



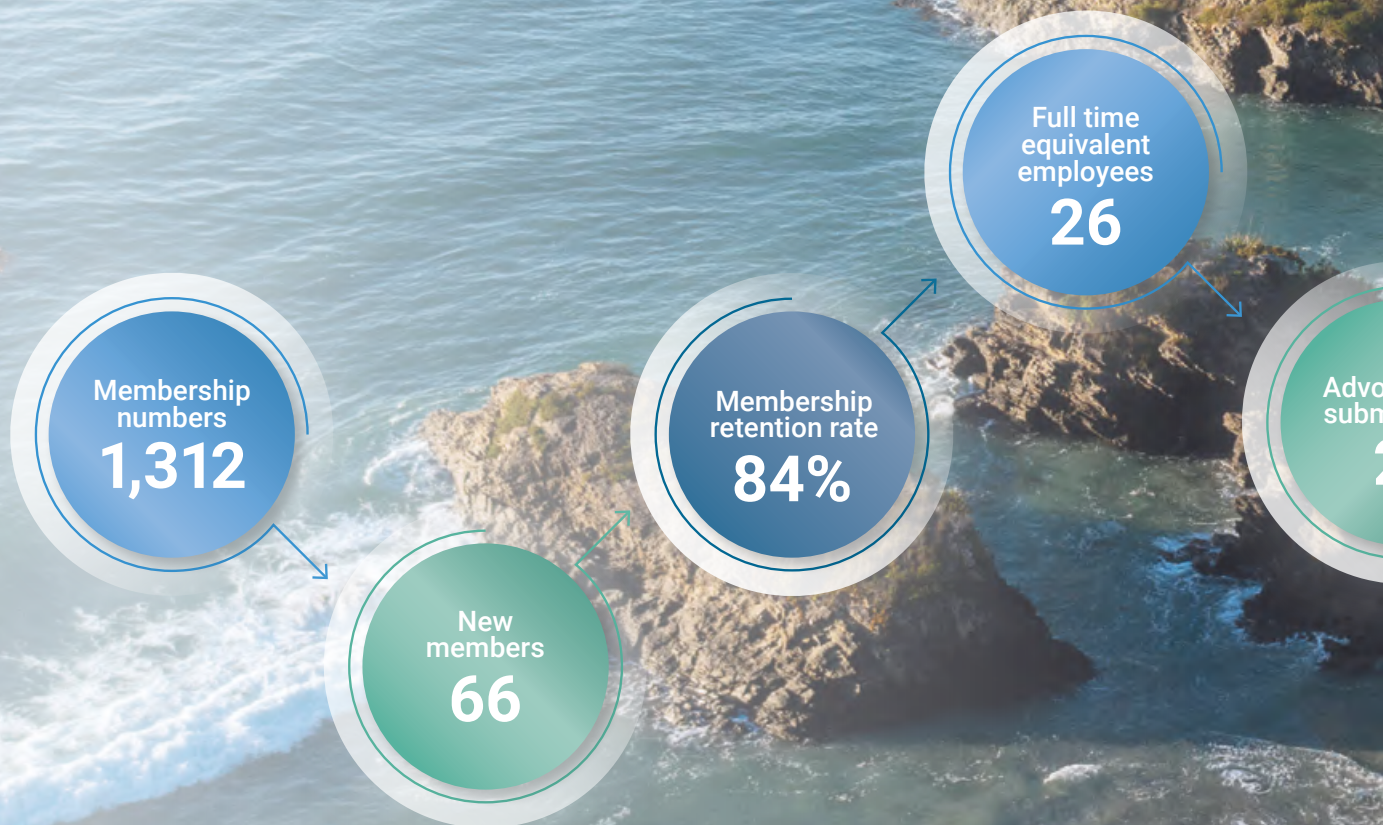
**Annual
Report
2024**

Business South at a glance

Business South is your Southern Business Association.

We believe that every business should have the best chance at being the best it can be, we optimise businesses health and growth potential through a wide range of support services, training and networking opportunities for whatever stage they are at, providing career pathways for rangatahi, advocating for businesses with decision-makers in local and central government.

Our membership includes businesses from south of the Waitaki River to Bluff, and into Central Lakes Otago.





