

Performance Report

Business Mentors New Zealand Limited
For the year ended 31 March 2016

Prepared by Chester Grey Chartered Accountants Limited

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Entity Information

Business Mentors New Zealand Limited For the year ended 31 March 2016

'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
Fran Wilde

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

1,893 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.

Entity Information

Physical Address

Level 3,255 Broadway, Newmarket, Auckland1023

Postal Address

PO Box 9043, Newmarket, Auckland 1149

Approval of Performance Report

Business Mentors New Zealand Limited

For the year ended 31 March 2016

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 2016.

APPROVED



Geoffrey Vazey

Director

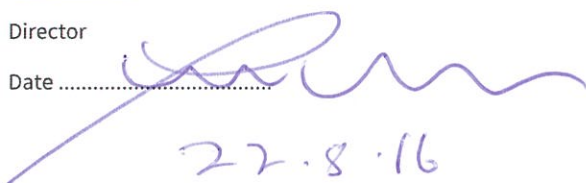
Date 22.8.16

~~Richard Austin~~

Frances Wilde

Director

Date



22.8.16

Statement of Service Performance

Business Mentors New Zealand Limited
For the year ended 31 March 2016

'What did we do?', 'When did we do it?'

Description of Entity's Outcomes

Support and maximise the survival and growth of SMEs and start-ups through mentoring, utilising the resource of successful business people, volunteering and applying their skills, knowledge and experience.

Description and Quantification of the Entity's Outputs

1,893 mentors with business experience volunteered to mentor in their communities.

Additional Information

Please refer to the next page of the report for detailed graph and information about the entity's outputs.

Business Mentors New Zealand Limited

Statement of Service Performance

BUSINESS MENTORS
INSPIRING SUCCESS

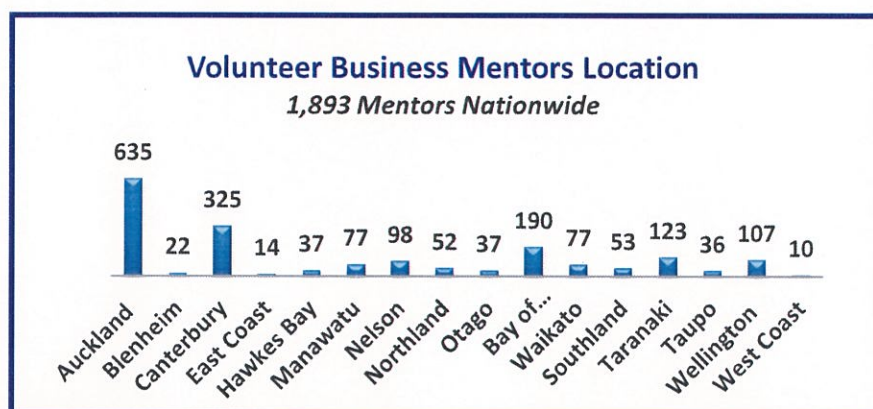
"What did we do?", When did we do it?"

For the year ended
31 March 2016

Description and Quantification of the Entity's Outputs:

Volunteer Business Mentors

1,893 mentors with business experience volunteered to mentor in their communities.



Clients Mentored



Client Satisfaction

92% of mentored clients would recommend the service.

Beyond Consulting, an Independent Research Consulting Firm.

Mentor Induction

204 mentors attended Mentor Accreditation Seminars nationwide.

Feedback

For the past 13 years Miles has worked as a volunteer business mentor and in that time has mentored 162 Wellington businesses through the ups and downs of running a business. Although mentoring is never easy, Miles says he gets satisfaction from the challenge each new business brings. He adds; "No two businesses are ever the same, every business owner I meet with is different, which is why I enjoy it". **Miles Maitland, Wellington Mentor**

"As a mentor, Miles was able to not only offer useful advice, but he also challenged my thinking and became someone I could bounce ideas off. Meeting Miles proved incredibly useful, it helped me stay focused and made me think about how I managed my time and staffing decisions."

Chris, James Henry Joinery and Flooring

Statement of Financial Performance

Business Mentors New Zealand Limited

For the year ended 31 March 2016

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

	NOTES	2016	2015
Revenue			
Donations, fundraising and other similar revenue	1	827,945	941,594
Revenue from providing goods or services	1	387,989	329,175
Interest, dividends and other investment revenue	1	12,248	11,499
Other revenue	1	38,551	105,483
Total Revenue		1,266,733	1,387,751
Expenses			
Volunteer and employee related costs	2	499,336	569,032
Costs related to providing goods or service	2	597,014	602,146
Other expenses	2	170,703	211,891
Total Expenses		1,267,053	1,383,069
Surplus/(Deficit) for the Year before Tax		(320)	4,682
Tax Expenses / (Credit)			
Income tax expense		(4,498)	2,669
Total Tax Expenses / (Credit)		(4,498)	2,669
Surplus / (Deficit) for the Year		4,178	2,013

