance report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the performance report

The directors are responsible, on behalf of the entity, for:

- Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- the preparation and fair presentation of the performance report which comprises:
  - the entity information;
  - the statement of service performance, and
  - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and for such internal control as the directors determine are necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the directors, are responsible, on behalf of the company, for assessing the company'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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the performance report

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



As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, 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 our 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the board members and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.

Who we report to

This report is made solely to the shareholders, as a body. Our audit has been undertaken so that we might state to the shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the shareholders as a body, for our work, for this report, or for the opinions we have formed.

RSM Hayes Audit
Auckland

25 September 2018

Contact Us

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