



Sustainable
Business
Network

**Annual
Performance
Report**

sustainable.org.nz

20
21



OUR PURPOSE

**Empowering
business
so people
and nature
prosper.**



**Manaaki whenua,
manaaki tāngata,
haere whakamua.**

If we care for the land, if we care
for people, we can move forward
into the future.

MĀORI PROVERB



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Toitū te marae o Tāne, toitū te marae o Tangaroa, toitū te whenua.

Care for the domains
of Tāne and Tangaroa, and
the land will sustain.

MĀORI PROVERB



Jacqueline Farman
Board Chair
Sustainable Business Network

Foreword from our Chair

JACQUELINE FARMAN

Tēnā koutou katoa,

A Year Like No Other

It goes without saying that 2020 will be one of our most unforgettable. At times, the sudden and fundamental change to the way we live, and the upheaval of the things we take for granted, felt surreal. For some it was a chance to pause, take stock and reflect on what's really important. For others it brought great sadness, anxiety, loneliness and financial stress. It was a stark reminder of how fragile existence can be, and how important it is that our transition to a low carbon economy is one that shares the benefits and costs equally, and for all.

It was also a 'once in a lifetime' chance for our planet to breathe and refresh. And what a difference a few months made. The rapid improvements to air and water quality, the restoration of ecological systems and the

revival of 'care' and community spirit can only give us all cause for great hope and optimism going forward.

Our action creates impact

The speed with which the natural environment was able to regenerate has only served to redouble the resolve of the SBN to 'up the pace' on our Purpose:

Empowering business so people and nature prosper.

In lockdown, we seized the opportunity provided to us. We restructured our organisation around the three imperatives of Climate, Waste and Nature - and got busy. We laser focused our strategy on collaborating to accelerate system change. We shifted all our sustainability training online, and then increased it. We gathered stories of amazing businesses that pivoted to meet the challenges and opportunities of a 'locked down' world, and shared them to inspire others. We worked with business and government to create 'Jobs for Nature' that helped to restore our waterways and natural landscapes, and created a free toolbox for business to calculate and reduce their climate impact.

A network of investors in real and meaningful impact

Today, our members are all Investors for Impact, part of a network of businesses that together are transforming to meet the sustainability challenges of Aotearoa New Zealand, and the world. We are agents of system change. As a result, this Annual Report is the first that quantifies our collective impact in achieving our goals and transformation. The numbers tell our story. As a Board we are incredibly proud of the resilience, passion and determination of our staff, partners and network to make a difference, and create a better future for us all.

We know there is much yet to do, and the stakes are high. Complacency is perhaps our greatest risk as we reflate our economy and regenerate our natural environment and communities. In May, Grant Robertson signalled the Government's intention to continue its focus on securing a just transition as Aotearoa New Zealand shifts to a low-emissions economy, and the continued investment in clean energy, transport and regeneration. We are committed to continue our work with Aotearoa New Zealand's business community to accelerate this shift, and ensure a more thoughtful approach to our future economic, social and environmental development.



**Poipoia
te kākano
kia puāwai.**

Nurture
the seed and
it will blossom.

MĀORI PROVERB

Foreword from our CEO

RACHEL BROWN ONZM

These last 12 months will be remembered as the year our best laid plans were derailed. Going into 2020 SBN was developing our most aspirational plans to date. We had aspirations for growth in our network. We were ready to really crank into our training programmes. We were poised to scale up our projects and our team.

Then Covid-19 hit. April was the beginning of three stressful months.

We had to cancel all our events. We had to rapidly switch focus. We needed to help our staff, network and community partners however we could.

I feared Covid-19 could have a similar impact on our work as the Global Financial Crisis had in 2008. Then the government had swiped red pen through the term sustainability. Businesses retrenched into old ways of thinking and acting.

Almost every day people were asking what we should do to avoid a repeat.

We pulled on our brave pants. We set out to fight for what we all know is essential. We embraced Zoom calls and webinars. We celebrated the lockdown break that Papatūānuku seemed to relish so much. We called for more investment in three areas. Tackling the climate crisis. Eliminating waste. Regenerating nature.