Advocacy on
missions
26

Total number
of advocacy
engagements
1,733

Training
sessions
87

Number of
events
82

Our surplus
\$7.8k

Our Board



Dominique Dowding
BUSINESS SOUTH BOARD CHAIR
CEO, GRAND CASINO



David Kiddey
MANAGING DIRECTOR, KIDDEY
CONSULTING



Dean Delaney
DIRECTOR, PLATINUM RECRUITMENT



Gareth Evans
CEO, FARRA ENGINEERING



Mike Borthwick
EXECUTIVE DIRECTOR, LANDPRO LTD



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



Norcombe Barker
MANAGING DIRECTOR,
LARNACH CASTLE



Paul Hubbard
PARTNER, DOWNIE STEWART



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



Report from the Board Chair

I am pleased to present the 2023/24 Annual Report for Business South Incorporated.

Mike and his team have progressed much in the past year despite several economic challenges for our membership and the organisation. Despite this, we managed to record a respectable profit of \$7,842.

Our membership, advocacy, training and regional business partnerships have grown, and the events have produced record numbers. This shows that businesses want to be part of the solution to turning around our cities, towns and country again.

This year was one of many achievements and driving outcomes. Our Business NZ shareholding saw a lot of progress in advocating for the region, and we have been highly successful at having the government listen to our solutions-focused agenda; Director Neil Finn House became Co-Vice President, and Katherine Rich, proudly from Dunedin, became CEO of Business NZ. We look forward to Katherine taking Business NZ to another level.

Business South has then been driving a growth strategy for the region, which saw Phil O'Reilly leading us in a workshop to identify the region's business wants and needs. This led to several other workshops and sector group meetings that have formulated the Stakeholder Engagement Strategy for Business in Otago. This comprehensive document outlines the sector's potential, growth strategies, and solutions to accelerating the sector's development for the region.

From an investment and growth perspective, we have helped businesses across the region attract investment, remove blockages to progress, and work with councils to support economic development strategies and partnerships. SOREC joined us, allowing Business South to support the manufacturing industry and hopefully revitalise this for the region once more.

We have positively and progressively partnered with city councils across the regions, the University of Otago, and Otago Polytechnic, and we have appreciated their openness and willingness to work together to drive progress for the region.

None of this would have been possible without the dedication of Mike Collins, CEO and his management team and staff, as well as the excellent directors who have all worked tirelessly to drive positive conversations, engagement, partnerships, and collaborations and offer solutions to grow the prosperity of the 75,000 businesses within the region.

We are not finished yet with more exciting projects that we are driving to turn things around for our members, who we put front and centre of any strategy or discussion. So, thank you all for your positive contributions, support and honesty over this year. We look forward to having an even better 2024/25 and continue to advocate for Otago and Southland.

Dominique Dowding
BOARD CHAIRPERSON



Report from the CEO

This past year has been one of growth, inclusiveness, and adaptation positioning us strongly for the future.

We have continued to realign and evolve our services to meet the changing needs of our members. Business South is increasingly recognised as a trusted and impactful partner within the regions of Otago and Southland and also across the Business NZ network and beyond. Our reputation as a modern, progressive and adaptable organisation continues to grow. This being supported by a membership base that values relevance, diversity and solutions tailored to their needs. We have moved to an industry and sector model offering packages of services that meet the needs to these businesses.

Our strategic partnerships have grown both internationally and domestically. We are particularly excited by the deepening ties with China, central and local government and the Southland and Otago Regional Engineering Collective (SOREC). These partnerships are opening doors for collaboration, trade, and knowledge sharing that will drive regional economic growth in the coming years.

Internally, our career pathways offerings has become a central platform for workforce development. With integrated services like My Next Move, 4 Trades, SOREC Academy, and partnerships with Te Puni Kokiri and Young Enterprise Scheme, we are playing a pivotal role in shaping the future workforce of Otago and Southland. The alignment

of these services enables us to create tailored, sustainable career pathways for individuals, while ensuring businesses have access to skilled workers.

Taking the time to celebrate the Grand Business South awards was an amazing showcase of the exceptional businesses that we have across Otago and Southland. We were also extremely proud of our Business South Workforce Central Dunedin Ōtepoti team who were the joint recipients of the He Tohu Tangata Tiriti Partnership Award at the KUMA – 2023 Southern Māori Business Network Awards

Looking ahead to 2025, our focus will remain on advocating for policies that foster innovation, sustainable growth, and a robust business environment. We will continue to expand our networking opportunities, resources, and partnerships to ensure our members have the tools they need to thrive in an ever-changing economic landscape.

