



Annual Report 2023

business-south.org.nz

Business South at a glance

We champion the interests of Southern business, ensuring your voice is represented locally, regionally and nationally.

We are proud to provide a wide range of services, support, training and networking opportunities for businesses of all sizes and stages.



Our Board



Neil Finn-House
CEO, MITRE 10 MEGA
DUNEDIN | MOSGIEL



Norcombe Barker
MANAGING DIRECTOR,
LARNACH CASTLE



Georgina Guthrie
MANAGING DIRECTOR,
FIREBRAND



Dominique Dowding
CEO, GRAND CASINO



Will Martin
LEGAL ADVISER,
OTAGO UNIVERSITY



David Kiddey
MANAGING DIRECTOR,
KIDDEY CONSULTING



Prof. Robin Gauld
CO-DIRECTOR (CENTRE
FOR HEALTH SYSTEMS
& TECHNOLOGY)



Lesley Brook
RESEARCH PROJECT
COORDINATOR,
OTAGO POLYTECHNIC

Report from the Board Chair

It is my pleasure to present the 2022/2023 annual report Business South Incorporated.

Our past year has been very satisfying in delivering upon the opportunities presented to the organisation when it was founded a couple of years ago. Building on the solid foundations presented at the merger from the founding entities and all of the incredible work done over several generations by those that travelled before us, to ensure that Business South grows into an organisation with relevance, appeal, impact and influence for the current and future generation of businesses in all their guises.

It is of pride and satisfaction to the Board, that the management and team have returned a profit in their first full year of trading with an evolving business model, a large reset of the organisation whilst delivering a comprehensive programme to members and building advocacy strength to ensure our Region's voice is heard loudly and affects decision makers accordingly. There is a prudence, respect and responsibility shown with members' funds throughout the team and good cognisance and awareness of their decisions and strategy and how that impacts financially.

Our role in Advocacy, with the five local and regional councils, central government and its various ministries, continues to be a valuable way to influence decision making to better support business and remains a strong mandate from the membership. Intricately involved in the BusinessNZ Board with two of eight seats giving us an equal voice with the greater Auckland, Wellington and Canterbury Areas.



With our Chief Executive being a Board member of the NZ Chamber network, we really do have the ear of national policy makers and a very short route to our advocacy being heard at the very highest levels of local and government in whatever form that may be through various elections.

The business model is future focused and evolving currently whilst maintaining a healthy and robust programme of business as usual. As we establish trust and partnerships, strength is built in those partnerships to achieve exponential impacts, I was particularly delighted with the integration of the Southland and Otago Regional Engineering Collective (SOREC) to achieve impact in this critical industry and how that acts as a future blueprint of how Business South can work with differing partners to build capability in our Region. It is pleasing to see how we are building influence on the twin axes of geographical representation and industry specific representation whilst building a model that also works with and grows businesses and their people at an organisational level.

I would like to thank sponsors, committees and partners, along with our members. You have all contributed to a productive and successful year.

I would like to sincerely thank my fellow Directors for all their hard work on within Business South and the additional hours and commitment involved. The Board is growing with the co-opting of two more Directors, representing SOREC and the Central Otago Region. Two are retiring and we will welcome two new Directors to the table. All Directors are dedicated, caring and passionate advocates for our Region who have all gone above and beyond in the last year in ensuring that we achieve continue to grow, provide

directional accountability and have this organisation on a sound and solid footing to deliver for all of our futures.

The Board and myself would like to thank Mike Collins, and the team for their efforts during the year. It has been a fantastic year and the team have done an outstanding job, and we are very proud of what they are achieving.

Neil Finn-House
BOARD CHAIRPERSON



Report from the CEO

As I reflect on the past year, Business South Inc. has moved from strength to strength and in doing so we have continued to play a vital role in supporting businesses across the region. Our commitment to fostering new connections, navigating business support and empowering the future workforce remains our strong focus.

We have moved from the successful merger in 2021, to a phase of consolidation and realignment of services for the future and are now leaning into the growth phase of our journey. As a 163-year-old startup, our new brand is taking hold with now being recognised as a trusted net favourable brand amongst the Business NZ network.

Membership based organisations are continuing to evolve and align to the future trends and new technologies. I am pleased to report that the team have worked with our members to introduce an exciting new operating model to ensure that we provide support to businesses that is relevant, timely and impactful.

At the heart of this transformation has been the introduction of the new free online Business Health Check, supported by a combination of our local and national support network services and a model of businesses supporting business with professional services. The final step in this new process is the introduction of businesses becoming 'Business South Endorsed' as a result of this process.

Our strategic partnerships are growing internationally and domestically with new agreements in place with Qingdao China, Waitaki District Council, Logan HR and of late the Southland and Otago Regional Engineering Collective (SOREC). Internally the amalgamation of our new 'Pathways Hub' of services including, My Next Move, 4 Trades, SOREC Academy, Workforce Central Dunedin, Te Puni Kokiri, Business Mentors, and Young Enterprise Scheme provide aligned support to growing the future workforce across the region.

We were thrilled to gain Toitu carbon accreditation as we promote sustainable practice internally and across the business community.