We paid close attention to the forecasts of jobs losses and business failures. With the support of our Board, we redrew our budget. Income dropped significantly in those first three months. Network numbers dipped, especially in sectors impacted by the stall in international tourism. We lost planned advisory work. Donations were down. We gratefully accepted the Government's wage subsidy.

But we pivoted and pushed on. We took the opportunity to make a strategic shift away from a membership model. It now seemed too passive and dated. We wanted to better reflect the urgency of our times. We redefined our network as Investors for Impact in systems change.

In the spirit of the times, and in recognition of the Government's support, we opened our

training, webinars, CEO forums and more to everyone, free of charge. We made The Now Crowd free to join. We worked hard to get our vision for a green recovery out in the media. We burned the midnight oil on 'shovel ready' pitches and proposals to help build the momentum needed.

You will be pleased to see that we blew our Covid-impacted budget out of the water! Rather than our forecast Covid loss of \$308,100 we ended the year with a small profit of \$38,600. That's nearly \$350,000 ahead of where we thought we would be.

We have maintained much of the income from our network. Our network numbers have dropped, but mainly through the pandemic impact on the tourism sector and our managed changes in Now Crowd membership.

Our Projects team exceeded its budget targets.

In response to the pandemic, the Government created the Jobs for Nature Fund. It addresses pandemic-driven unemployment and the declining health of the waterways and landscapes of Aotearoa New Zealand. So far SBN has administered \$2.5 million of that money, creating 64 new jobs for nature from the Fund in three phases.



Rachel Brown ONZM
Founder & CEO
Sustainable Business Network

We're now proposing to expand and extend the reach of this initiative. We want it to take in urban nature regeneration work, rather than just rural. We want it to include a wider range of jobs in support of the Fund's aims. Our proposal is being developed around a large-scale pilot project in the Puhinui Stream catchment, in South Auckland. It's a socially disadvantaged area that is also one of the hardest hit by the impact of the pandemic. We are also exploring opportunities with Kāinga Ora to restore urban ngahere (forest) in the same area.

In the midst of this fight for survival we also co-created a new private/public partnership for SMEs to act on climate change. The online Climate Action Toolbox this produced is Aotearoa New Zealand's first free, easy-to-use greenhouse emission reduction tool for SMEs. It received \$600,000 of support from business.govt.nz, New Zealand Trade and Enterprise, BNZ, Waka Kotahi NZ Transport Agency, the Energy Efficiency and Conservation Authority and Meridian Energy, with DNA as our design partner. It launched at the end of March and almost 1,000 people used the tool in the first 24 hours!

We scaled up our work on reshaping Aotearoa New Zealand's plastic packaging systems.

We collaborated with the aquaculture sector to reduce plastic waste in our oceans. With funding from the Ministry for the Environment we went big on product stewardship.

Covid also prompted us to redesign the Sustainable Business Awards. We shifted to an innovative multi-media experience, with regional events connected to a main gala show held in Auckland. The Awards have been recognised as leading the way in accessible low carbon events! We are proud of that too.

By popular demand we are now booking up our second Leadership in Sustainable Business Course for 2021. This will mean around 70 people taking the course this year!

This was also the first year in which SBN was able to invest in Te Ao Māori training for our entire staff and board. Our course with Tūtira Mai was made possible thanks to funding from Gulf Innovation Fund Together (G.I.F.T) - a Foundation North initiative. We've employed a cultural advisor - Te Huia Taylor. And we are taking further steps to integrate and reflect Te Tiriti o Waitangi into our work.

Further highlights are below, but I'm pleased to say that the detail can also be found in our first ever Impact Report!

I want to pay tribute to all the SBN network who have supported us, especially through such a uniquely challenging year. Our work is impactful because of your investment and time - thank you!

I want to thank my Board again for steering us through. They are an incredible group whose support I couldn't do without.

Finally, I want to thank SBN's small but committed and very talented team. With your support we get to make waves!

With our new found resilience, 2021-2 is shaping up to be a fantastic year. Our network numbers are cranking. We are finding new partners and new ways of working. Whatever comes in the coming months, we are ready.