None of this would have been possible without the unwavering commitment of our board, our members and partners. Your belief in our mission is what drives us forward, and together we are building a stronger, more resilient business community.

Finally, I want to extend my thanks to the entire team at Business South. Their dedication, creativity, and hard work is enabling our success. I am incredibly proud of all we've achieved together and look forward to another year of growth and impact. .

Mike Collins
CHIEF EXECUTIVE OFFICER



Advocacy

Our advocacy team worked closely with the Business NZ Network and successfully set up meetings with the Prime Minister, Ministers, and MPs. The Minister for Small Business and Manufacturing, Hon. Andrew Bayly, visited Dunedin to discuss and participate in a session with the Engineering and Manufacturing industry.

We continued our work on the Quarterly Business Survey, which provided great insights for our policy submissions. We also initiated Connect over Coffee sessions, Election Candidate Sessions (in Oamaru, Alexandra and Dunedin) giving members opportunities to share insights, challenges, and stories that will inform our advocacy efforts.

This year, we focused significantly on submitting responses to six annual and long-term plans for local councils around the regions and government consultation on the Draft GPS on Land Transport 2024-34 with Business Canterbury and input into other policy issues through the BusinessNZ network. The insights we gathered from Connect over Coffee, Webinars, and our Quarterly Business Survey helped shape these submissions.

Other initiatives included hosting of a Post-Budget lunch with Associate Minister of Finance, Hon. Chris Bishop and the development of the Business Engagement Plan; a member-led / grassroots perspective on the issues and what's keeping business owners awake at night. Driven by what our members are saying and widely used when advocating on the behalf of members.

Membership

We maintain our focus on retaining current members and are pleased to see a slight increase, particularly in Dunedin. We've initiated several programmes to keep growing, this included introducing the Health Check, a tool for businesses to evaluate their performance across all aspects in their business. We also developed a phone app, providing easier access to member discounts and exclusive member content. We are to provide support for all businesses from sole traders, non-for profit to major company groups to large corporates.

Our team also has undergone some changes with Lloyd Ma'ole as Director of Membership focusing on sales, while Jessica de Heij as Marketing Communications Manager is concentrated on marketing, communications and branding. This year, we've also prioritised



Our Advisory Committees

Earlier this year, we transformed the Central Otago Advisory Committee (COAC) into Business South Central Otago (BSCO), Business South Waitaki Committee (BSWAC) following this same structure. Signalling our renewed commitment to supporting the local business community in our regions.

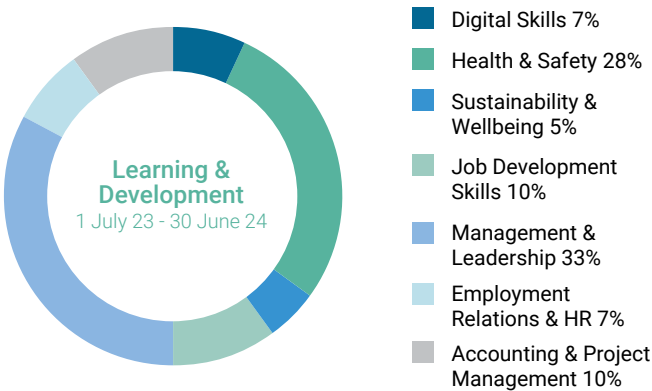
The primary focus is to connect, navigate, and empower businesses, ensuring the regions have a significant and autonomous voice on critical economic issues. We aim to build meaningful connections, advocate for businesses at all levels, and assist our members throughout every stage of their business journey.

The SOREC advisory committee is aimed at the manufacturing and engineering industry. They guide and lead us to provide the opportunities and identify trades staff shortages. More information about SOREC (on page 7) as they have recently joined Business South.

elevating our “Business South” brand. We focus on the belief that every business should have the best chance of being the best it can be, including optimising health and growth potential through a wide range of support services, training and networking opportunities. As passionate advocates, we champion our southern members’ interests, ensuring their voices are heard and providing guidance to accelerate their businesses.

Learning & Development

A good mix of training was offered to the southern business community over the course of the year. We held a total of 87 courses with 554 participants across the region covering the following topics:



We have also seen the continuing success of our Leadership Academy programme in both Dunedin and Central Otago region with overall growth in Leadership and Management courses which are well supported. Health & Safety training is also well supported in all regions. The overall decline in the number of courses delivered and participant attendance is predominantly due to the economic downturn of training budget availability of many businesses.

