

BUSINESS IN THE
COMMUNITY
2014
ANNUAL REPORT



BUSINESSMENTORS
NEW ZEALAND



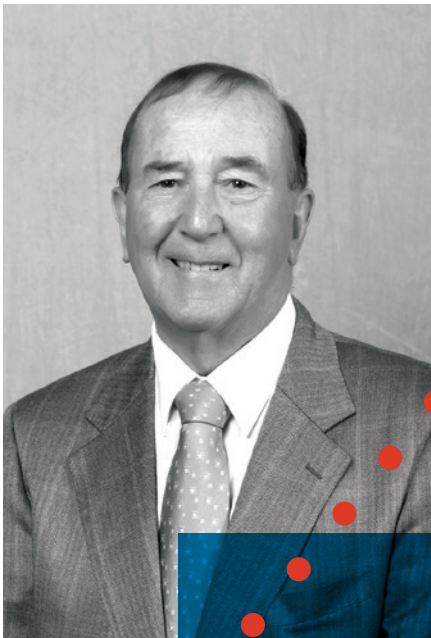
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KONICA MINOLTA

Business Mentors New Zealand
acknowledges the generous support
of Konica Minolta in the production
of our 2014 Annual Report.



CHAIRMAN'S REPORT:

As the New Zealand economy shows signs of measurable improvement we can look back on a year of solid performance from Business Mentors New Zealand (BMNZ) and forward to a period of positive change as we refine how we deliver our services.

In the year ended 31 March, BMNZ earned a modest net surplus of \$2000. Achieving world class service in mentoring is the primary goal, not profit. Having said that, it is nonetheless important that our income does exceed expenditure every year and that the organisation remains financially sound.

I am pleased to report that as the financial accounts show, BMNZ is in good financial heart.

It is heartening to see the backbone of the New Zealand economy – the many small and medium enterprises (SMEs) in urban and rural New Zealand – gaining such valuable guidance from our organisation through the network of agencies and independent business mentors without which we could not operate.

We continue to provide high quality advice and support to the SMEs that drive New Zealand's prosperity and we are continually refining the range of services we deliver in response to feedback from SMEs

and government agencies.

Business confidence in New Zealand is on the rise. This is equally true among SMEs who report confidence about growth and the coming year. Businesses must ensure they are able to make the most of the upward trend and can meet the resourcing, compliance, regulatory and other challenges the coming years will present.

Accordingly, businesses need access to sound business advice more than ever.

We are very appreciative of the support we receive from our government funding partners and our patron sponsors.

I wish to make special and grateful mention of our mentors. These are volunteers, successful business people who are now keen to give something back to New Zealand SMEs and to those in our Pacific neighbour nations.

Our mentors bring a fresh pair of eyes to problems and challenges and share their knowledge and expertise. It is a resource few businesses could afford to purchase 'retail'.

Together, we engage each year with thousands of businesses and

we contribute many thousands of hours of valuable oversight and guidance to our client businesses. We have taken a special interest in the agricultural sector and have supported many small businesses in Christchurch through what has been a particularly stressful and challenging time.

Soon we will begin to roll out specialised support for business start-ups that aims to reverse the disturbing statistics around the failure rate of new ventures. We aim to help new and innovative businesses establish and grow.

One of our stand-out programmes helps business people in our Pacific neighbours. The sheer energy and enthusiasm that our mentors experience in these countries is humbling to say the least.

The effectiveness of our service is gauged by regular independent satisfaction surveys and I am pleased to report that feedback from our clients is overwhelmingly positive.

Most importantly, we analyse the wide range of feedback we receive and review our service in order to identify areas where we can fine-tune what we do.

This year, we took the decision to re-align the structure of BMNZ to

continue to provide excellent service to our business clients and to focus more closely on the needs of the charitable sector.

Business Mentors New Zealand will continue its excellent work for the SME sector, while providing tailored services to charitable, not for profit and social enterprises through the Business In The Community Charitable Trust. The Trustee and Director groups will be the same for both organisations.

I wish to acknowledge the contribution of the Trustees and extend my sincere gratitude for their overarching governance and also to my fellow Directors for diligently guiding BMNZ through another successful year.

To the management team I express my sincere thanks for your commitment, skills and professionalism without which the success of BMNZ would not be possible.



John Gilks
Chairman of Directors

“
Soon we will begin to roll out specialised support for business start-ups... we aim to help new and innovative businesses establish and grow.
”



BOARD OF DIRECTORS

RICHARD AUSTIN BBS FCA AETI

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.

JOHN GILKS MNZM FCA

John was the founder and Managing Director of Motor Trade Finances Ltd for 22 years. He is Past President of the Otago Chamber of Commerce, the Institute of Directors (Otago/Southland Branch) and the Dunedin Rhododendron Trust. Past directorships include Fisher & Paykel Industries Ltd, The Electricity Corporation of N.Z. Ltd and The National Bank of N.Z. Ltd. He is currently Chairman of Queenstown Airport Corporation and a Professional Director and shareholder. In 2009 John was appointed as a Member of The New Zealand Order of Merit in recognition of his services to business and the community. In 2010 he received the City of Dunedin Mayor's Award for Business Personality of the year.

GEOFFREY (GEOFF) VAZEY BEng (Hons)

Geoff is a Professional Director with a strong commercial and governance background including 19 years at the Ports of Auckland, the last 11 years as Chief Executive. His current directorships include Chairman of HEB Construction Limited, Green Valley Dairies Ltd, Marphona Farms Ltd and Deputy Chairman of the Auckland Racing Club. Director of Orion New Zealand Limited, Connetics Limited, Consult GV Limited and Cook Islands Port Authority. Geoff is a Fellow of the Institution of Professional Engineers New Zealand, a member of the Institute of Directors and Chairman of New Zealand Customs Audit and Risk Committee.

HON. FRANCES (FRAN) WILDE CNZM QSO BA Hon.LLD

Fran has served in a number of political roles and held leadership positions in the public and private sector and is currently Chair of the Greater Wellington Regional Council. She was Member of Parliament for Wellington Central and a Government Minister in the 1980s, then became the first female Mayor of Wellington. In business Fran was Chief Executive Officer of Trade New Zealand, Chair and/or Director in several private and public sector companies and ran her own strategic consultancy firm. Fran is active in the community and philanthropic sectors and is a Fellow of the New Zealand Institute of Management and a member of the Institute of Directors and of Global Women.



The Board, management team and our 1,900 field force of volunteer mentors can be justifiably proud of another year of strong performance in our core business of mentoring Small and Medium Enterprises.

A NOTE FROM THE CHAIRMAN OF TRUSTEES:

In the past year we have also contributed significantly to the Christchurch quake recovery effort, as well as developing two pilot programmes for State Owned Enterprise mentoring in the Pacific and community mentoring respectively. The latter has required a significant and demanding re-structuring of our organisation which is now under way.

We continue to do better at what we do, according to independent surveys in both New Zealand and the Pacific. While this of course is very satisfying, statistics can never convey the reality. A reality which can be seen and heard in the continuing stream of success stories which capture spontaneous and glowing accounts by clients of their

mentor experience. While every story is unique, there is a common thread of heartfelt gratitude for the impact their mentor has had on their businesses and lives.

It is this that makes us passionate about what we do, and keeps us striving to do it better.

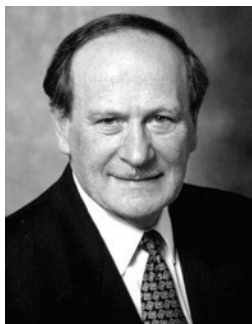
Accordingly, on behalf of the Trust I express our profound thanks to the Board, National Office team, Agencies and of course our amazing mentors. Thanks also to my fellow trustees for their ongoing commitment, support, patience and advice, particularly in regard to the re-structuring process.

Dr Grahame Craig
Chairman of Trustees

ROLE OF THE TRUST BOARD

The Business In The Community Charitable Trust, is (via its Trustees) the sole shareholder of Business In The Community Limited.

It 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.



TOP:

Angus Fletcher, Garry Moore, Dr Grahame Craig

MIDDLE:

Norman Geary, Sir Ken Stevens, Sir Stephen Tindall

BOTTOM:

Sir Ralph Norris, Sir William Gallagher, Tom McClunie



CHIEF EXECUTIVE'S REPORT:

Looking back, the year has been a steady and stable one for Business Mentors New Zealand (BMNZ). We have provided high quality advice and support to Small and Medium Enterprises (SMEs) throughout New Zealand and out into the Pacific region. We have reviewed our own structure and service delivery and where appropriate fine-tuned how we provide our services. As the business environment evolves, we look to maintain our own focus on the services we deliver, which must at all times remain relevant to the needs of both business and the economy.

It is as true as always that SMEs are a critical factor in the economic wellbeing of our economy. They are employers, wealth creators, innovators. They are 96 per cent of all our businesses and the economic wellbeing of SMEs directly impacts on that of the country as a whole. SMEs employ 30.2 per cent of all workers and create an estimated 27.8 per cent of New Zealand's GDP.

There are strong indications that the New Zealand economy is on the upswing and that the next few years will see positive growth. This year, business confidence reached the highest levels since the early 1990s and intention to

hire – always a key indicator that our economy is improving – increases month by month.

This is also true of SMEs, who report confidence about growth and the challenges it will present.