As we look ahead to the coming year, Business South Inc remains dedicated to your success. We will continue to advocate for policies that support businesses, foster innovation, and promote sustainable growth. We will expand our resources, networking opportunities, strategic agency partnerships to ensure that you have the tools you need to thrive.

I want to express my gratitude to our members, partners, and supporters. Your unwavering commitment to Business South Inc is what makes our organisation so impactful. Together, we are building a stronger, more vibrant business community.

Finally I would like to acknowledge the hard work and dedication of our team at Business South Inc. They have been the driving force behind our success, and I am immensely proud of their contributions.

Mike Collins
CHIEF EXECUTIVE OFFICER



Photo courtesy of Pixabay

New partnership with Waitaki District Council

Business South has partnered with the Waitaki District Council to support the delivery of key elements of the District's Uplifting Waitaki: Hāpaitia te Waitaki Economic Development Strategy.

An agreement between the two organisations contracts Business South's Waitaki Business Navigator, Rebecca Finlay, to the Council for two years in a new role – Business and Enterprise Growth Lead. She begins in the role this week.

This new position will shape and implement transformational initiatives to enhance Waitaki as a great place to live, work, invest and do business. The partnership recognises both the Council and

Business South have shared goals for economic development, growth and success in Waitaki, and we will be working closely together to achieve them.

Resources to support the new role and initiatives have been secured through the Council's allocation of the Government's Better Off funding.

"I am excited to help kickstart the implementation of the strategy to benefit Waitaki businesses and the wider community," Rebecca Finlay says. "This is an exciting opportunity to ensure the district is well-positioned for growth and success now and into the future."

She will continue to support members and local businesses with building strong networks and relationships, while providing access to the tools, resources and support they need to thrive.

Advocacy

Our advocacy spans connecting members via webinars, politician visits, election candidate meetings, local government engagement and our Business Navigators on the ground. There has been active engagement on the Business South website pulse checks which are refreshed on a regular basis. This year we implemented the new quarterly business confidence surveys, held in conjunction with Canterbury Employers Chamber of Commerce with the same questions and run at the same time during the year. Up to 500 businesses contributed to that survey and helped shape our response to current and future needs.

In consultations with the business community a business engagement plan (BEP) was developed by industry group. This has been developed to drive core advocacy across the region, to represent business interests locally, regionally, and nationally and direct our strategic work programme. The plan highlights how we can work together to help solve issues and be part of the solutions as a business community and will be available on our website.

Membership

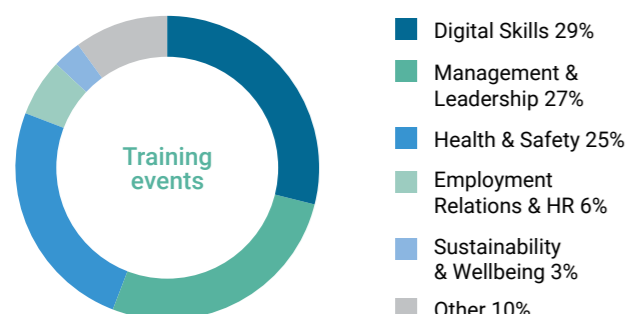
Over the past year, our approach to Business South membership has been one of balance. While we have successfully welcomed a number of new members, our paramount focus remains on diligently supporting our existing members. We have introduced several innovative initiatives aimed at augmenting the value that Business South offers as a dedicated business support organisation.

We take great pride in the businesses within our region, as they consistently punch above their weight, earning global recognition and fostering local collaborations across diverse industries. Our overarching objective is to fortify and advance the development of businesses within our region, promoting their growth and continued success. Together, we aspire to elevate our region's business landscape, underlining the importance of a robust and supportive business community in achieving these goals.

We are working toward building a strong regional presence with the initiative of regional business navigators roles and with the support and dedication of our Waitaki and Central Otago Advisory Committees, we rely heavily on ensuring we are hearing what is happening on the ground, so we can direct our services.

Learning & Development

A good mix of training was offered to the southern business community over the course of the year. We ran a total of 187 courses with 1612 total participants across the region covering the following topics:



Highlights of the year included the 'Incorporated Societies Act Seminar' series which was a Not-For-Profit training offered in 5 locations Otago-wide (Dunedin, Oamaru, Balclutha, Wanaka, Cromwell) and saw over 200 participants. We also have seen the continuing success of our Leadership Academy programme and expanded this successfully into the Waitaki and Central Otago regions.

Events

In 2022/23, Business South, has facilitated a series of impactful business engagements that have left a mark in various domains. Our events have encompassed a wide range of themes and objectives, reflecting our commitment to addressing critical global issues and fostering growth within the business community.

Our event highlights include:

- **Sharing the business success** in our regions with hosting The Grand Business South Awards, a flagship event that saw the town hall light up with entertainment, highlighting our high achieving businesses.
- **Networking Opportunities:** We have created platforms for professionals to connect, share ideas, and build valuable relationships. These networking events have facilitated meaningful connections within our business community.
- **Business Development Initiatives:** Our programs have focused on nurturing business growth through workshops, seminars, and conferences, equipping our members with the knowledge and tools they need to excel.
- **Sustainability Initiatives:** We have actively addressed environmental concerns and sustainable practices, hosting events that promote eco-friendly business strategies and responsible corporate citizenship.
- **Collaborative Endeavours:** Our events have fostered collaboration among businesses and organisations, promoting synergy and innovation within our community.
- **Workforce Pathways:** We have facilitated discussions and workshops on workforce development, helping businesses to nurture talent and create pathways for career advancement.
- **Youth Development:** We have invested in the future by focused on youth development, including mentorship programs and educational initiatives that empower the next generation of leaders.