Nāku noa,
nā Rachel



Me Tauwhiro Tātou

E aku rahi e
Ka pā mai te mamae
Nā te whakangaro rauemi
E hika e!

Ki te mate te whenua,
mate hoki te tangata
Uia mai 'Kei hea rā te rongoā?'

Me tauwhiro tātou hei kaitiaki
I nga hua a Papa, a Rangī,
A Tāne, a Rongo, a Tangaroa,
a Haumia, a Tāwhiri

Nō reira, mahia te mahi tika
Hei oranga mō rātou mā
E heke mai nei -
Mō nga iwi katoa o te ao

E aku rahi, e aku nui
Kia kaha tātou e,
Karawhiua!

Let Us Sustain

To all of us out there
We have been struck by the distress
Caused by the ravaging
of our resources!

If the land dies,
So do we the people,
So the question is asked 'What is the solution?'

We, as guardians, should sustain
The fruits of Rangī and Papa
Of Tāne, Rongo and Tangaroa,
of Haumia and Tāwhiri

And so, do the right thing
For the benefit of those
yet to come -
For all of the world

All near and far
Let us be strong,
Participate to the full!

SUSTAINABLE BUSINESS NETWORK WAIATA
COMPOSED BY MOANA WHATARAU





Entity Information



Sustainable Business Network Incorporated

Registered as a Charity under the Charities Act 2005. Registration number - CC 40638

Registered as an Incorporated Society under the Incorporated Societies Act 1908
Registration number - AK/916971

The Incorporated Society consists of 524 Investors for Impact as members.

Physical address

Office 3, Level 2 Darby Building,
8 - 18 Darby Street, Auckland 1010

Postal Address

PO Box 106983
Auckland City, 1143

Phone

09 826 0394

Email

office@sustainable.org.nz

Website

sustainable.org.nz





Structure

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ADVISORY BOARDS

We have two additional Advisory Boards (for our Circular Economy and Million Metres Streams projects), comprising experts in resource use and water restoration.

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INTERNS

Three student interns and volunteers have helped us as part of their studies or developing their careers during the year.

SBN has links with aligned international organisations including Forum for the Future and the Ellen MacArthur Foundation.

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BOARD MEMBERS

The organisation is overseen by a Board of Trustees comprising five elected and three co-opted members.

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SBN STAFF

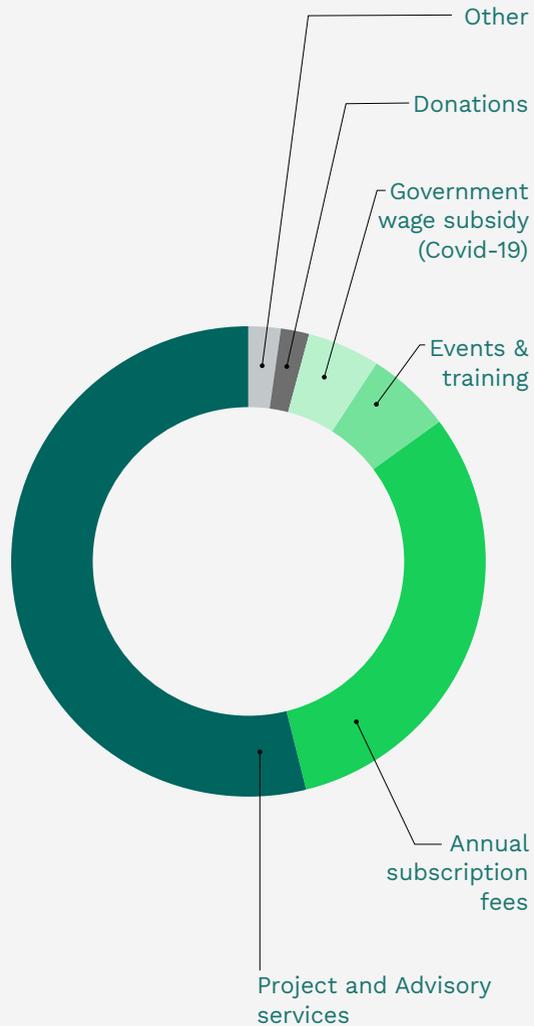
There are 22 staff (both full and part-time), equating to 20 FTEs. 21 staff members are based in Auckland, and one in Wellington.