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

Statement of Financial Position

Business Mentors New Zealand Limited

As at 31 March 2016

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

	NOTES	31 MAR 2016	31 MAR 2015
Assets			
Current Assets			
Bank accounts and cash	3	415,094	499,440
Debtors and prepayments	3	60,456	92,367
Other Current Assets	3	61,296	58,587
Total Current Assets		536,846	650,394
Non-Current Assets			
Property, Plant and Equipment	5	6,391	21,189
Intangible Assets	6	-	4,999
Total Non-Current Assets		6,391	26,188
Total Assets		543,237	676,583
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	58,195	156,635
Employee costs payable	4	17,610	64,492
Other current liabilities	4	23,361	15,563
Total Current Liabilities		99,166	236,689
Total Liabilities		99,166	236,689
Total Assets less Total Liabilities (Net Assets)		444,071	439,893
Equity			
Capital contributed by owners or members		100	100
Accumulated surpluses or (deficits)		443,971	439,793
Total Equity		444,071	439,893

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 2016

'How the entity has received and used cash'

Account	2016
Cash Flows from Operating Activities	
Donations, fundraising and other similar receipts	859,756
Receipts from providing goods or services	388,779
Interest, dividends and other investment receipts	12,223
GST	7,375
Payments to suppliers and employees	(1,339,484)
Taxes Paid	(12,995)
Total Cash Flows from Operating Activities	(84,346)
Net Increase/ (Decrease) in Cash	(84,346)
Cash Balances	
Cash and cash equivalents at beginning of period	499,440
Cash and cash equivalents at end of period	415,094
Net change in cash for period	(84,346)

A Statement of Cash Flows was not required, in the previous year under the financial reporting standards at that time. Hence comparative figures have not been presented.

Statement of Accounting Policies

Business Mentors New Zealand Limited

For the year ended 31 March 2016

'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

With the adoption of the PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) framework, policies relating to the preparation of the statement of cash flows have been applied for the first time. The entity has not applied any Tier 2 accounting standards in preparing its performance report. All other policies have been applied on a consistent basis with those used in the previous period.

In the prior year, services in kind were recognised in the statement of financial performance as both revenue and expense items, to the extent of \$872,000. The accounting policy has changed in the current year to disclose this by way of note only. Hence comparative figures have been adjusted to exclude this amount in the statement of financial performance.

Notes to the Performance Report

Business Mentors New Zealand Limited

For the year ended 31 March 2016

	2016	2015
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Government Grant	687,121	755,554
Sponsorship	132,000	180,040
Donations	8,823	6,000
Total Donations, fundraising and other similar revenue	827,945	941,594
Revenue from providing goods or services		
Registration Fees	387,989	329,175
Total Revenue from providing goods or services	387,989	329,175
Interest, dividends and other investment revenue		
Dividend Received	370	-
Interest Income	11,878	11,499
Total Interest, dividends and other investment revenue	12,248	11,499
Other revenue		
Cost Recoveries from Pacific Programmes	-	100,750
Rental Income	2,167	733
Management Fee - BITC	36,384	4,000
Total Other revenue	38,551	105,483
	2016	2015

2. Analysis of Expenses

Volunteer and employee related costs		
Contractor Services	112,790	61,417
FBT	(3,755)	8,059
Wages and Salaries	390,326	497,156
ACC Levies	(23)	2,400
Total Volunteer and employee related costs	499,336	569,032
Costs related to providing goods or services		
Computer & Server	15,764	11,310
Entertainment Deductible	660	1,774
Functions	3,721	11,695
Marketing	234,644	190,043
Manukau Institute of Technology Fiji Costs	-	87,309
Recovery of Manukau Institute of Technology Fiji costs	-	(105,026)
Survey	26,655	42,638
Travelling	9,223	10,292
Agency Costs	263,610	324,717
Website Support & Hosting	42,737	27,393
Total Costs related to providing goods or services	597,014	602,146

Other expenses

Accounting Fees	12,664	-
Amortisation	5,000	17,369
Audit Fee	10,450	9,357
Depreciation	6,525	11,059
Entertainment - Non Deductible	746	-
IRD Interest paid	2,468	-
IRD Penalties	100	-
Legal Fees	8,756	2,805
Loss on Disposal of Fixed Assets	8,273	-
Bank and Credit Cards Fees	9,361	7,046
Board Meetings	8,831	9,663
Insurances	4,419	1,622
Management Fee	-	10,000
Office Facilities	20,514	26,724
Postage & Couriers	1,595	485
Printing & Stationery	2,080	4,612
Subscriptions & Memberships	869	1,776
Telephone & Communications	10,911	11,324
Vehicle - CEO	7,151	15,595
Rent & Car Parks	49,989	82,453
Total Other expenses	170,703	211,891