In essence, our mission in 22/23 has been to provide thought-provoking solutions and discussions on major global challenges. Through our diverse range of events, we have strived to empower our members and the broader business community to navigate the complex landscape of today's world.

Sustainability

Business South Inc. became Toitu carbon accredited. Through the accreditation process we were better able to understand areas where we can alter our behaviour or offer different solutions to minimize both our emissions and waste.

We have continued to develop our relationships with both local and central governments with the development of the sustainable series as well as continued relations with EECA and the process heating companies in our region. Going forward we will continue to work with Business NZ and our local partners to continue to establish Business South Inc. as a leader in sustainability and regenerative business practices.



New HR advisory service exclusively available to members

Business South have announced their newest Accredited Service Delivery (ASD) partner Logan HR – a local team of professional Human Resource Consultants, who offer a pragmatic and commercial approach to their advice ensuring it is clear, concise and solutions-based.

We recognise that your business's people are your greatest asset – and we believe Logan HR are the best team to provide you with the support and expert advice you need to ensure you have all your human resources bases covered.

Services Available:

- Developing HR Strategy
- HR policies and Procedures review and advice
- Ongoing or complex performance management
- Disciplinary process assistance
- Complex HR investigations (non-legal issues)
- Staff surveys and culture development (creating company values)
- Staff selection and psychometric testing
- Remuneration advice
- Career transition/outplacement (post-redundancy).



Oritain Global named Supreme Grand Business of the Year

Congratulations to Oritain Global Limited, which won the Supreme Grand Business Excellence Award for outstanding business success at this year's The Grand Business South Awards.

The Otago-based company scientifically verifies the providence of food, beverages, fibers and pharmaceuticals, and grew from its origins at the University of Otago into a niche player in a specialised area of the global market. The company also won the Excellence in Science and Technology Award.

"Oritain Global Limited's science-based solutions are solving a growing global problem by protecting brand reputations throughout the world from opportunists who attempt to defraud, counterfeit and exploit the brand endeavours of our most impressive global exporters," the judging panel commented.

The Grand Business South Awards are the southern region's premier celebration of business excellence, held every two years. In 2022 – the Awards' thirteenth outing – there were 54 finalists represented across 18 categories.

This year, the judges introduced a new category – The Young Entrepreneur Award – to acknowledge an emerging entrepreneur with limitless potential in the business community. The judges described 16-year-old Georgia Latu of Pōtiki Poi as a true entrepreneur who has taken her love of poi and shared it with the public throughout retail sites across New Zealand.

And the Leader of the Year winner was Josie Spillane, the CEO of Highlands – Experience the Exceptional. The judges said Josie's leadership and enthusiasm for her company, staff and customers were infectious. "She has broken the glass ceiling in the world of motor sport in New Zealand and drives a diverse portfolio of businesses surpassing all corporate goals," they said.

The judging panel was impressed by the calibre of this year's applicants and thoroughly enjoyed hearing about their successes and their inspirational leaders.

"We are grateful to the panel for their time and dedication in assessing over 100 applications and interviewing all shortlisted candidates," says Mike Collins, Chief Executive of Business South.

The judging panel was made up of Dominique Dowding (The Grand Casino), Jarrod Chisholm (Findex), John Guthrie (Transition to Work), Frank Gibbons (Air New Zealand) and David Kiddey (Kiddey Consulting), supported by specialty judges Ronda Tokona, Janine Tindall-Morice, Angela Davis and Matthew Holdridge.

The winners of The Grand Business South Awards 2022 are:

Supreme Grand Business Excellence Award: Oritain Global Limited

Leader of the Year: Josie Spillane, CEO, Highlands – Experience the Exceptional

Distinguished Leader Award (chosen by Dunedin Mayor, Jules Radich): The Marsh Family

Young Entrepreneur of the Year: Georgia Latu, Pōtiki Poi

People's Choice Award: Whistle & Pop

Excellence in Service: Fable Dunedin

Excellence in Retail: Mitre 10 MEGA Wanaka

Excellence in Tourism and Hospitality: iFLY Indoor Skydiving Queenstown

Excellence in Not for Profit: (Tie) Mirror Services; and Whakaata Tohu Tohu and Kiwi Harvest

Excellence in Primary Industry: Mataura Valley Milk

Excellence in Manufacturing: United Machinists

Excellence in Science and Technology: Oritain Global Limited

Excellence in Exporting: Farra Engineering

Emerging Business: Pro Civil Construction Limited

Māori Business: Youth Employment Success

Brand Strategy and Planning: Richard Joseph & Associates

Innovation: GetHomeSafe

Business Sustainability and Resilience: Preens Apparelmaster and Linenmaster

Business Integrity: Tolcarne Boarding Residence

Workplace Injury Prevention: Downer NZ

The Grand Business South Awards owe a debt of gratitude to the following generous local and regional sponsors: The Grand Casino; Business South; Forsyth Barr; Otago Daily Times; Otago Community Trust; Anderson Lloyd; Centres of Asia-Pacific Excellence; Grow Dunedin Partnership; Enterprise Dunedin; FINDEX; New Zealand Media and Entertainment; University of Otago Business School; Otago Polytechnic; Craigs Investment Partners; Clutha Development; Business New Zealand; Invest Hong Kong; Spark NZ; Workforce Central Dunedin; Allied Productions; Doug Kamo Creative Management; Strawberry Sound; Acucut; Mitre 10 MEGA Dunedin; Gravity Events.