The challenge for many businesses now will be to ensure they are well positioned to make the most of this trend. Systems, processes, policies, must all be in place to cope with the needs of customers and clients. Marketing initiatives and plans must be fine-tuned to target growth sectors. The right people must be in the right roles.

In periods of growth, maintaining rigorous attention to detail and perspective are key. Effective management of business processes is essential. When growth is rapid, it places even greater pressure on a business to perform.

This means businesses need access to sound business advice more than ever. BMNZ continues to provide wise and valuable guidance to New Zealand businesses, and this support has never been so necessary. Our mentors offer businesses their wealth of experience and invaluable hands-on knowledge of how to overcome obstacles they may face as they adapt to the new business environment. Truly, the \$150 fee

paid to access this resource is the best investment any SME could make in its future and its people.

We continue to build effective relationships and ties with key individuals in our interactions with central government and the departments and agencies that interact with New Zealand's business communities. We are very appreciative of the support we receive from our government funding sources and we are pleased they continue to see the value in what we deliver to business.

Funding to support delivery of our services is from the private sector of New Zealand business and from the Ministry of Business, Innovation and Employment (MBIE) through New Zealand Trade & Enterprise. We are especially pleased to maintain a healthy relationship with central government through NZTE, which recognises the effectiveness of our services. Inland Revenue, MBIE and Statistics New Zealand are essential partners in what we do. Clear and robust measurement of our effectiveness is what these agencies require.

We are most fortunate to have the strong support of a range of businesses that understand the challenges business owners in our SME sector face and how the

viability of these businesses links directly to the health and wellbeing of our local communities and national economy. They also understand the value of mentoring and the outstanding contribution being made to our communities by BMNZ volunteer mentors every day. Our 73 Patron Sponsors, other key stakeholders, and key government departments enable us to fund and deliver the programme throughout New Zealand.

Our services are provided by our 1,900-strong independent volunteer mentor network and through 18 agent organisations New Zealand-wide. These agents are chambers of commerce, employers and manufacturer organisations and economic development agencies and they provide locally-relevant perspectives and mentoring for local businesses in both urban and rural settings.

This gives our clients access to an unsurpassed resource of business experience and acumen.

Our mentors are volunteers, proven successful business people from diverse business and commercial backgrounds who are passionate about helping other kiwi businesses. They help to identify strengths and weaknesses and to develop plans to overcome challenges.

“

There are strong indications that the New Zealand economy is on the upswing and that the next few years will see positive growth

...

The challenge for many businesses now will be to ensure they are well positioned to make the most of this trend.

”

PACIFIC BUSINESS
MENTORING IS NOW
OPERATING IN

9 PACIFIC
NATIONS

COOK ISLANDS
FIJI
KIRIBATI
PAPUA NEW GUINEA
SAMOA
SOLOMON ISLANDS
TONGA
TUVALU
VANUATU

Our mentors bring a fresh pair of eyes to problems and challenges that can seem insurmountable to business owners. They share their knowledge and expertise, working alongside owners to grow New Zealand's small and medium sized enterprises.

In the past year our mentors have provided more than 60,000 hours of mentoring time. If valued – conservatively – at \$150/hr this represents a donated value of \$9 million. This contribution directly benefits our economy by building business capability and improving efficiency to generate growth, wealth and employment opportunities.

Nationally, we have helped more than 69,000 businesses since we launched BMNZ in 1991. In this year we have engaged with more than 4,000 businesses.

In the wake of the series of devastating earthquakes that tore through Christchurch and the Canterbury region we have helped more than 1,000 businesses affected by the quakes. We continue to provide robust support to many businesses as they re-establish there. In the post-quake period we have seen the indomitable spirit of the Cantabrians shine through, business owners and staff moving from absolute desperation to growing confidence as they begin to see order and opportunity emerge from the devastation.

Further, we are responding to growing demand for support aimed directly at start-up businesses. The help required by people setting out on the business journey is very different to that sought by existing businesses. Start-ups have told us they want help with creating their business plan, refining and proving their business concepts and understanding the regulatory environment. Statistics around the success of business start-ups are well known and the number of start-ups that do not continue and

thrive is daunting. But if we can intervene and help these new and innovative businesses then we are certain we can help make the journey more fruitful for more people.

A stand-out among the services we provide is the ongoing success of our Pacific Business Mentoring Programme, which is now present in nine key Pacific nations. Now in its fifth year, the programme has provided mentoring and targeted training to more than 1,000 Pacific Island businesses.

“

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”

The programme uses New Zealand volunteer mentors and specialised trainers who have a keen insight into the business environment in these Pacific nations and is totally funded by the Ministry of Foreign Affairs and Trade. One measure of the unique nature of the programme is the exceptionally low rate of 'churn' among our mentors – they quickly become specialists in their work and very few rotate out of their roles back into the New Zealand business environment. The successes they are part of are truly life changing for the business owners they assist and they make such a

valuable contribution to the economic viability of these countries – and of course throughout the programme our mentors tell us they are enthusiastically welcomed and quickly given a strong feeling of belonging. Truly a unique experience.

The effectiveness of our service is gauged by regular independent satisfaction surveys and I am pleased to report that in the most recent survey a huge 94 per cent of all surveyed clients have indicated a willingness to recommend our service to other businesses.

Word of mouth is always the most effective third party endorsement of any organisation or service.

This year, more than 47 per cent of businesses applying for mentoring have indicated they are doing so on the strength of word of mouth recommendations. Our satisfaction survey results and other measures are set out in detail elsewhere in this report.

As we examine the way we provide assistance to businesses and companies, we have also decided that we need to re-align the structure of BMNZ. This decision, endorsed by the board, was taken at the annual general meeting last October.

Beginning this year, we will set in place the foundations of a new structure that will enable us to provide more closely-tailored services to our business clients and to expand our work in the charitable sector.

As BMNZ we will continue our excellent work for the SME sector, while we will provide tailored services to charitable, not for profit and social enterprises through the Business In The Community Charitable Trust.

To ensure continuity of governance, the trustee and director groups will be the same for both organisations.

I wish to acknowledge and thank John Gilks, Chairman of the Board, and to recognise the commitment

and wise guidance of our excellent Directors, Richard Austin, Geoff Vazey and Fran Wilde.

We are very fortunate to have the support of our tremendous group of Trustees and the benefit of their business experience and acumen.

I wish to thank and acknowledge Dr Grahame Craig, Chairman of Trustees and all of our Trustees: Angus Fletcher, Sir William Gallagher, Norman Geary, Tom McClunie, Garry Moore, Sir Ralph Norris, Sir Ken Stevens and Sir Stephen Tindall.

Our regional agencies, our unique volunteer mentors and our national office team all make invaluable contributions to the smooth running and success of the organisation and I thank each and every member of these groups for their dedication.

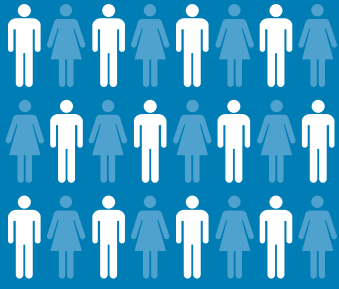
In summary, we are working closely with our patron sponsor companies; we have a productive and positive relationship with key central government agencies; we are present and active in the business community from one end of New Zealand to the other. We are working to help the prosperity of businesses among our Pacific neighbours. Our structure is adapting to new challenges, and of course we are marketing what we do to our target audiences, the many excellent business and community organisations of this country.

In all that we do we will continue to strive toward one goal: providing exceptional access to high quality business advice for our clients and customers.