Income tax expense / (credit)

Income Tax Expenses	-	2,669
Prior Period Tax Adjustments	(4,498)	-
Total Income tax expense / (credit)	(4,498)	2,669

2016 2015

3. Analysis of Assets**Bank accounts and cash**

ASB - NZ Cheque Acc 00	8,675	36,540
ASB - Saving On Call 50	55,489	-
ASB - Saving Plus 52	210,902	205,679
ASB - Subscriptions Acc 61	140,028	251,255
OLD ASB - Regn Bank Acc 50	-	5,966
Total Bank accounts and cash	415,094	499,440

Debtors and prepayments

Prepayments	-	7,358
Trade Debtors	60,456	85,009
Total Debtors and prepayments	60,456	92,367

Other current assets

Owed by Business In The Community (2013) Limited	42,008	51,902
Provision for Taxation	15,699	6,685
Income Tax - RWT Paid	3,588	-
Total Other current assets	61,296	58,587

	2016	2015
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4. Analysis of Liabilities

Creditors and accrued expenses

Trade Creditors	31,447	57,615
Accruals	21,420	92,801
Visa Accruals	5,328	6,218
Total Creditors and accrued expenses	58,195	156,635

Employee costs payable

Holiday Pay Accrual	18,098	53,954
PAYE	(488)	10,538
Total Employee costs payable	17,610	64,492

Other current liabilities

GST	23,361	8,909
Income in Advance	-	6,654
Total Other current liabilities	23,361	15,563

	2016	2015
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5. Property, Plant and Equipment

Furniture and Fittings

Furniture and fittings owned	18,193	21,168
Accumulated depreciation - furniture and fittings owned	(13,237)	(13,833)
Total Furniture and Fittings	4,956	7,335

Office Equipment

Office Equipment	99,498	126,043
Accumulated depreciation - office equipment	(98,063)	(112,188)
Total Office Equipment	1,435	13,854

Total Property, Plant and Equipment

6,391	21,189
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	2016	2015
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6. Intangible assets

Website at Cost	305,082	305,082
Accumulated Amortisation	(305,082)	(300,083)
Total Intangible assets	-	4,999

	2016	2015
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7. Accumulated Funds

Opening Balance	439,793	437,780
Accumulated surpluses or (deficits)	4,178	2,013
Total Accumulated Funds	443,971	439,793

	2016	2015
8. Commitments		
Commitments to lease or rent assets - Premises		
In the next year	35,000	18,000
In the next 1-5 years	14,583	22,000
Total Commitments to lease or rent assets - Premises	49,583	40,000

The rental of premises was on a month by month contract. Now a two year lease agreement has been signed with the Landlord. Total annual lease of premises and car parks is \$35,000 plus GST, commencement date is 1 September 2015.

There were no capital commitments at 31 March 2016 (Last year - \$nil).

9. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2016 (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 \$1,165,000 (Last year - \$872,000)

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.

During the 2014 and 2015 years certain costs associated with the set-up of Business In The Community (2013) Limited were incurred and paid for by Business Mentors New Zealand Limited. The balance of these costs at the end of March 2015 was \$51,902 as reflected in the statement of financial position. This loan was repaid in May 2015. A management fee of \$36,384 was charged by Business Mentors New Zealand Limited to Business In The Community (2013) Limited in the 2015/2016 year for services rendered.

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.

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

RSM Hayes Audit

To the Shareholders of Business Mentors New Zealand Limited

Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023
+64 (9) 367 1656
www.rsmnz.co.nz

We have audited the accompanying performance report of Business Mentors New Zealand Limited on pages 3 to 16 which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2016, the statement of financial position as at 31 March 2016, and the statement of accounting policies and other explanatory information.

This report is made solely to the shareholders, as a body, in accordance with Section 207 B (1) of the Companies Act 1993. 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.

The Responsibility of the Directors for the Performance Report

The directors are responsible on behalf of the entity for:

- a) 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;
- b) 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
- c) 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the performance report based on our audit. 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). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the performance report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance report, including performing procedures to obtain evidence about and evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the performance report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the performance report 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 made by management, as well as evaluating the overall presentation of the performance report.

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 Mentors New Zealand Limited.

Opinion

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the performance report on pages 3 to 16 presents fairly, in all material respects:
 - the entity information for the year ended 31 March 2016;
 - the service performance for the year ended 31 March 2016, and
 - the financial position of Business Mentors New Zealand Limited as at 31 March 2016, 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).

R S M

29 September 2016