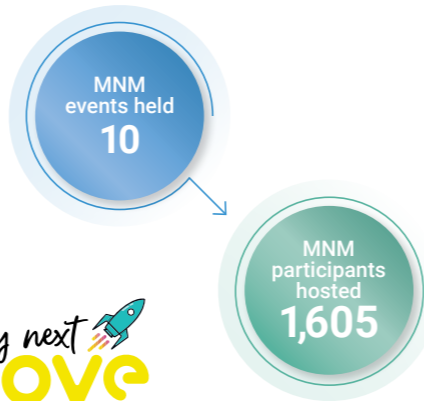
Our pathways partners



Photo courtesy of Jordan Dean, SJ Creatives



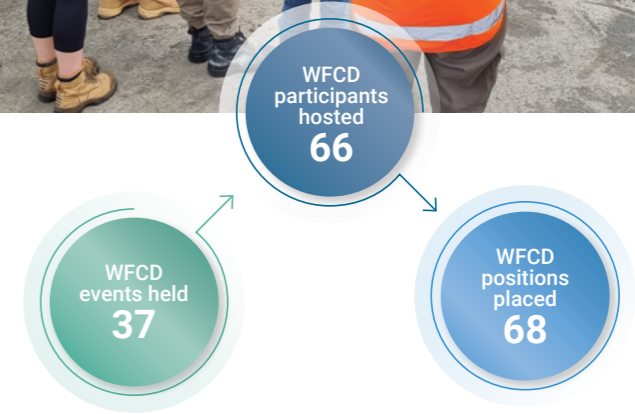
2022/23 had some challenges with school strikes and COVID event restrictions, but it was the busiest, most successful year yet for the Education to Employment contract (My Next Move). Engagement with schools and businesses continues to be positive; My Next Move initiatives and events reached over 1,600 students in 2022/23. Pasifika Navigators of Tomorrow was the highlight – an extremely successful event run with community partners. There is strong demand to run this event regularly and to share the event format with other centres. Contract funding has been extended to 30 June 2025.



The WFCD project was established to service the workforce needs of the New Dunedin Hospital (NDH.) WFCD had a very good 2022 to 2023 year with outstanding results regarding engagement with stakeholders, building partnerships and achieving broader outcome objectives. However, employment (107/140) and training (264/600) targets are lagging behind quarterly milestones. The primary reason is the delay in the construction of the New Dunedin Hospital Inpatients. Secondly and regarding the Outpatients building, the main contractor's modular building approach of building componentry in other centres and assembled onsite has reduced demand for local labour and the need to train, primarily among unskilled and semi-skilled workers. These two factors have played a significant role in reducing local employment and training opportunities on the NDH. WFCD has looked elsewhere to achieve the project outcomes reported.



Photo courtesy of Raymond Clark Photographers



For Trades is an exciting programme that is making a real difference in supporting apprentices and their hosts. A unique programme that focuses on strong partnerships, nurturing our learners and ensuring a safe and productive environment for all. Our retention rate remains strong at 88% and focus has been in establishing new hosts to support apprentices across many sectors and industry groups.

We are currently in discussions with the Central Otago Advisory Committee (COAC) about promoting For Trades in the Central Otago region.



Photo courtesy of 4 Trades



Photo courtesy of Te Puni Kōkiri



Our successes engaging Māori businesses in the New Dunedin Hospital (NDH) has been noted and Te Puni Kōkiri renewed their contract with WFCD for another \$100k for the 2023-2024 financial year. Additionally, Te Puni Kōkiri contracted a ten hour per week commitment from Business Navigator to enable Māori businesses to achieve contracts at the New Dunedin Hospital. Through this contract, WFCD has access to TPK products to offer Māori businesses.

The most significant products for Māori businesses through the Te Puni Kōkiri contract are discovery assessments (similar to Business South Inc. Health Checks) of Māori businesses and referral to the Te Puni Kōkiri Business Capability Programme.

Secondly, WFCD connects local Māori businesses to the Te Puni Kōkiri Māori Business Directory where large contractors may find Māori businesses to help them meet contractor obligations to award a minimum of 8% contract value to Māori.

Photo courtesy of Business Mentors



BMNZ new mentors
16

BMNZ mentors matched
84

BUSINESS MENTORS

INSPIRING SUCCESS

A steady year for BMNZ across the region. Many businesses were very busy post COVID trying to retain and attract staff and rebuild so may not have had time to also work with a Mentor. We did manage to attract some new and relevant Mentors but would have liked to have onboarded more Mentees. The Business South Navigators are all aware of BMNZ and RBP team do an excellent job adding BMNZ information to all Action Plans and talk to their clients about this option. For the 22/23 financial year 84 mentees and 16 mentors from Otago registered with the programme. Currently, we have had 25 mentees register in the first two months of the current financial year, accounting for 25 percent of the target.