Ray Schofield
Chief Executive

PERFORMANCE SNAPSHOT



1,900
independent
volunteer mentors



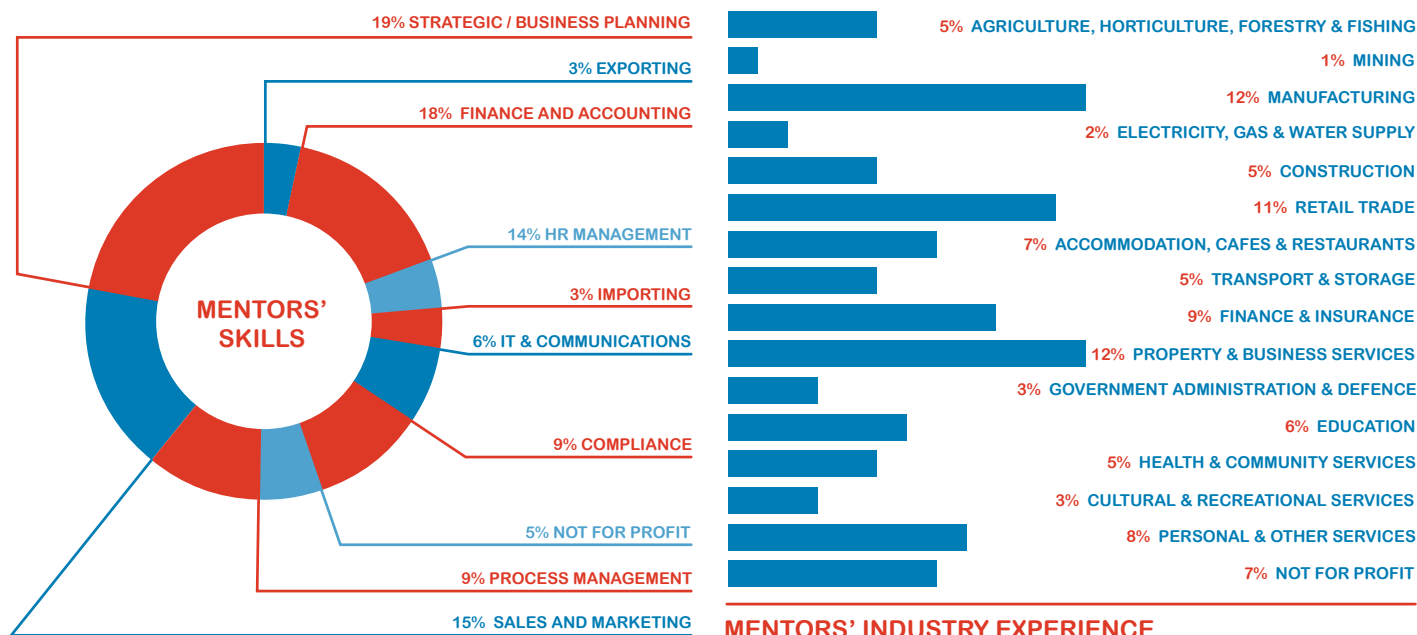
volunteered over
60,000
hours of time



contributing
\$9million
of economic value¹



for more than
4,000
client businesses



84%



GOOD/EXCELLENT RATING FOR OVERALL CLIENT SATISFACTION²

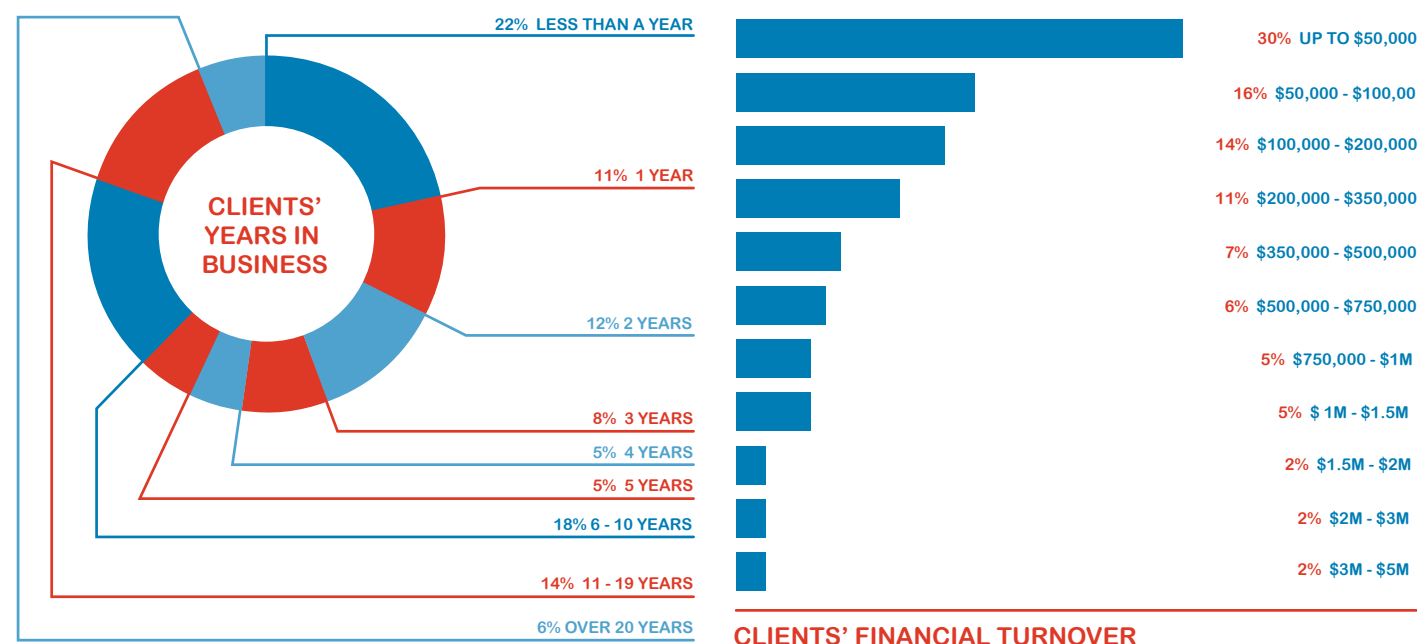
94%



OF CLIENTS WOULD RECOMMEND THE SERVICE³

NOTES:

1. Assessment using a conservative estimated value of time of \$150 per hour
2. Survey respondents' overall satisfaction with the service received from the BMNZ Mentor programme
3. Per cent of client survey respondents recommending the service



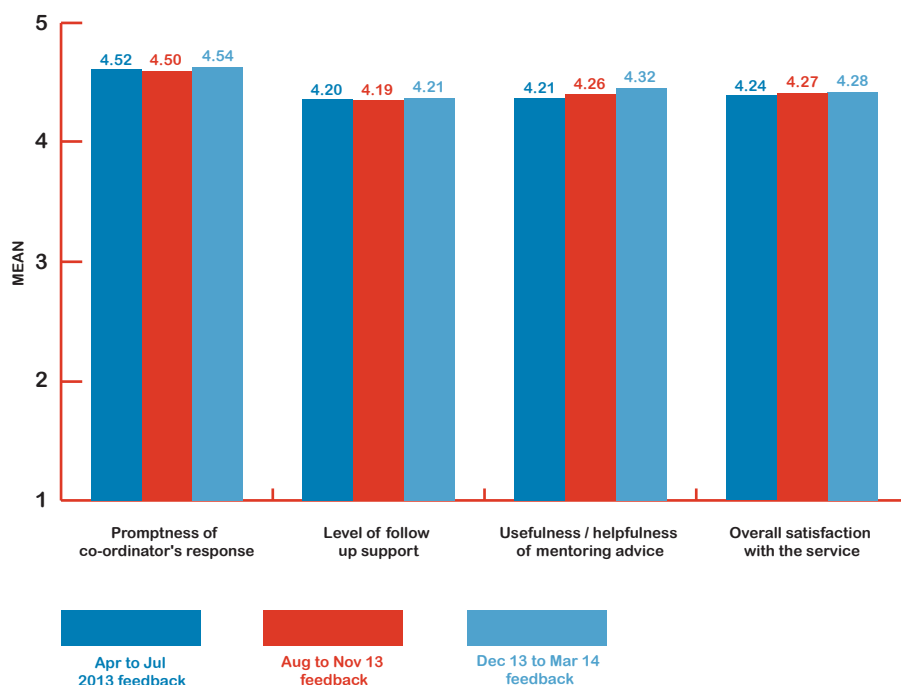
CLIENT SATISFACTION

Organisations in every industry are increasingly recognising the need to achieve service excellence to sustain profitable growth. In their ongoing pursuit of continuous improvement, Business Mentors New Zealand (BMNZ) in partnership with independent research consulting firm Beyond Consulting surveys clients to measure the success of its mentoring programme.

All BMNZ clients are surveyed at 90 days from their match date with survey results being collated three times a year for client match periods of April–July, August–November, and December–March. The survey consists primarily of 10 statements designed to evaluate the mentor service, using a 5-point rating scale (1=Poor, 5=Excellent).

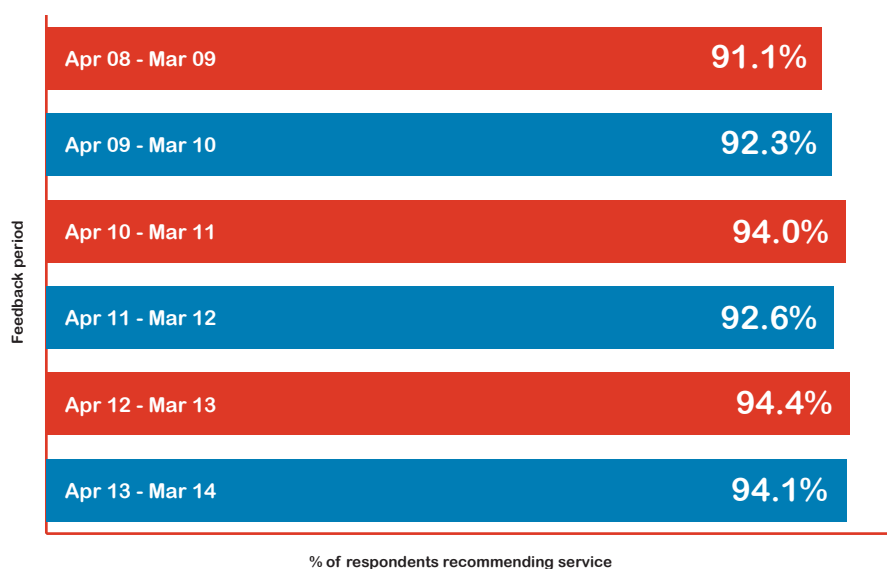
BMNZ KEY PERFORMANCE INDICATORS 2013/2014: MEANS