Events

We held events across a wide range of topics not only focusing on education, but also inspiring the business community. Below is a breakdown of some of the events we successfully delivered.

We kicked off our first AI summit with prominent speakers including the Director of AI at Datacom, the Director of University of Otago’s centre for AI and Public Policy and some real live examples of businesses implementing AI in their business. We received a lot of positive feedback from this event.

The Grand Business South Awards event in November 2023 was significant as it marked the first time we decided to move the location of this flagship event to a new venue (The Edgar Centre). We chose a larger venue to accommodate the growing popularity, while keeping the event’s prestige intact. The result was a successful night with lots of very excited winners and celebrating the amazing business community we have here in the lower South Island.

Networking opportunities; our BA5’s continue to be very popular and have grown in both Dunedin and Central Otago. Our Connect over Coffee series around the region which are giving businesses an opportunity to network but also talk about policies. Other events included seminars, working groups and webinars. A wide range of events that help educate businesses and their staff.



Sustainability

During the 2023/2024 financial year we have offered several sustainability initiatives.

Initiatives included a web-based course by Business NZ, facilitated by Lauren James (Sustainability Lead – Business NZ Network) and a Sustainability Academy to provide businesses with real-life examples of sustainable and profitable business practices. We also partnered with a third-party training provider.

Clear communication on value-for-money sustainability initiatives is essential. This year, a sustainability master’s student from Otago University is researching this area to deepen our understanding. For the coming year, a Masters student in sustainability from the Otago University is doing research around this area to get a better understanding around the value of money for businesses.

Looking ahead to FY25, we are seeking grant funding to expand our sustainability training and event offerings. This support will enable us to provide more accessible and impactful options for businesses to engage with sustainable practices and drive positive change in our region.

Members only phone APP launch

We launched the Business South phone app, members are able to use the phone app to access discounts from national providers eg. Officemax, Noel Leeming etc. or access member-to-member discounts; a great opportunity for members to display their products and services to grow their business.

The phone app also gives access to members-only resources including reports on our talks with government / councils, advice line HR guides and exclusive webinar access and gives instant access to our training and events calendar.

The phone app has been very successful, and we have seen great results with more than 467 people downloading our app. Dunedin being the region with the most downloads and Central Otago being in second place.





ADInstruments NZ Ltd. named Supreme Grand Business of the Year

Congratulations to ADInstruments NZ Ltd., which won the Supreme Grand Business Excellence Award.

This organisation creates simple, flexible tools to help scientists and educators to record and analyse data quickly and efficiently. Their products are cited in more than 30,000 research papers in peer-reviewed journals and our equipment is the preferred choice for thousands of scientists and educators around the world.

Boasting more than 35 years of experience in life science, and having worked with more than 10,000 organisations worldwide, the company was described as a stand-out entrant.

Founded in 1986 by Michael Macknight, the company now has offices in 15 countries and is ranked 62nd among technology companies in New Zealand.

A team of nearly 200 based in its Dunedin headquarters in Vogel St drive the tech development. ADI's products have been featured in more than 43,000 research papers in peer-reviewed journals and it has partnered with such institutions as Roche, Toyota, Mayo Clinic and Harvard.

Its growth included expanding into India, China and Brazil, with more than 45,000 PowerLab systems in use, and it recently ventured into a cloud-based learning platform to train future scientists.

There were a record number of entries in this year's awards and the judges interviewed more than 40 short-listed entrants. Grand Casino chief executive Dominique Dowding, who was one of the judges, said every business featured demonstrated unwavering commitment, resolute determination and substantial sacrifices on their journey to success.

"Tonight transcends a mere occasion; it represents the culmination of a relentless pursuit of growth, a celebration that extends beyond personal triumphs to honour the very essence of southern excellence," she said.

The judging panel was made up of Dominique Dowding (Grand Casino), Matthew Holdridge (Allied Press), Janine Tindall-Morice (NZME), Rachel Simpson (Business NZ), Jarrod Chisholm (Findex), Frank Gibbons, John Guthrie and David Kiddey.

Content courtesy of Sally Rae at the Otago Daily Times.

The winners of The Grand Business South Awards 2023 were:

Grand Supreme Business Excellence; ADInstruments NZ Ltd.