Young Enterprise

Big shoes to fill after being the National Winners for 2021 and 2022. The team are aiming for another national win (200 students in Otago and 2000 in Auckland).

Our national winner from two years ago, Abalro made it to the finals of the Alumni Awards in the Watch This Business award. We have had several students attend Entrepreneurs in Action workshops in Auckland and a group of four students are about to attend a Young Navigators weekend course.

YES students participating
185



Photo courtesy of YES



OUR STORIES



We're Toitū Net Carbon Zero Organisation Certified

We are delighted to share we're now a Toitū net carbon zero certified organisation.

This means measuring emissions to ISO 14064-1:2018 and Toitū requirements; managing and reducing against Toitū requirements; and compensating remaining emissions following Toitū requirements and covering a minimum of the total Toitū boundary.

We'd like to thank our partners and members for their continual support in our journey towards developing and supporting a sustainable business community.

Strategic agency partnerships

Regional Business Partners

138 businesses received the co-funded Management Capability Fund totalling \$251,570.69 for the year. The Growth Advisor team worked with 393 businesses providing Action Plans to support management teams, build their skills and grow their business. Businesses are also provided an eco-system of support available from helpful online tools and sources of information to hands-on help from mentors and government organisations. In addition to the ongoing support delivered by the team, Business South agreed to a contract variation that increased the value of the contract in line with inflation.

Innovation programme for tourism recovery

In November 2022 Business South was awarded the national contract for the delivery of the Government's Innovation Programme for Tourism Recovery. Over the past ten months the team has provided guidance to over 170 applicants across New Zealand. The team are currently working with a select group of businesses that have met the Government's initial high bar of potentially being 'transformative innovations' and will create change across the tourism industry. At this stage in the programme, we are assisting applicants by strengthening and refining their business plans. The Business South contract finishes October 31st with all Stream Two applications being due by December 15th 2023. We anticipate Government to announce successful projects in early 2024.

Callaghan Innovation

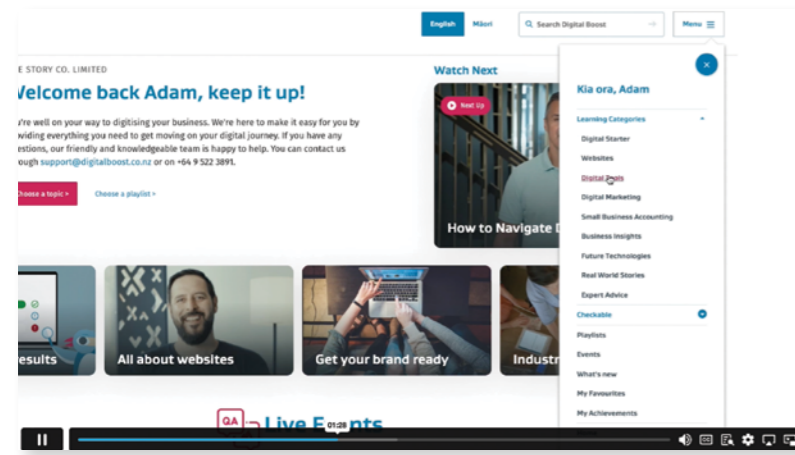
This was the first year that Callaghan rolled out a data centric, metric focused "navigator" program. It has been a roaring success that the Callaghan board are thrilled with.

Total number of action plans provided to Otago Innovators was 170. There were 271 referrals to Callaghan products including many to Callaghan's new grants: the Arohia Innovation Trailblazer Grant and the New to R&D Grant. Overall, six Otago businesses have been awarded the prestigious Arohia Innovation Trailblazer Seed Grant and one received the New to R&D Grant.

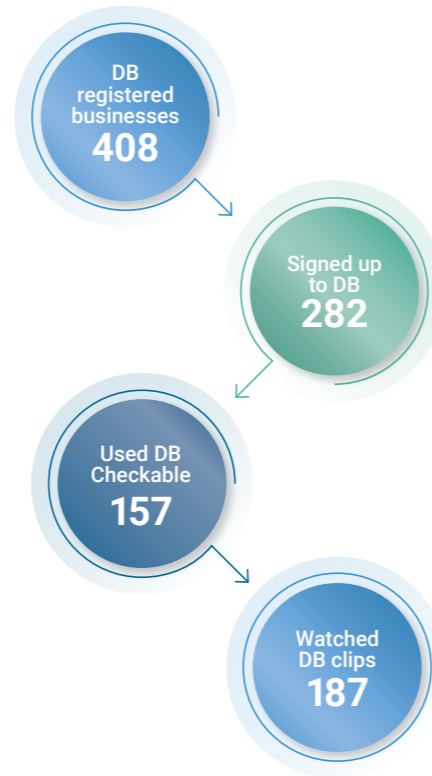
The My Next Adventure Event developed in partnership with the Division of Science and the Polytechnic to increase adoption of the Experience Grant was a great success with 13 tech business coming and over 100 Polytechnic and University students. This received a net promoter score of 80 with all business saying they were likely to attend next year.