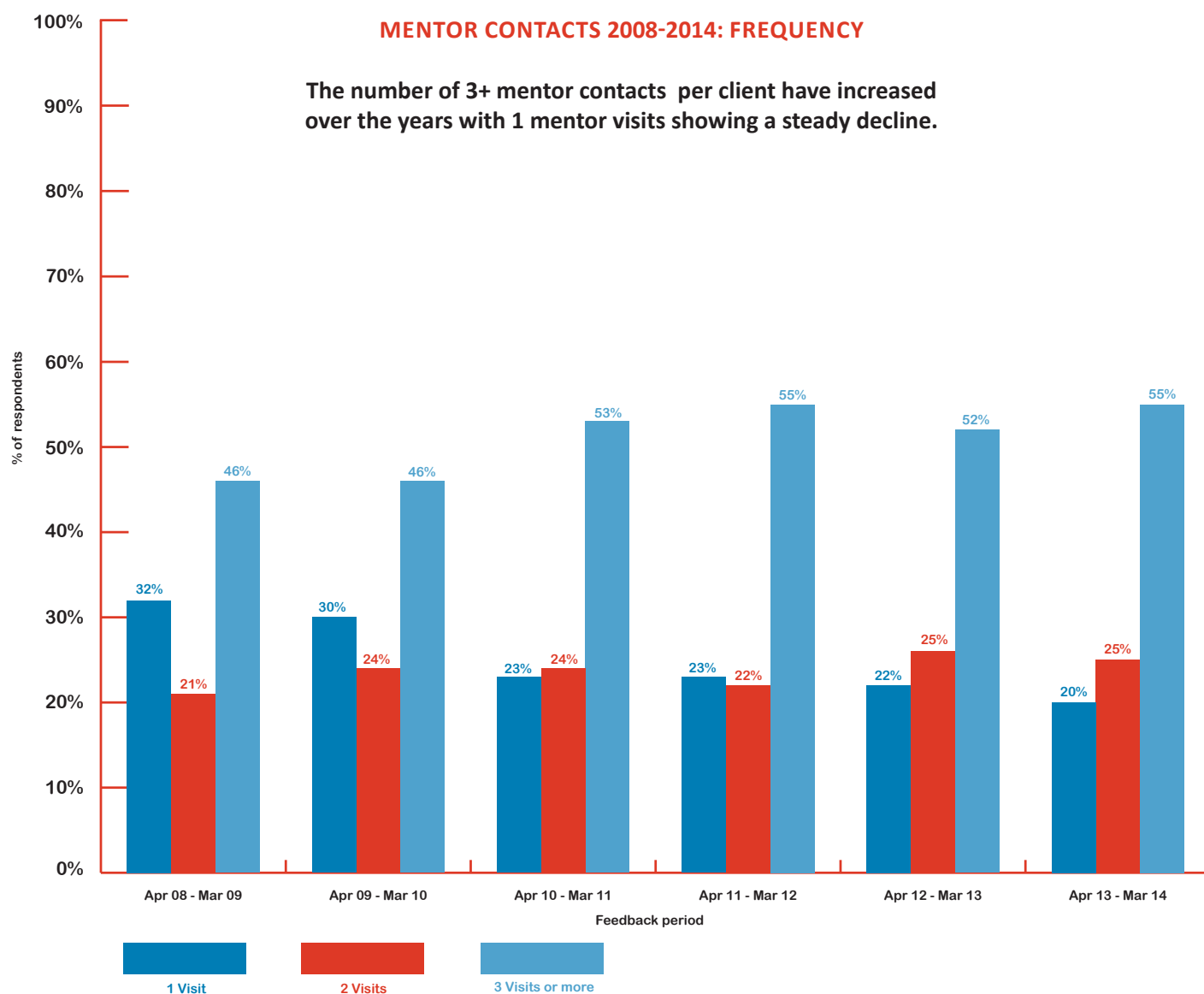
In 2013/2014 BMNZ consistently achieved a high standard of service delivery across its KPIs with means exceeding 4.2



TREND IN RECOMMENDATION 2008-2014: FREQUENCY

BMNZ continues to have a high level of client recommendation for its mentoring programme.





“

Mentoring through BMNZ gives my wife and I great satisfaction as it is a wonderful opportunity for us to give something of considerable value back to the community that has been very good to us over the past 40 years or so.

MURRAY VICTOR , CANTERBURY MENTOR

”

THE BUSINESS MENTORS
NEW ZEALAND PROGRAMME
COVERS THE BREADTH
OF NEW ZEALAND, WITH
DELIVERY CO-ORDINATED
THROUGH A DEDICATED
NETWORK OF 18 AGENCIES.

Our agencies encompass the best economic development agencies, chambers of commerce and employment associations in New Zealand. They are highly skilled economic development professionals with established networks and a passion for helping SMEs.

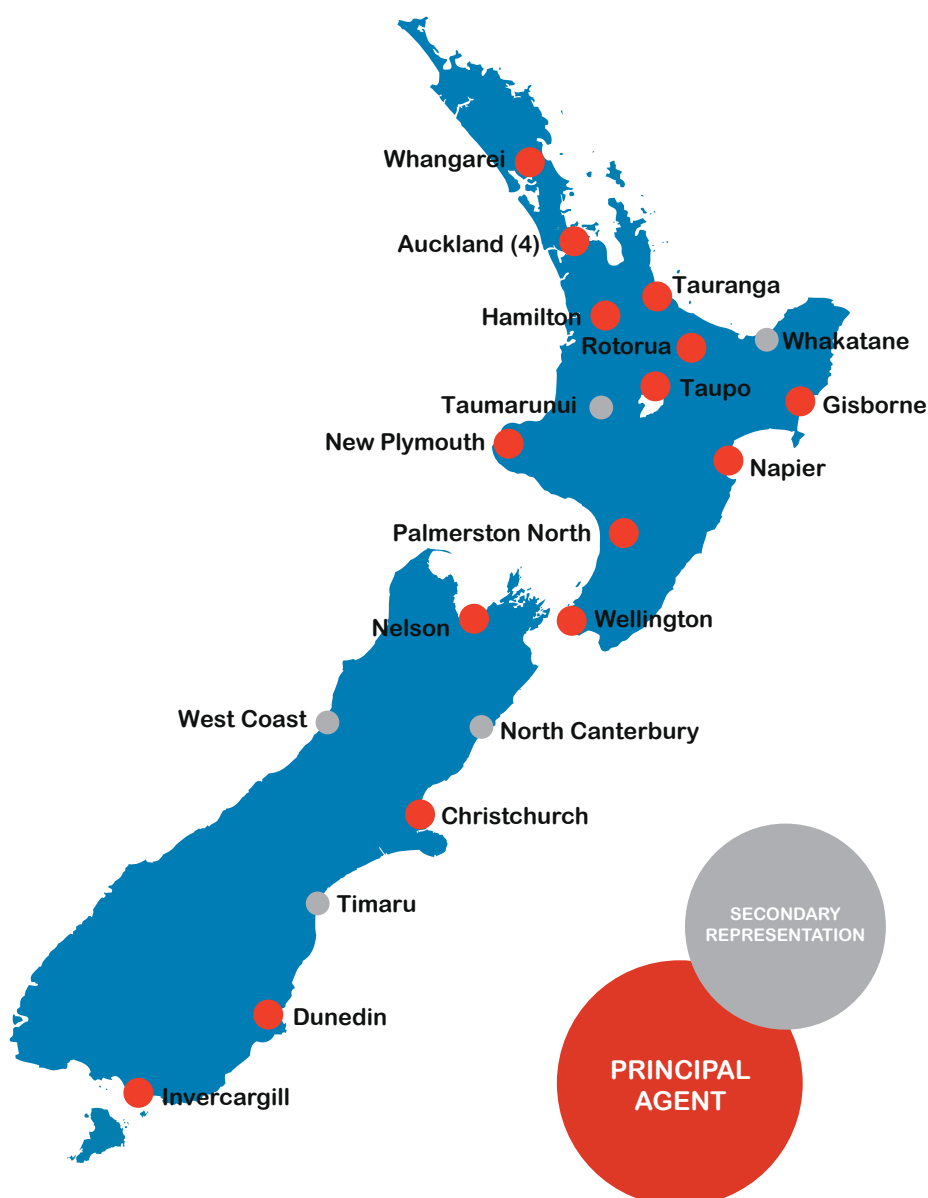


“

Enabling our
successful
business people
to share their
knowledge and
experience ...
has been an
important factor
in Taranaki's
economic growth.