Excellence in Service; Remarkable People

Excellence In Retail; Lab Supply Ltd

Excellence In Tourism & Hospitality; Southern Discoveries

Excellence In Community Contribution; Tūhura Otago Museum

Workplace Injury Prevention; PowerNet

Excellence In Marketing; MTF Finance

Business Sustainability; Great South

Emerging Business; Rostron Finance

Excellence In Primary Industry; Milligans Food Group

Excellence In Manufacturing; Farra Engineering

Excellence In Science, Technology & Innovation; ADInstruments NZ Limited

Entrepreneur Of The Year; Botanic Press

People's Choice Award; Dunedin Solar

Distinguished Leader; Jim Robertson (Tuapeka Gold Print)

And a special mention to our amazing regional and local sponsors;

The Grand Casino, Business South, Otago Daily Times; Findex, NZME, University of Otago Business School, Te Pūkenga | Otago Polytechnic, Business New Zealand, Invest Hong Kong, Spark NZ, Rostron Finance, PRO-CIVIL, Oritain, Dunedin City Council, Workforce Central Dunedin; Allied Productions; Doug Kamo Creative Management, Strawberry Sound and Gravity Events.

Our Workforce Development team

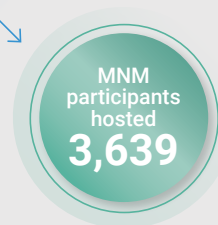


Photo courtesy of My Next Move

2023/2024 was a big and busy year for My Next Move. A wide range of events were organised to connect Otago high schools and businesses, showing rangatahi about the world of work. This included successful Pathways Breakfast, (which brings industry leaders and schools together to identify, discuss and create opportunities to more closely connect and provide career pathways for students). Another successful event was the speedmeet where 700 students had the opportunity to talk to professionals from nurses to IT managers, and from builders to marketing specialists.

In cooperation with Techstep they organised Tech Breakfasts for Rangatahi. Another session was Rangatahi Techstep session at the AI summit with presentations from the Director of AI at Datacom and some interactive examples of businesses implementing AI into their business. A well-attended session with lots of rangatahi keen to hear more about the technology and the latest developments in AI.



For Trades vision is assisting people in gaining vocational skills for a better future is being realized daily. With industry-leading completion and success rates, they are proud to offer apprenticeships across diverse sectors such as automotive, building, electrical, horticulture, and more.

For Trades are a nationally recognised Group Training Scheme provider employing apprentices and trainees and connecting these enthusiastic young people to businesses. One of their hosts is the Dunedin Botanical Gardens and several apprentices have graduated there.

The For Trades Trust has worked hard this year on greater Health and Safety reporting and visibility to the Board. Giving them up to date reports on all incidents, near misses and injuries. We are also following up with investigations and hazard management. As part of this, we are giving trustee's information about training that apprentices receive and what is actively being done to reduce risks.

We are also working towards giving apprentices more options and resources to support their mental health, with free workplace support services and apps being available.



Photo courtesy of 4trades



Workforce Central Dunedin (WFCD) is established to supply workers for construction, infrastructure and trade businesses in the community and at the new Dunedin Hospital build.

Important part of their work is connecting with schools, attending career expo's and they have taken multiple tour groups onto the new Dunedin Hospital site to engage the community in the build. WFCD also organises a monthly job seeking seminar. These are organised in cooperation with Ministry of Social Development and are well attended.

The team has also established a pastoral care programme for the construction workers at the new Dunedin Hospital site, including an onsite health nurse and regular health screenings.

WFCD supported Māori businesses in Dunedin through Discovery Sessions and referrals to Te Puni Kōkiri's Capability Uplift Support Programme. A large part of their work was around connecting Māori businesses to each other as well as to big names in construction including the new Dunedin Hospital Build and Kāinga Ora.

The collaborative efforts between WFCD and Māori businesses was acknowledged when they won the Te Tohu Tangata Tiriti Partnership award at the KUMA (Southern Māori Business Network) Business Awards. The team were very humbled and blessed to be the recipient of the award which acknowledges their efforts to partner with Māori.

Photo courtesy of Workforce Central Dunedin



Photo courtesy of SOREC



SOREC is the Southland and Otago Regional Engineering Collective and joined Business South in August 2023. They are passionate about ensuring the sustainability of engineering in the region, an incubator for industry to work together to grow and share the 'pie'.