Digital Boost

Twenty eight cohorts plus two from Business South registered for this pilot initiative. The high number of registrations reflects the need for digital support in our region. This was a pilot programme and MBIE are due to seek feedback from those who were registered so we will have a better understanding of what worked, improvements businesses were able to make and what didn't work.



Screenshot courtesy of Digital Boost



Special Purpose Financial Report

for the year ending 30 June 2023

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Statement of financial performance

For the year ended 30 June 2023

	NOTE	2023 \$	2022 \$
Revenue	3	3,372,693	2,670,445
Other income	4	141,042	40,362
Total revenue		3,513,735	2,710,807
Expenses	6	3,480,356	3,285,037
Net profit (loss) before income tax		33,379	(574,230)
Income tax expense		-	-
Net Surplus		33,379	(574,230)

This statement is to be read in conjunction with the notes to the financial statements on pages 17 to 19

Statement of changes in equity

For the year ended 30 June 2023

	NOTE	2023 \$	2022 \$
Balance at 30 June 2023		1,904,530	-
Net Surplus		33,379	(574,230)
Members funds distributed from Otago Southland Employers Association		-	2,011,854
Members funds distributed from Otago Chamber of Commerce		-	466,906
Balance at 30 June 2023		1,937,909	1,904,530

This statement is to be read in conjunction with the notes to the financial statements on pages 17 to 19



Memorandum of Co-operation with CCOIC signed

Business South has signed a Memorandum of Cooperation with China Chamber of International Commerce (CCOIC), Qingdao Chamber to promote trade and economic relations between the two cities, in the spirit of friendliness, equality and mutual benefit.


This Memorandum opens up exciting opportunities for our city's industries to build valuable relationships and networks in one of the world's most high-performing commercial and financial centres. If you would like to know more about how this Memorandum could open-up opportunities for your business, please contact us: info@business-south.org.nz

Statement of financial position

As at 30 June 2023

	NOTE	2023 \$	2022 \$
Equity		1,937,909	1,904,530
Represented by:			
Current assets			
Cash and short term deposits		1,157,071	1,213,058
Receivables	7	692,701	683,817
		1,849,772	1,896,875
Non-current assets			
Fixed assets	8	1,523,576	1,572,111
		1,523,576	1,572,111
Total assets		3,373,348	3,468,986
Current liabilities			
Payables	9	1,435,439	1,564,456
Provision for income tax		-	-
Total liabilities		1,937,909	1,564,456
Net assets		1,937,909	1,904,530

Approved for and on behalf of the Board of Directors



28/9/2023.

Director
Neil Finn-House



28/9/2023

Director
Dominique Dowding

This statement is to be read in conjunction with the notes to the financial statements on pages 17 to 19

Notes to the financial statements

NOTE 01 Reporting entity

The Business South Incorporated (Business South) is a society registered under the Incorporated Societies Act 1908.

Business South's mission is to lead, develop and promote the interests of business for the benefit of the Otago Southland community.

The special purpose financial report comprises statements of accounting policies, financial performance, changes in equity and financial position as well as notes to the financial statements contained on pages 17-19 of this special purpose financial report.

NOTE 02 Statement of accounting policies

BASIS OF PREPARATION

The financial statements have been specifically prepared for the purposes of meeting Business South's income tax requirements and reporting to members.

Business South is the ongoing entity that has resulted from the joining of the Otago Chamber of Commerce Inc (OCCI) and Otago Southland Employers' Association (OSEA). Both entities are dissolved and the net assets of these entities on dissolution, were transferred to Business South Equity. Business South began earning Revenue from 1 October 2021, as Revenue Streams were transferred over from the original entities.

GOING CONCERN BASIS OF ACCOUNTING

The financial statements have been prepared on a going concern basis, which assumes that Business South will continue to operate for the foreseeable future.

HISTORICAL COST

These financial statements have been prepared on a historical cost basis, except for certain assets which have been revalued as identified in the specific accounting policies below. The financial statements are presented in New Zealand dollars (NZ\$).

CHANGES IN ACCOUNTING POLICY

There have been no changes in accounting policies.

SPECIFIC ACCOUNTING POLICIES

Revenue Recognition

Business South has a number of different revenue streams, including:

- Membership Subscriptions
- Training and Events Fees
- Contract funding
- Employment Relation Advice Fees
- Export Documentation.

Revenue is measured at the fair value of the consideration received or receivable for the provision of the services, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

For membership subscriptions the revenue is apportioned over the period of the membership.

Contract funding revenue is recognised proportionately as the costs of providing the contracted services are incurred.

Interest received is recognised as interest accrues..

Accounts Receivable

Receivables are stated at their estimated realisable value after providing against debts where collection is doubtful. Individual debts that are known to be uncollectible are written off in the period that they are identified.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset using depreciation rates published by Inland Revenue. Assets estimated useful life is reassessed annually. The following depreciation rates have been used:

Buildings	2% DV
Computers	30% - 67% DV
Office equipment	18% - 67% DV
Furniture and fittings	9% - 50% DV
Vehicles	30% DV

Any gain or loss arising on disposal is included in profit or loss in the year the asset is disposed.