STUART TRUNDLE,
CHIEF EXECUTIVE
VENTURE TARANAKI

”



AGENCY NETWORK

NORTH ISLAND: **AUCKLAND REGION**

National Office

Business Mentors New Zealand
PO Box 9043, Newmarket,
Auckland 1149
Phone: 0800 209 209
Contact: Lisa Ford
Email: lisa.ford@bmnz.org.nz

Auckland - North Shore

Auckland Chamber of Commerce
PO Box 47, Auckland 1140
Phone: 09 309 6100 extn 889
Contact: Rose Gambitsis
Email: rgambitsis@chamber.co.nz

Auckland - Central

Auckland - West

Auckland Chamber of Commerce
PO Box 47, Auckland 1140
Phone: 09 374 2265
Contact: Kerry Carr
Email: kcarr@chamber.co.nz

Auckland - South

Auckland Chamber of Commerce
PO Box 47, Auckland 1140
Phone: 09 263 8840
Contact: Veronica Sutton
Email: vsutton@chamber.co.nz

NORTH ISLAND: **NORTHERN AND CENTRAL REGIONS**

Northland

Northland Chamber of Commerce
PO Box 1703, Whangarei 0140
Phone: 09 438 4771
Contact: Tony Collins
Email: ceo@northchamber.co.nz

Waikato/South Waikato/Thames/ Coromandel

Waikato Chamber of Commerce
& Industry Inc.
PO Box 1122,
Waikato Mail Centre 3240
Phone: 027 475 3397
Contact: Janet Gibb
Email: janetmgibb@gmail.com

Tauranga/Whakatane

Chamber of Commerce
Tauranga Region
PO Box 414, Tauranga 3140
Phone: 07 577 9823
Contact: Debbie Hibell
Email: mentors@tauranga.org.nz

Rotorua

Rotorua Chamber of Commerce
PO Box 385, Rotorua 3040
Phone: 07 349 8359
Contact: Jos Webb
Email: accounts@rotorua-chamber.co.nz

Taupo

Enterprise Great Lake Taupo
Level 1/32 Roberts Street
Taupo 3330
Phone: 07 376 7656
Contact: Anne Battersby
Email: anne@greatlaketaupo.biz

Hawkes Bay

Hawke's Bay Chamber of Commerce
PO Box 144, Hastings 4156
Phone: 06 876 5938
Contact: Kris McAinsh
Email: admin@hawkesbaychamber.co.nz

Gisborne / East Coast

Gisborne Chamber of Commerce
PO Box 897, Gisborne 4040
Phone: 06 863 0384
Contact: Lisa Lyte
Email: secretary@gisborne.org.nz

NORTH ISLAND : **SOUTHERN REGIONS**

Manawatu / Horowhenua / Wanganui

Vision Manawatu
PO Box 12025,
Palmerston North 4444
Phone: 06 350 1832
Contact: Karen Blair
Email: karen@visionmanawatu.org.nz

Wellington

Wellington Employers Chamber
of Commerce
PO Box 1087, Wellington 6140
Phone: 04 470 9940
Contact: Alyssa Husar
Email:
alyssa.husar@businesscentral.org.nz
Contact: Makerita Filipo-Dallas
Email: makerita.filipo-dallas@
businesscentral.org.nz

Taranaki / New Plymouth

Venture Taranaki Trust
PO Box 670, New Plymouth 4340
Phone: 06 759 5163
Contact: Kayleen Schoeman
Email: kayleen@venture.org.nz

SOUTH ISLAND REGIONS

Nelson / Marlborough

Nelson Tasman Business Trust
PO Box 1278, Nelson 7040
Phone: 03 539 0824
Contact: Sarah Holmes
Email: sarah@ntbt.co.nz

Canterbury / Timaru / West Coast

Canterbury Development Corporation
PO Box 2962, Christchurch 8140
Phone: 03 353 6860
Contact: Jill Taiaroa
Email: jill.taiaroa@cdc.org.nz

Otago

Otago Southland Employers Association
PO Box 473, Dunedin 9054
Phone: 03 456 1805
Contact: John Rigby
Email: john.rigby@osea.org.nz

Southland

Venture Southland
PO Box 1306, Invercargill 9840
Phone: 03 211 1425
Contact: Scott Whyte
Email: scott@venturesouthland.co.nz

SPONSORS AND SUPPORTERS

The support of our sponsors is as critical as ever. We are only able to deliver the programme with the commitment and generosity of our private sector sponsors. We are also grateful to our other key stakeholders, New Zealand Trade and Enterprise, Inland Revenue, The Ministry of Business Innovation and Employment and Statistics New Zealand.

“
**BUSINESS MENTORS NEW ZEALAND
HAS A UNIQUE SERVICE THAT ADDS
VALUE EACH YEAR TO THOUSANDS OF KIWI
BUSINESSES AROUND NEW ZEALAND.**

”

HAMISH CAMPBELL

DIRECTOR OF BUSINESS CAPABILITY, NEW ZEALAND TRADE & ENTERPRISE

“
**ASB IS VERY PROUD OF ITS
ASSOCIATION WITH BUSINESS
MENTORS NEW ZEALAND AND
THE GREAT WORK THEY DO IN
SUPPORTING AND GROWING
SUCCESSFUL BUSINESSES IN
NEW ZEALAND.**

”

IAN BOYCE

GENERAL MANAGER, BUSINESS BANKING AND RETAIL
SPECIALIST SERVICES, ASB BANK

“
**BEING A PART OF THE BUSINESS
MENTORS PROGRAMME IS A
CHANCE TO GIVE A LITTLE BACK
BY HELPING OTHER BUSINESSES
IN OUR COMMUNITY CHART
THEIR OWN SUCCESS.**

”

STEWART SHERRIFF

CHIEF EXECUTIVE OFFICER, 2DEGREES MOBILE



BELL GULLY

mediaworks
TV | RADIO | INTERACTIVE

VOLOM
MARKETING BUSINESS

NZBusiness
The country's business magazine

Martelli McKegg
lawyers

CENTRALSTATION

radionetwork

Ministry of Business,
Innovation & Employment



PARTNER LEVEL SUPPORTERS

ANZ Bank New Zealand Ltd
 ASB Bank Ltd
 Bank of New Zealand
 Bell Gully
 Boyes Public Relations Ltd
 Central Station Advertising
 Chester Grey Chartered Accountants
 Datacom Systems Ltd
 Inland Revenue
 Martelli McKegg
 Mediaworks Radio Ltd
 MediaWorks TV Ltd
 Ministry of Business Innovation
 and Employment
 MYHR Ltd
 New Zealand Trade and Enterprise
 NZBusiness Magazine
 Statistics New Zealand
 Te Puni Kōkiri
 Television New Zealand Ltd
 The Radio Network of New Zealand Ltd
 2Degrees Mobile Limited
 VOLOM Brands Ltd

New Zealand Ministry of Foreign
 Affairs and Trade
 (Funder of Pacific Business
 Mentoring Programme)

NATIONAL LEVEL SUPPORTERS

Acquire Co NZ Ltd
 Avis New Zealand
 BankBuddy Accounting System Ltd
 Bartercard New Zealand Limited
 Executive Travel
 Hewlett-Packard New Zealand
 IN-Business Magazine
 King and Mawkes Ltd
 Konica Minolta Business Solutions
 New Zealand Ltd
 Lumley General Insurance (N.Z.) Ltd
 Microsoft New Zealand Ltd
 Mobilize Mail Ltd
 MYOB NZ Ltd
 New Zealand Retailers Association
 NZ Sales Manager
 NZI
 OfficeMax New Zealand Ltd
 Powerco Limited
 Qantas Airways Ltd
 Sharp Corporation of New Zealand Ltd
 Sovereign Ltd
 The National Business Review
 The Todd Corporation Ltd
 The University of Waikato
 Wilde and Freeman Ltd

REGIONAL LEVEL SUPPORTERS

Chemiplas (N.Z.) Ltd
 CodeBlue Ltd
 CWF Hamilton & Co Ltd
 Gallagher Group Ltd
 Giltrap Group
 Mazda Motors of New Zealand Ltd
 Nelson Pine Industries Ltd
 New Zealand Business Forums Ltd
 New Zealand Cricket Players
 Association
 NZ Bakels Ltd
 Port of Tauranga Ltd
 Ports of Auckland Ltd
 Tourism Business Magazine

DONATIONS

Advantage Business Ltd
 British American Tobacco (NZ) Ltd
 Canterbury Development
 Corporation
 HSBC Investments New Zealand Ltd
 Methodist Employment
 Generation Fund
 New Zealand Law Society
 Sanitarium Health and Wellbeing
 New Zealand
 The Bishop's Action Foundation
 The Canterbury Community Trust
 The Fletcher Trust
 The Tindall Foundation
 Venture Taranaki Trust



PACIFIC BUSINESS MENTORING PROGRAMME

The Pacific Business Mentoring Programme helps drive economic development in nine Pacific nations that are our close neighbours and who enjoy the support of the NZ Aid Programme.

Based in Business Mentors New Zealand's (BMNZ) National Office, the Pacific Programme uses an evolution of the BMNZ business model, creating a cycle of mentoring and training that works alongside owners to grow and enhance their businesses.

The effective transfer of knowledge is the key to success and we are very proud of the work we do to help business people in our Pacific neighbour nations.

The Programme began after the success of the BMNZ programme in New Zealand was noted by central Government, which was keen to provide economic development assistance to Pacific nations. Our work is funded by the Ministry of Foreign Affairs and Trade through their NZ Aid Programme.

We are working in nine Pacific countries, focusing on the business sectors that drive prosperity for each country such as tourism and agriculture. In each country we work through an agent who has a keen insight into the business

environment in their regions.

In each country this is the national private sector organisation, usually the Chamber of Commerce, who help us with logistics and co-ordinate applications from businesses wishing to enter the programme. They also play a critical role in promoting the programme within each country so that we can reach out to businesses that may benefit from their participation.

There have so far been over 70 mentors involved with around 1,100 businesses having participated. Our Pacific mentors are selected carefully from among the wider community of 1,900 New Zealand mentors and are usually those who have prior experience working in the Pacific, meaning they are familiar with local customs and in most cases have some of the business contacts essential to making the programme work well. Above all, they bring a fresh pair of eyes and valuable business experience to businesses with huge potential.

Once they are part of the Pacific Programme, our mentors tend to stay. This work is immensely rewarding on a personal level, both for its ability to make such an emphatic difference to peoples lives and also because our Pacific neighbours welcome our people

as friends – in many ways as part of their extended families.