In the past six months SOREC has largely focused on the Engineering Academy as firms identified trades staff shortages as their biggest constraint. The Academy is making students familiar with the Engineering and Manufacturing industry, thereby showing the career opportunities that are available in the industry. Results so far has been that 27 students have been placed in SOREC companies, two of those students are from St. Peters in Gore and were placed by SOREC in the MAST Academy.

SOREC also held a "Future Proof your Company" Summit with a focus on economy, trade, technology and staff. Speakers included a Westpac Economist and Andrew Bayly, the Minister for Small Business and Manufacturing. SOREC also worked together with the ODT to create a publication to highlight companies and their capabilities across the region and has been actively promoting Industry 4.0 events to members and have been promoting SOREC at career expo's around the region.

Photo courtesy of Business Mentors



BUSINESS MENTORS

INSPIRING SUCCESS

A great year for Business Mentors with SMEs keen to see how they can improve their business skills. Due to the great work from our team, we supported this with case studies either via social media or through newsletters, but the biggest impact was through talking directly to businesses that could benefit from a mentor. The collaboration with the Queenstown Chamber also helped grow our Business Mentors programme.



The Young Enterprise Scheme inspires young people to discover their potential in business and in life. YES ignites curiosity and provides junior secondary students with a taste for business through facilitated programmes and events that are tailored to suit a variety of themes and industries.

The YES programme here in Otago has seen great success with the team "EmpowHerMind" from Cromwell College winning the New Zealand International Development Cooperation Award for Solving a Development Problem.

Student participation has increased by 46% across the Otago Region, with a total 270 engaging in the programme.. Throughout the year, we have had several students attend workshops in Auckland and Wellington with students from Otago Boys', Otago Girls' Bayfield High School and Queens High School attending the Young Innovators workshop.

Students from Queens High School, Otago Boys' Otago Girls' and Bayfield High School attended the Entrepreneurship in Action workshop.



Photo courtesy of YES

Regional Business Partners

The Regional Business Partner Network is there to help accelerate businesses towards the best they can be. Either through knowledge, connections, or subsidised training opportunity and funding. Through free business assessments they can help with subsidised training, connections and/or funding.

401 businesses supported

Our Growth Advisors engaged with 401 businesses, delivering tailored action plans to foster growth and enhance capability development. This high level of engagement is reflected in our impressive Net Promoter Score of +83. Of these, 190 were new businesses in the Otago region, with 225 actively participating in ongoing support.

\$265,740 in Capability Development

Through the co-funded Management Capability Development Fund, 206 businesses received \$265,740 in support. This funding helped businesses strengthen areas such as business planning, digital enablement, sales and marketing, financial literacy, and leadership development through the Regional Business Partners programme.

Callaghan Innovation

Callaghan Innovation provides funding and scientific expertise, promotes R&D, facilitates collaboration between researchers, scientists, and industry and supports the commercialisation of ideas with positive impact.

Callaghan Innovation has secured \$3.5million in Innovation Grants for businesses in the Dunedin and Otago region including Research & Development Experience, Career, and new to R&D Grants. Further to the co-funded grants, 24 companies had claims over \$13.5 million from the Research and Development Tax Incentive scheme, to support growing business research and development in the region.

Shanghai Chamber of Commerce

Business South has signed an MOU to start a workplan with the Shanghai Chamber of Commerce and two new MOU's are being established in the South of China for 2024.

Mayor of Ōtepoti Dunedin, Jules Radich, welcomes an agreement signed by Business South in Shanghai, saying it will open doors to significant new business opportunities in China. As Mike Collins, CEO of Business South mentions;

"This partnership is about shared growth, innovation, and a future where our businesses thrive together, by expanding markets, sharing expertise and working on collaborative ventures."



OUR
STORIES



Special Purpose Financial Report

for the year ended 30 June 2024

- 15 Statement of financial performance
- 15 Statement of changes in equity
- 16 Statement of financial position
- 17 Statement of accounting policies
- 17 Notes to the financial statements
- 20 Independent reviewers' report

Statement of financial performance

For the year ended 30 June 2024

	NOTE	2024 \$	2023 \$
Revenue	3	3,264,231	3,372,693
Other income	4	166,326	141,042
Total revenue		3,430,557	3,513,735
Expenses	6	3,422,715	3,480,356
Net profit (loss) before income tax		7,842	33,379
Income tax expense		-	-
Net Surplus		7,842	33,379