Impairment

If the estimated recoverable amount of an asset is less than its carrying value, the asset is written down to its recoverable amount and the impairment recognised in profit and loss.

LEASES

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

INCOME TAX

The income tax expense in profit or loss represents the estimated current obligation payable in the current year to Inland Revenue adjusted for any differences between estimated and actual income tax payable in prior years.

GOODS AND SERVICES TAX (GST)

All amounts are stated exclusive of GST except for payables and receivables which are stated inclusive of GST.

Notes to the financial statements

NOTE 3

Identified revenue included in the operating results for the year

	2023	2022
	\$	\$
Employment Relations Advice Fees	21,402	178,102
Export Documentation	88,085	80,939
Training & Events Fees	497,181	247,155
Member Subscriptions	746,263	661,866
Contract Funding	1,818,809	1,429,545

NOTE 4

Other income

	2023	2022
	\$	\$
Interest	27,939	1,661
Rent	113,103	38,701
	141,042	40,362

NOTE 5

Donations & Grants

Business South received a donations & Grants from the following sources

	2023	2022
	\$	\$
Aotearoa Gaming Trust	5,334	20,000
Otago Community Trust	–	50,000
Grassroots Trust	5,000	20,000
Lion Foundation	10,000	50,000

NOTE 6

Identified expenses included in the operating results for the year

	2023	2022
	\$	\$
Business NZ Levy	124,011	93,009
Contractor and subcontractor payments	372,811	200,784
Doubtful debts	202	14,838
Depreciation of property, plant and equipment	48,536	24,990
Fringe benefit tax	7,915	15,205
Insurance	16,602	8,478
Legal	10,159	29,849
NZCCI levy	3,308	2,481
Operating lease expenses	138,085	112,671
Professional and consulting fees	81,704	57,434
Salary and Wages	1,965,688	2,049,042

NOTE 7

Receivables

	2023	2022
	\$	\$
Receivables	664,122	594,378
Less provision for doubtful debts	(15,040)	(14,838)
Net receivables	649,082	579,540
Other receivables	18,601	71,354
Prepayments	25,018	32,923
	692,701	683,817

NOTE 8

Fixed assets

	2023	2022
	\$	\$
Land	625,000	625,000
Accumulated depreciation	–	–
Net book value land	625,000	625,000
Buildings	825,000	825,000
Accumulated depreciation	(21,890)	(5,500)
Net book value buildings	803,110	819,500

Notes to the financial statements

	2023	2022
	\$	\$
Computer equipment	19,249	19,249
Accumulated depreciation	(12,437)	(3,643)
Net book value computer equipment	6,812	15,606
Furniture and fittings	74,165	74,174
Accumulated depreciation	(14,292)	(3,960)
Net book value furniture and fittings	59,873	70,214
Office equipment	6,870	6,870
Accumulated depreciation	(3,157)	(890)
Net book value office equipment	3,713	5,980
Vehicles	39,790	39,790
Accumulated depreciation	(14,722)	(3,979)
Net book value vehicles	25,068	35,811
Total net book value	1,523,576	1,572,111

The latest rateable valuation issued on 1 July 2022 values land and buildings at \$1,510,000, this is \$81,890 higher than the current carrying value.

NOTE 9

Payables

	2023	2022
	\$	\$
GST	105,271	135,155
Other Payables	193,204	211,860
Income in advance	1,014,243	1,047,634
Accrued Salaries	32,792	38,965
Provision for Holiday Pay	89,929	130,842
	1,435,439	1,564,456

NOTE 10

Non-cancellable operating leases

	2023	2022
	\$	\$
Current	135,407	82,039
Non-current	86,418	7,525
	221,825	89,564

NOTE 11

Related parties

Director Georgina Guthrie is a Director of Firebrand Holdings Ltd who provide web design, marketing and hail communications for Business South. Payments for services totalling \$5,269 (2022: \$80,796) have been made by Business South within the normal course of business.

Director Dominique Dowding is the CEO of Grand Casino. Grand Casino has invoiced Business South for the on-charging of catering services which were provided by Scenic Hotels for \$1,219 (2022: \$1,920). Grand Casino is the Naming Right sponsor of the Grand Business Awards.

CEO Mike Collins and Director Neil Finn-House are Directors/Board Members of Business NZ. Business South incurred \$124,011 (2022: \$93,008) in relation to Business NZ Levies and received \$62,199 (2022: \$42,686) membership income in relation to National subscriptions.

Directors Will Martin and Robin Gauld are employed by the University of Otago. Business South received \$15,000 (2022: \$21,000) in sponsorships in relation to the Young Enterprise Scheme and Business South Awards from the University of Otago.

From time-to-time other directors, their business entities, and staff, as members of Business South, purchase services from Business South within the normal course of business.

NOTE 12

Capital commitments and contingencies

Business South has no contracted future capital expenditure which has not been accounted for in the financial statements.

Business South has provided an undertaking to the Trustees of the For Trades Apprenticeship Training Trust (the Trust) that Business South will not call up the outstanding debtor balance of the Trust if it means that the Trust cannot meet its day-to-day obligations. Other than this matter, Business South has no other contingent liabilities at 30 June 2023.