Mentoring is a hands-on affair. Acting as a team, five mentors visit each country for one week, twice a year. They meet with clients and agree on an action plan to create change for the better within each business. In between mentor visits, we operate a best-practice training programme that aims to meet capability needs identified with business owners. The intention is “grow yourself so you can grow your business”. Each training session is in turn followed by a mentor visit.

The result is remarkable. Our programme helps some very innovative and entrepreneurial people create positive change, bringing greater employment and prosperity in the process.

Our clients tell us they find real value in business mentoring in their homelands. It is almost cliché to say the best referral for any business is word of mouth, but in the case of the Pacific Programme the cliché rings true as more than 90 per cent of the businesses involved report that they are happy to recommend the programme to others.

Measuring the effectiveness of what we do is critical. Our objective

is to improve economic development in the countries involved and creating employment is a good indicator of this. It is pleasing to note that the latest survey client results indicate that this is indeed occurring with an eight per cent increase in employees’ numbers in businesses participating in the programme. We are also seeing improvements in business’ profitability, their ability to manage finances and to plan for business success.



Ian Furlong
General Manager – Pacific

“Our programme helps some very innovative and entrepreneurial people create positive change, bringing greater employment and prosperity in the process.”



Mentor Rod Smith with one of his clients in the Solomon Islands

PACIFIC BUSINESS MENTORING PROGRAMME PERFORMANCE SNAPSHOT

The latest independent client survey results for the period between August 2013 and January 2014 are indicating good results against KPIs as well as very high client satisfaction. This survey has a response rate of 54%.

Highlights of the results from the six month survey conducted in January 2014 across a sample of 78 client businesses in seven countries:

- Eight per cent more jobs are being created within six months of mentoring.
- Sales revenue has increased by 16 per cent on average across the 78 businesses surveyed.
- 40 per cent of total business surveyed are now reporting improved profitability. Two per cent more businesses have reported increased profits during the first six months in the programme.
- The percentage of clients using business development tools (business plans, marketing plans and operational budgets) has risen considerably after being six months in the programme. For example, clients' use of business plans has risen from 46 per cent to 85 per cent during their first six months in the programme.
- 81 per cent of clients have some form of financial monthly reporting during their first six months in the programme compared to 46 per cent at registration.
- A total of 98 per cent of the clients surveyed are indicating willingness to recommend the programme to others.
- 85 per cent of the clients have rated the impact of mentoring in improving their business as good or excellent.

KPI results	At registration	6 months later
Number of employees – FTEs (mean)	7.9	8.5
Local sales revenue (mean)	\$719,872	\$832,692
Local sales revenue (% increased)	48.7%	51.3%
Profits (% increased)	37.2%	39.7%
Customer numbers (% increased)	53.8%	53.8%
Business plan usage	46.2%	84.6%
Marketing plan usage	44.9%	70.5%
Operational budget usage	38.5%	74.4%
Financial monthly reporting usage	46.2%	80.8%

Client satisfaction	Good or excellent ratings
Match of mentor(s) to your specific needs	86%
Level of mentors business knowledge and experience	91%
Usefulness of mentoring advice given	92%
Improving your confidence and/or motivation	91%
Helping you think more about the future and/or growth of your business	96%
Providing you with a better understanding of the strengths and weaknesses of your business	91%
Providing you with a better understanding of the market influences on your business	81%
Overall satisfaction with the service you received from the mentor programme	87%
Overall impact of mentoring in improving your business	85%

Source: Survey conducted by independent research company, Beyond Consulting. It is a longitudinal survey conducted at six month intervals. This survey took place during January 2014, across seven countries (Cook Islands, Tonga, Samoa, Vanuatu, Papua New Guinea, Solomon Islands and Fiji).

HANDMADE SKINCARE PRODUCTS NOW COMPETING IN EXPORT MARKETS

Mailelani is the life's work of Kitiona and Sylvie Salanoa – one a native of Samoa, the other from Switzerland.

"Like the coconut itself, we see Mailelani as a gift 'from heaven'. That's what our name means," says Kitiona.

The first Mailelani organic coconut soap was released in the year 2000. Since then Mailelani has expanded their skincare product range to include organic coconut oil, body lotions, body scrubs, and facial products.

Everything is handmade in Samoa, with virgin coconut oil sourced from organic farmers, helping to create sustainable revenue for families and communities in the rural areas of Samoa.

The business first joined the Pacific Business Mentoring Programme in 2010.

Wanaka-based mentor, Graeme Sinclair last met up with Mailelani in June 2014.

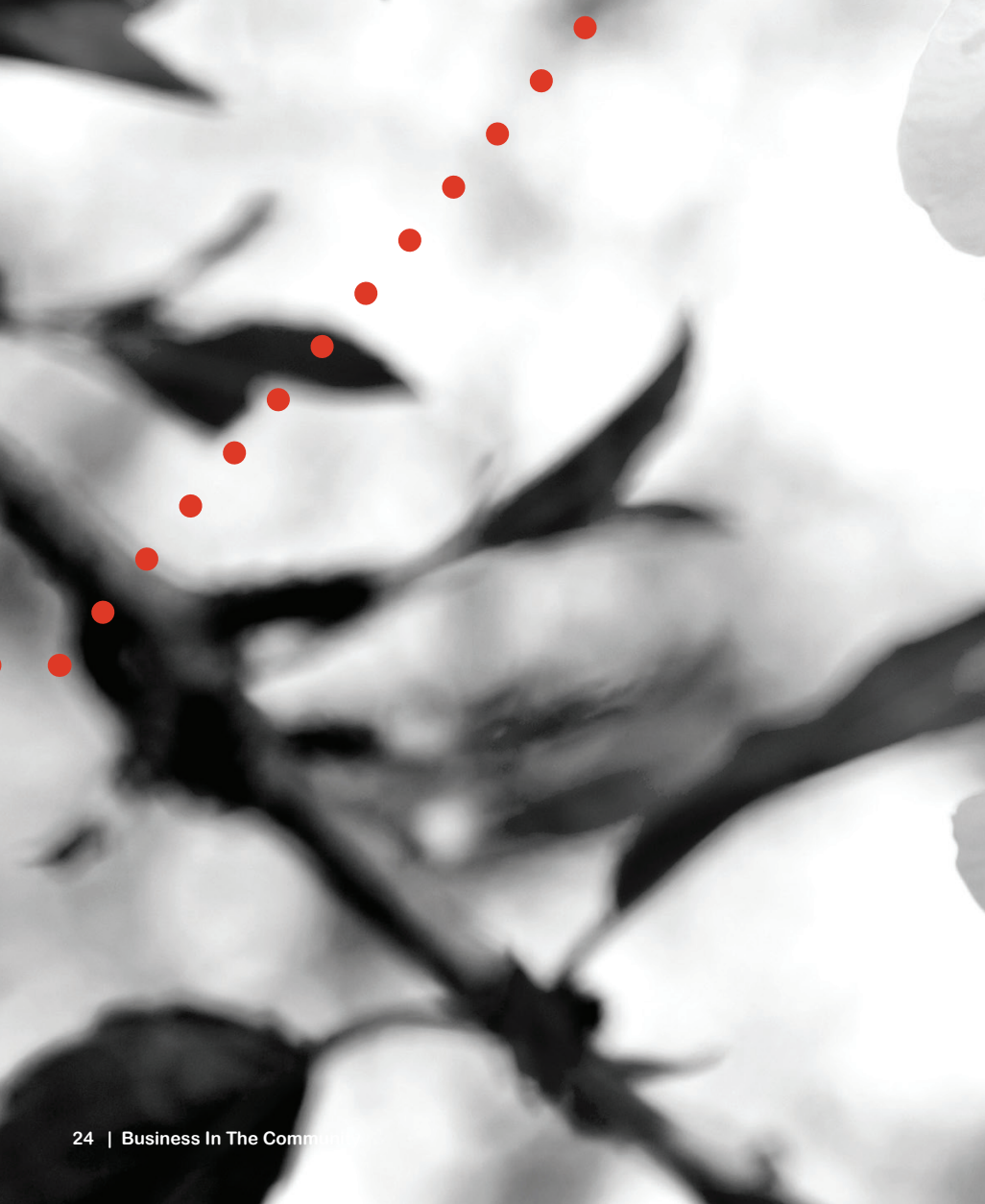
"Sylvie and Kitiona have just made what should be a major step forward for Mailelani. They have sent their first major export order to their exclusive New Zealand distributor and the value of this order is approximately equal to their total yearly sales two years ago. When I first met Mailelani they were not exporting at all," says Graeme.