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 2024

	NOTE	2024 \$	2023 \$
Balance at 30 June 2023		1,937,909	1,904,530
Net Surplus		7,842	33,379
Balance at 30 June 2024		1,945,751	1,937,909

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

Statement of financial position

As at 30 June 2024

	NOTE	2024 \$	2023 \$
Equity		1,945,751	1,937,909
Represented by:			
Current assets			
Cash and short term deposits		1,330,265	1,157,071
Receivables	7	538,722	692,701
		1,868,987	1,849,772
Non-current assets			
Fixed assets	8	1,558,984	1,523,576
		1,558,984	1,523,576
Total assets		3,427,971	3,373,348
Current liabilities			
Credit Cards		9,460	–
Payables	9	1,407,584	1,435,439
Lease liabilities	11	10,558	–
Provision for income tax		–	–
		1,427,602	1,435,439
Non-current liabilities			
Lease liabilities	11	54,618	–
		54,618	–
Total liabilities		1,482,220	1,435,439
Net assets		1,945,751	1,937,909

Approved for and on behalf of the Board of Directors



Director
Dominique Dowding
Date: 4 October 2024



Director
Neil Finn-House
Date: 4 October 2024

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 to 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.

Revenue from services (i.e. Training & Events Fees, Employment Relations Advice Fees, Export Documentation, Host Income) are recognised as revenue when services have been provided.

Rental income is recognised on a straight-line basis over the term of the lease.

Sponsorship and Grant income are recognised on a straight-line basis over the term of the agreement.

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

Finance lease

Finance leases which effectively transfer to the partnership substantially all of the risks and rewards incidental to ownership of the leased item are capitalised at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Notes to the financial statements

Operating lease

Operating lease payments, where the lessors effectively retain substantially all the risk and benefits of ownership of the leased items, 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.

NOTE 3 Identified revenue included in the operating results for the year

	2024	2023
	\$	\$
Employment Relations Advice Fees	24,531	21,402
Export Documentation	96,610	88,085
Training & Events Fees	377,098	497,181
Member Subscriptions	671,143	746,263
Contract Funding	1,492,680	1,818,809

NOTE 4 Other income

	2024	2023
	\$	\$
Interest	52,552	27,939
Rent	113,774	113,103
	166,326	141,042

NOTE 5 Donations & Grants

Business South received a donations & Grants from the following sources

	2024	2023
	\$	\$
Aotearoa Gaming Trust	–	5,334
Otago Community Trust	–	–
Grassroots Trust	–	5,000
Lion Foundation	–	10,000

NOTE 6 Identified expenses included in the operating results for the year

	2024	2023
	\$	\$
Business NZ Levy	124,780	124,011
Contractor and subcontractor payments	232,464	372,811
Doubtful debts	–	202
Depreciation of property, plant and equipment	46,321	48,536
Fringe benefit tax	10,656	7,915
Insurance	25,619	16,602
Interest Paid	631	–
Legal	5,037	10,159
NZCCI levy	3,308	3,308
Operating lease expenses	138,080	138,085
Professional and consulting fees	64,166	81,704
Salary and Wages	2,107,148	1,965,688

NOTE 7 Receivables

	2024	2023
	\$	\$
Receivables	504,629	664,122
Less provision for doubtful debts	(15,040)	(15,040)
Net receivables	489,589	649,082
Other receivables	13,037	18,601
Prepayments	36,096	25,018
	538,722	692,701

NOTE 8 Fixed assets

	2024	2023
	\$	\$
Land	625,000	625,000
Accumulated depreciation	–	–
Net book value land	625,000	625,000
Buildings	830,490	825,000
Accumulated depreciation	(38,428)	(21,890)
Net book value buildings	792,062	803,110
Computer equipment	29,004	19,249
Accumulated depreciation	(22,526)	(12,437)

Notes to the financial statements

	2024 \$	2023 \$
Net book value computer equipment	6,478	6,812
Furniture and fittings	72,357	74,165
Accumulated depreciation	(21,917)	(14,292)
Net book value furniture and fittings	50,440	59,873
Office equipment	8,038	6,870
Accumulated depreciation	(4,160)	(3,157)
Net book value office equipment	3,878	3,713
Vehicles	104,999	39,790
Accumulated depreciation	(23,873)	(14,722)
Net book value vehicles	81,126	25,068
Total net book value	1,558,984	1,523,576

The latest rateable valuation issued on 1 July 2023 values land and buildings at \$1,510,000, this is \$92,938 higher than the current carrying value.