NOTE 13

Subsequent events

No significant events have occurred subsequent to balance date.



Independent Assurance Practitioner's Report

To the Members of Business South Incorporated

We have reviewed the accompanying special purpose financial statements of Business South Incorporated ("the Society"), which comprise the statement of financial position as at 30 June 2023 and the statement of financial performance, and statement of changes in equity for the year then ended, and a summary of accounting policies and other explanatory information. The special purpose financial statements have been prepared in accordance with the basis of accounting as described in Note 2 of the special purpose financial statements.

DIRECTORS' RESPONSIBILITY FOR THE SPECIAL PURPOSE FINANCIAL STATEMENTS

The Directors are responsible on behalf of the entity for the preparation of the special purpose financial statements in accordance with the accounting policies as disclosed in Note 2 of the special purpose financial statements and for such internal control as the Directors determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

ASSURANCE PRACTITIONER'S RESPONSIBILITY

Our responsibility is to express a conclusion on the special purpose financial statements. We conducted our review in accordance with International Standard on *Review Engagements (New Zealand) (ISRE (NZ)) 2400, Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity*. ISRE (NZ) 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the special purpose financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires that we comply with relevant ethical requirements.

A review of special purpose financial statements in accordance with ISRE (NZ) 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly, we do not express an audit opinion on the special purpose financial statements.

Other than in our capacity as independent review practitioner we have no relationship with, or interests in, the Society.

BASIS OF ACCOUNTING AND RESTRICTION ON DISTRIBUTION AND USE

We draw attention to Note 2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for the purposes of meeting the Society's requirement to report to members. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the Society and should not be distributed to parties other than the members and its Directors.

This report is made solely to the Society's Committee Members, as a body. Our review has been undertaken so that we might state those matters we are required to state to them in an Independent Assurance Practitioner'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 Society and the Society's Committee Members as a body, for our review work, for our Independent Assurance Practitioner's Report, or for the conclusions we have formed.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the special purpose financial statements of the Society for the year ended 30 June 2023 are not prepared, in all material respects, in accordance with the basis of accounting as described in Note 2 of the special purpose financial statements.



Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Dunedin this 28th day of September 2023

Directory

Nature of Business

Business Services

Registered Office

Level 3, Public Trust Building
422 Moray Place, Dunedin 9016

Postal Address

PO Box 5713, Dunedin 9058

Phone

03 479 0181

Email

info@business-south.org.nz

Website

www.business-south.org.nz

Incorporated Number

9429049261219

Inland Revenue Number

134-227-273

Bankers

Westpac New Zealand

Auditor

Crowe Australasia

Lawyers

Anderson Lloyd
Van Aart Sycamore

BOARD OF DIRECTORS

Neil Finn-House (Board Chair)

CEO, Mitre 10 Mega Dunedin | Mosgiel

Norcombe Barker

Managing Director, Larnach Castle

Georgina Guthrie

Director and General Manager, Firebrand

Dominique Dowding

CEO, Grand Casino

Will Martin

Legal Adviser, Otago University

David Kiddey

Managing Director, Kiddey Consulting

Lesley Brook

Research Project Co-ordinator, Otago Polytechnic

Professor Robin Gauld

Director (Centre for Health Systems & Technology)
University of Otago

Business South Inc. Team

www.business-south.org.nz/about/our-people/

NEW ZEALAND CHAMBER OF COMMERCE (NZCCI)

Board Member

Mike Collins

BUSINESS NEW ZEALAND BOARD

Board Director

Neil Finn-House

Board Director

Mike Collins

BUSINESS SOUTH COMMITTEES

Central Otago Advisory Committee
Retail Committee
For Trades Board
Waitaki Advisory Committee

Life Members

Andrew Leys
Chris Staynes
David Humphrey
John Christie
Mike Ferrari
Phil Broughton
Steve Brocklebank
Stuart McLauchlan
Bex Twemlow
Grant McKenzie

Partnerships

Air New Zealand
Allied Press
Aukaha
Business Central
Business New Zealand
Canterbury Employers' Chamber of Commerce
Central Lakes Trust
Central Otago District Council
Clutha District Council
Dunedin City Council
Dunedin Dream Brokerage
Education to Employment Brokerage service (My Next Move)
EMA
Grow Dunedin Partnership
InPhySec
KUMA
Lion Foundation
Ministry of Business, Innovation and Employment
Ministry of Social Development
New Zealand Trade and Enterprise
Noel Leeming
OfficeMax
Otago Community Trust
Otago Polytechnic
Otago Rail Trail Operators
Otago Regional Council
Pacific Trust Otago
Project China
Southern Hub Chambers
Southern Trust
Study Dunedin
Tertiary Education Commission
Torpedo7
University of Otago
University of Otago Business School
Waitaki District Council
Westpac
Workforce Central Dunedin
Young Enterprise Scheme
Youth Employment Success (YES)
Z Energy

Level 3, Public Trust Building
443 Moray Place, Dunedin 9016
PO Box 473

Email: info@business-south.org.nz
Call: **03 479 0181**

business-south.org.nz