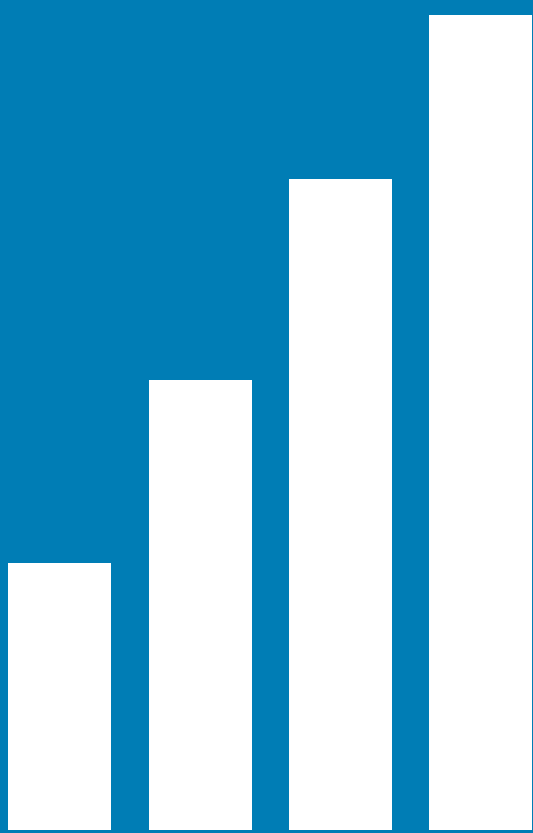
"Graeme has been great! Finance was something we were struggling with and Graeme helped us put in place strict financial processes that have allowed us to come this far. He has been instrumental in putting together our new business plan and provided sound advice when we were negotiating our contract with our distributor," says Sylvie.

"It was important to us that Graeme understood our local situation in Samoa. He was persistent in ensuring we follow through with our action plans and this next step to export is just the beginning for us. We have a lot still yet to achieve but we are finally on the right track."



BUSINESS IN THE COMMUNITY LIMITED





FINANCIAL STATEMENTS 31 March 2014

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30	Statement of financial performance
31	Statement of changes in equity
32	Statement of financial position
33	Notes to the financial statements

DIRECTORY

Nature of Business

Business Mentoring Programme

Address

Level 3, 255 Broadway
Newmarket
Auckland

Telephone

09 523 0160

Facsimile

09 523 0200

Registered Office

Level 3, 255 Broadway
Newmarket
Auckland

Directors

John Gilks (Chairman)
Richard Austin
Geoffrey Vazey
Frances Wilde (since 27 March 2014)
Rick Bettle (until 24 June 2013)

Shareholders

Trustees of The Business In The Community
Charitable Trust
99 Ordinary shares
Dr Grahame Craig
1 Ordinary share

Solicitor

Bell Gully
Auckland

Auditors

Hayes Knight Audit NZ
Auckland

Bankers

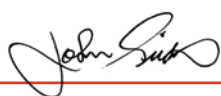
ASB Bank
Auckland

ANNUAL REPORT

The Board of Directors present their annual report, including financial statements, of the Company for the year ended 31 March 2014 and the auditor's report thereon.

The shareholders of the Company have exercised their rights under Section 211(3) of the Companies Act 1993 and unanimously agreed that this annual report need not comply with any of the Sections (a) and (e) to (j) of Section 211(1) of the Act.

For and on behalf of the Board of Directors who approved these financial statements for issue on the date set out below.



John Gilks
Director



Date



Geoffrey Vazey
Director



Date

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BUSINESS IN THE COMMUNITY LIMITED

Report on the Financial Statements

We have audited the financial statements of Business In The Community Limited on pages 30 to 40, which comprise the statement of financial position as at 31 March 2014, and the statement of financial performance and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, Business In The Community Limited.

Hayes Knight Audit NZ
Chartered Accountants

Level 1, 1 Broadway
Newmarket
Auckland 1023
New Zealand

PO Box 9588
Newmarket
Auckland 1149

T +64 9 367 1656
F +64 9 366 0323
E audit@hayesknight.co.nz
W hayesknight.co.nz

Opinion

In our opinion, the financial statements on pages 30 to 40:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of Business In The Community Limited as at 31 March 2014 and its financial performance for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In accordance with the Financial Reporting Act 1993, we report that:

- We have obtained all the information and explanations that we have required; and
- In our opinion proper accounting records have been kept by Business In The Community Limited as far as appears from an examination of those records.

Hayes Knight Audit NZ

HAYES KNIGHT AUDIT NZ

AUCKLAND, NEW ZEALAND

18 June 2014

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2014

	NOTES	2014 (\$'000)	2013 (\$'000)
Revenue	6	2,092	2,201
Other income	7	201	371
Total Income		2,293	2,572
Expenses			
Marketing		960	1,015
Administration		989	1,113
Agent and mentor costs		303	376
Other		39	31
Total expenses	8	2,291	2,535
Surplus before tax		2	37
Tax expense	11	-	21
Net Surplus for the year		2	16

This statement should be read in conjunction with the notes to the financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014

	RETAINED EARNINGS (\$'000)	TOTAL EQUITY (\$'000)
Balance at 1 April 2012	420	420
Net Surplus for the year	<u>16</u>	<u>16</u>
Balance at 31 March 2013	<u>436</u>	<u>436</u>
Balance at 1 April 2013	436	436
Net Surplus for the year	<u>2</u>	<u>2</u>
Balance at 31 March 2014	<u>438</u>	<u>438</u>

This statement should be read in conjunction with the notes to the financial statements

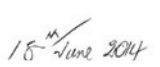
STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

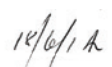
ASSETS	NOTES	2014 (\$'000)	2013 (\$'000)
Current assets			
Cash and cash equivalents	12	435	510
Funds held for Pacific contract	13	264	915
Accounts receivable	15	147	215
Current assets		<u>846</u>	<u>1,640</u>
Non-current assets			
Property, plant and equipment	16	33	32
Intangible assets	17	22	39
Non-current assets		<u>55</u>	<u>71</u>
Total assets		<u>901</u>	<u>1,711</u>
Liabilities and equity			
Current liabilities			
Accounts payable	18	199	283
Income in advance	19	-	77
Funds held against future expenditure	14	264	915
Total current liabilities		<u>463</u>	<u>1,275</u>
Total liabilities		<u>463</u>	<u>1,275</u>
Equity			
Share Capital	5	-	-
Retained earnings		438	436
Total equity		<u>438</u>	<u>436</u>
Total liabilities and equity		<u>901</u>	<u>1,711</u>

This statement should be read in conjunction with the notes to the financial statements


John Gilks
 Director


 18 June 2014
 Date


Geoffrey Vazey
 Director


 18/6/14
 Date

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

1. GENERAL INFORMATION

The reporting entity is Business In The Community Limited (the “Company”). It is a not for profit oriented entity, incorporated and domiciled in New Zealand. The Company is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act.

The Company’s primary activity is business mentoring services across New Zealand. Due to the entity’s skills in this area and success in New Zealand, the New Zealand Government via the Ministry of Foreign Affairs and Trade (MFAT) have requested that the organisation undertake operations in the Pacific Islands on their behalf. These services are conducted under contract to MFAT in accordance with specific conditions of funding hence the income and expenditure incurred on Pacific Island operations is not included in the statement of financial performance. Transactions are instead recorded in the statement of financial position as summarised in Note 14.

These financial statements have been approved for issue by the Board of Directors on 9th June 2014.

2. STATEMENT OF COMPLIANCE

The financial statements for the Company have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”) and the requirements of the Companies Act 1993 and The Financial Reporting Act 1993. They comply with New Zealand Financial Reporting Standards (“NZ FRS”) and other applicable financial standards, as appropriate for entities that qualify for and apply differential reporting concessions.

The company has elected not to adopt New Zealand equivalents to International Financial Reporting Standards as it meets the criteria for delay in the mandatory adoption of this framework.

The Company qualifies for differential reporting concessions as it has no public accountability and the Company is not large. The Company has taken advantage of all differential reporting concessions available.

3. CHANGES IN ACCOUNTING POLICY

The accounting policies are consistent with those used in the previous financial year.

4. SUMMARY OF ACCOUNTING POLICIES

4.1 OVERALL CONSIDERATIONS

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by NZ FRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

4.2 BASIS OF PREPARATION

The financial statements have been prepared on the basis of historical cost.

4.3 PRESENTATION OF FINANCIAL STATEMENTS

The financial statements are presented in accordance with NZ FRS 2 Presentation of Financial Reports.

4.4 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

GOVERNMENT FUNDING

Funding is received from the following:

- New Zealand Trade & Enterprise (NZTE)
- Ministry of Business Innovation and Employment (MBIE)
- Ministry of Foreign Affairs and Trade (MFAT)

Funding received from NZTE and MBIE are treated as grants which are recognised in revenue and matched with related costs that they are intended to compensate.

The funds received from MFAT are managed by the company under contract specifically for the purpose of assisting mentoring of businesses in the Pacific Region. These funds are accounted for through the statement of financial position and do not represent income and expense of the Company other than cost recoveries (refer Note 9) that are payable to the company under the terms of the contract.

OTHER REVENUE

Grants received in cash are recorded in the period to which they relate. Registration, Patron and Subscription income is recognised on receipt in respect of the year to which it relates. Interest income is accounted for as earned.

INCOME IN ADVANCE

Income from Funding Agreements is recorded when the conditions of the arrangement have been met. Until then the Funds are recorded as a liability.

SERVICES IN KIND

Services in kind are shown as a revenue item and an expense item in the statement of financial performance. The amount recognised as services in kind is Management's best estimate of the value of services received, based on information provided by the suppliers.

4.5 FINANCE INCOME

INTEREST INCOME

Interest income is recognised in the statement of financial performance as it accrues.

4.6 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

FINANCIAL ASSETS

The company's financial assets comprise of cash and cash equivalents and accounts receivable.