NOTE 9 Payables

	2024 \$	2023 \$
GST	112,264	105,271
Other Payables	101,319	193,204
Income in advance	1,065,719	1,014,243
Accrued Salaries	45,096	32,792
Provision for Holiday Pay	83,186	89,929
	1,407,584	1,435,439

NOTE 10 Non-cancellable operating leases

	2024 \$	2023 \$
Current	86,418	135,407
Non-current	–	86,418
	86,418	221,825

NOTE 11 Finance leases

The balance sheet shows the following amounts relating to leases

	2024 \$	2023 \$
Fixed assets		
Vehicles	63,578	–
	63,578	–

	2024 \$	2023 \$
Lease liabilities		
Current	10,558	–
Non-current	54,618	–
	65,176	–

The lease relates to the financing of one vehicle up to 30 June 2028. Monthly lease payments are \$1,458. The interest rate inherent in the lease agreement is 11.48%.

NOTE 12 Related parties

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 \$1,885 (2023: \$1,219). Grand Casino is the Naming Right sponsor of the Grand Business Awards. The Grand Casio also provided additional sponsorship of \$5,000 during the year.

CEO Mike Collins and Director Neil Finn-House are Directors/Board Members of Business NZ. Business South incurred \$124,780 (2023: \$124,011) in relation to Business NZ Levies and received \$61,488 (2023: \$62,199) membership income in relation to National subscriptions. Business NZ also paid event fees of \$11,750 for the Export NZ Roadshow, and they were a 2023 Category Sponsor at the Grand Business South Awards for \$10,000.

Director Robin Gauld is employed by the University of Otago. Business South received \$21,500 (2023: \$15,000) in sponsorships in relation to the Young Enterprise Scheme and Business South Awards from the University of Otago, and \$50,598 (2023: \$nil) in relation to apprentices managed by Business South in the For Trades programme.

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 13 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 2024.

NOTE 14 Subsequent events

No significant events have occurred subsequent to balance date.



Independent Assurance Practitioner's Report

To the Members of Business South Incorporated

REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS

We have reviewed the special purpose financial statements of Business South Incorporated ("the Society"), which comprise the statement of financial position as at 30 June 2024 and the statement of financial performance, and the statement of changes in equity for the year then ended, and a summary of significant 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 of 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 Society and its Directors.

This report is made solely to the Society's 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 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 2024 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 4th day of October 2024

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd.

Services are provided by Crowe New Zealand Audit Partnership an affiliate of Findex (Aust) Pty Ltd.

© 2024 Findex (Aust) Pty Ltd

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

BOARD OF DIRECTORS

Dominique Dowding (Board Chair)

CEO, Grand Casino

David Kiddey

Managing Director, Kiddey Consulting

Dean Delaney

Director, Platinum Recruitment

Gareth Evans

Managing Director, Farra Engineering

Mike Borthwick

Executive Director, LandPro

Neil Finn-House

CEO, Mitre 10 Mega Dunedin | Mosgiel

Norcombe Barker

Managing Director, Larnach Castle

Paul Hubbard

Partner, Downie Stewart

Professor Robin Gauld

Co-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

Co-Vice President

Neil Finn-House

Board Director

Mike Collins

BUSINESS SOUTH COMMITTEES

Business South Central Otago Advisory Committee

Business South Waitaki Advisory Committee

SOREC Advisory Committee

For Trades Board

Life Members

Andrew Leys

Bex Twemlow

Chris Staynes

David Humphrey

Grant McKenzie

John Christie

Mike Ferrari

Phil Broughton

Steve Brocklebank

Stuart McLauchlan

Partnerships

2degrees

Air New Zealand

Allied Press

Aukaha

Bunnings

Business Canterbury

Business Central

Business New Zealand

Central Lakes Trust

Central Otago District Council

Clutha District Council

Dunedin City Council

Education to Employment Brokerage service (My Next Move)

EMA

Enterprise Dunedin

Grand Casino

Grow Dunedin Partnership

InPhySec

KUMA

Lion Foundation

MediaWorks

Ministry of Business, Innovation and Employment

Ministry of Social Development

New Zealand Trade and Enterprise

Noel Leeming

NZME

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
442 Moray Place, Dunedin 9016
PO Box 5713, Dunedin 9054

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

business-south.org.nz