The Company uses an allowance account to reduce the carrying amount of accounts receivable and other receivables that are considered to be impaired (or in the case of a reversal of a write-down because of an event occurring after the impairment was recognised, an increase), unless there is no reasonable possibility of recovering any cash from the debtor. In this case, the Company writes off the debtor directly (and transfers any impairment loss recognised in the allowance account directly to the debtor).

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.

4.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash.

4.8 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.

4.9 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided on computers and software and office furniture and equipment. Depreciation is recognised in the statement of financial performance to write off the cost of an item of property, plant and equipment, less any residual value, over its expected useful life, at the following rates:

- Furniture and Fittings 11.4% - 26.4% Diminishing value
- Office Equipment 30% - 60% Diminishing value

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

4.10 INTANGIBLE ASSETS

Intangible assets include acquired and internally developed software used in the online operation of mentor services. They are accounted for using the cost model whereby capitalised costs are amortised on a straight line basis over their estimated useful lives, as these assets are considered finite. The following useful lives are applied:

- Website 3 years

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of financial performance when incurred.

4.11 SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits, including holiday entitlement, are current liabilities included in trade and other payables, measured at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

4.12 EQUITY, RESERVES AND DIVIDEND PAYMENTS

Share capital represents the nominal value of shares that have been issued. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Retained earnings include all current and prior period retained surpluses.

4.13 LEASED ASSETS

All leases are treated as operating leases. Payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

4.14 GST

These financial statements have been prepared on a GST exclusive basis with the exception that Accounts Receivable and Accounts Payable are stated GST inclusive.

5. SHARE CAPITAL

Authorised, issued and paid up capital is 100 shares at \$1 each.

6. REVENUE

	2014 (\$'000)	2013 (\$'000)
Registration Fees	263	261
Patron Subscriptions	282	218
Government Grants	767	795
Services in Kind – Advertising	562	678
Services in Kind – PR & Marketing	40	46
Services in Kind – Legal	7	18
Services in Kind – IT & Website	63	90
Services in Kind - Other	108	95
Total revenue	2,092	2,201

7. OTHER INCOME

	NOTES	2014 (\$'000)	2013 (\$'000)
Cost Recoveries for Pacific Islands	9	191	341
Interest income on bank deposits		9	17
Other		1	13
Other income		201	371

8. EXPENSES

Surplus before tax has been arrived at after deducting operating expenses which include the following specific expenses:

	NOTES	2014 (\$'000)	2013 (\$'000)
Depreciation			
Plant and equipment		16	8
Office furniture and equipment		1	1
Total depreciation		17	9
Amortisation of intangible assets		22	22
Audit fees	10	20	20
Leasing and rental costs		108	107
Personnel costs		578	507
Services in Kind – Advertising		562	678
Services in Kind – PR & Marketing		40	46
Services in Kind – Legal		7	18
Services in Kind – IT & Website		63	90
Services in Kind – Other		108	95

NB Personnel costs in 2014 include the Finance Manager role that was previously included in Contractor Services.

9. COST RECOVERIES FOR PACIFIC ISLANDS

	2014 (\$'000)	2013 (\$'000)
Wage recoveries	131	150
Rent recovered	60	94
Communication costs incurred	-	62
Printing & Stationery costs incurred	-	35
	<u>191</u>	<u>341</u>

The amounts above are received from MFAT in reimbursement for indirect costs incurred in managing the Pacific Mentoring Programme. All direct costs associated with the Pacific Mentoring Programme are charged to a separate bank account that is funded by MFAT and managed by BMNZ.

10. AUDITORS' REMUNERATION

	2014 (\$'000)	2013 (\$'000)
Auditing financial statements	15	15
Services in Kind	5	5
Other services	-	-
Total auditors' remuneration	<u>20</u>	<u>20</u>

11. TAX

	2014 (\$'000)	2013 (\$'000)
Surplus before Tax	2	37
Movement in holiday pay	10	8
Adjustment for Amortisation costs	(20)	21
Entertainment – non deductible	-	-
Website maintenance costs – deductible	-	-
Taxable income	<u>(8)</u>	<u>66</u>
Income tax expense – current year	-	18
Income tax adjustment to prior year	-	3
Total Income tax expense	<u>-</u>	<u>21</u>

12. CASH AND CASH EQUIVALENTS

	2014 (\$'000)	2013 (\$'000)
Cash at bank and in hand	269	248
Short term deposits	166	262
	<u>435</u>	<u>510</u>

13. FUNDS HELD FOR PACIFIC CONTRACT

	2014 (\$'000)	2013 (\$'000)
Cash at bank and in hand	264	411
Short term deposits	-	504
Funds held on trust	264	915

14. FUNDS HELD AGAINST FUTURE EXPENDITURE

	2014 (\$'000)	2013 (\$'000)
Opening unspent funds	915	2,012
Funding received	1,598	1,192
Opening creditors and accruals paid	(302)	(185)
Less: Expenditure incurred on projects	(2,095)	(2,406)
Funds received in advance	116	613
Accounts Payables and Accruals	148	302
Closing unspent funds	264	915

The MFAT funding contract expires on 31 October 2014. At the date of this report negotiations for the future contract are in progress.

15. ACCOUNTS RECEIVABLE

	2014 (\$'000)	2013 (\$'000)
Accounts receivable	113	129
Sundry receivables	34	86
	147	215

16. PROPERTY, PLANT & EQUIPMENT

	2014 (\$'000)	2013 (\$'000)
Plant & Equipment	126	109
Less: Accumulated depreciation	102	87
Total	24	22
Furniture and fittings	21	21
Less: Accumulated depreciation	12	11
Total	9	10
Total Property, plant and equipment	33	32

17. INTANGIBLE ASSETS

	2014 (\$'000)	2013 (\$'000)
Website	305	300
Less: Accumulated amortisation	283	261
	<u>22</u>	<u>39</u>

18. ACCOUNTS PAYABLE

	2014 (\$'000)	2013 (\$'000)
Accounts payable	102	139
Accruals	109	127
Income Tax Payable/(Receivable)	(12)	17
	<u>199</u>	<u>283</u>

19. INCOME IN ADVANCE

	2014 (\$'000)	2013 (\$'000)
Income in advance	-	77
	<u>-</u>	<u>77</u>

20. OPERATING LEASE COMMITMENTS

The Company has operating lease commitments in respect of a vehicle and rental of premises. Total future minimum payments under non-cancellable operating leases were payable as follows:

	2014 (\$'000)	2013 (\$'000)
Less than one year	67	6
Between one and five years	13	-
	<u>80</u>	<u>6</u>

The rent had been reviewed during 2012 and a Heads of Lease for a further 6 years was signed. The arrangement is subject to the continuation of the NZAID Pacific Business Mentoring Grant, and is cancellable by the Company giving the Landlord three months notice should the contract not be renewed.

21. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2014 (2013: \$nil).

22. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at balance date. (2013: \$nil).

23. RELATED PARTIES

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

Dr Grahame Craig is a trustee of The Business In The Community Charitable Trust and director and shareholder of BankBuddy Accounting System Limited. Business In The Community Limited receives in kind sponsorship support from BankBuddy Accounting System Limited.

Angus Fletcher is a trustee of The Business In The Community Charitable Trust, executive chairman of The Fletcher Trust and chairman of the Methodist Employment Generation Fund. The Fletcher Trust has provided philanthropic funding to Business In The Community Limited and the Methodist Employment Generation Fund has engaged mentors from the Business Mentors New Zealand programme.

Sir William Gallagher is a trustee of The Business In The Community Charitable Trust, chairman and shareholder of the Gallagher Group Limited and director of WaikatoLink Limited. Business In The Community Limited receives sponsorship income from Gallagher Group Limited and in kind sponsorship support from the University of Waikato (WaikatoLink Limited is the commercialisation and technology transfer company of the University of Waikato in New Zealand).

Norman Geary is a trustee of The Business In The Community Charitable Trust and was also a non-executive director of ANZ Bank New Zealand Limited. Business In The Community Limited receives sponsorship income from the ANZ Bank.

Tom McClunie is a trustee of The Business In The Community Charitable Trust and director of WaikatoLink Limited. Business In The Community Limited receives in kind sponsorship support from the University of Waikato (WaikatoLink Limited is the commercialisation and technology transfer company of the University of Waikato in New Zealand).

Sir Stephen Tindall is a trustee of The Business In The Community Charitable Trust and trustee of The Tindall Foundation. The Tindall Foundation has provided philanthropic funding to Business In The Community Limited.

24. SUBSEQUENT EVENTS

There were no events subsequent to the balance date which require disclosure in or adjustment to the financial statements.

APPLY FOR A BUSINESS MENTOR

If your business is trading and employs fewer than 25 employees you are eligible to apply for a Business Mentor.

JOIN OUR TEAM OF VOLUNTEER MENTORS

If you are an experienced business person who understands small business we invite you to share your business knowledge and experience. Apply today.

SUPPORT YOUR BUSINESS COMMUNITY

We build mutually-beneficial partnerships with businesses wanting to support small business owners and local communities. As one of our sponsors you'll add value to the lives of New Zealanders and, in return, you will gain profile for your brand and opportunities to achieve positive public exposure.

0800 209 209
BUSINESSMENTORS.ORG.NZ

“

My mentor is exactly what I need
- providing great advice and being
a good sounding board.

”

done. by VOLOM

BUSINESSMENTORS.ORG.NZ

0800 209 209



BUSINESSMENTORS
NEW ZEALAND