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BUSINESS CONNECTORS

Six voluntary Business Connectors have provided a local presence in different regions.





Main sources of cash and income

- **Project and Advisory services** – where organisations provide funding for projects and tailored sustainability advice. This equates to 54% of total revenue
- **Annual subscription fees from Investors for Impact** – 31% of total revenue
- **Events and training** – which generate sponsorship and ticket sales - 6%
- **Government wage subsidy (Covid-19)** - 5%
- **Donations** – generally to the network operations – 2%
- **Other income** – 2%

Methods used to raise funds

- Approaching potential partners for collaborative projects
- Applying for government funds to progress our projects

- Providing strategic sustainability advice for organisations via our Advisory service
- Encouraging organisations to join our network. Methods include personal contact, third party recommendations, and raising our profile through communications and marketing
- Seeking sponsorship for larger events by approaching potential funders
- Selling tickets for events and training

Volunteers/donated goods and services

- The Board of Trustees are not paid for their governance role of the organisation. They meet a minimum of quarterly. We have two committees (Audit & Risk, and Remuneration), both of which have Board representation. They provide many in-kind hours to SBN.
- Interns or volunteers support our research, events and projects.
- Investors for Impact provide many in-kind hours into research, events and projects.
- Events receive in-kind donations such as beverages, printing and venue hire.



I can honestly say it was one of the best courses I've ever been on, and would love for some of our people to also be part of such an awesome experience and learnings!"

HEATHER JOHNSTON, HEAD OF SAFETY & SUSTAINABILITY, COMVITA



“

SBN has been a huge and much-valued support to EV Maritime through these first few years of our establishment... SBN has actively introduced us to key people across the spectrum of interest, from government and regulators to potential investors and other collaborators.”

**MICHAEL EAGLEN, CO-FOUNDER & CEO,
EV MARITIME**



“

Gaining fresh ideas and getting to meet energised and like-minded people. The feeling of being part of something bigger than myself or my business and getting to make a positive difference.”

INVESTOR FOR IMPACT 2021
SURVEY RESPONSE

External influence

In addition to working directly with businesses and other organisations, SBN influences sustainability through expert representation on external boards, advisory panels or awards.

This year our staff have been involved in the following:

Rachel Brown

Rachel Brown sits on four government boards: APEC Business Advisory Panel, Jobs for Nature Advisory Panel, All of Government Procurement Business Advisory Panel, and the National Waste Minimisation Strategy Advisory Group. During the Covid-19 lockdown, Rachel was on

the Auckland Mayoral Business Advisory Board Panel and later appointed to the Tauranga City Council Sustainability Advisory Board (both of which have since disbanded). She was a judge on the Dyson Sustainability Awards.

James Griffin

James Griffin is a NZ Food Waste Champion of Sustainable Development Goal 12.3 and on the Advisory Panel of the Textile Product Stewardship Project run by Usedfully.

Glen Crowther

Glen Crowther is an Environment and Sustainability Advisor to the Bay of Plenty Regional Transport Committee, a Member of Bay of Plenty Waste and Resources Advisory Group, a participant in Connect Bay of Plenty network, a member of the Smart Growth Strategic Partners Forum, and a member of the Tauranga Carbon Reduction Group.

Georgina Hart

Georgina Hart is a member of Watercare Environmental Advisory Group, Waimā Waitai Waiora Governance Group and Hōteio River Freshwater Improvement Project (Auckland Council).

Holly Norton

Holly Norton sits on Wellington City Council's Sustainable Food Systems Community Working group and Climate Change Steering Group.

Fiona Stephenson

Fiona Stephenson is a judge of the Public Relations Institute of NZ Awards and the Outstanding NZ Food Producer Awards (sustainability category).

Holly Leach

Holly Leach is a judge of the Outstanding NZ Food Producer Awards (sustainability category).

Ayla Irving-Lamb

Ayla Irving-Lamb is on the Advisory Board for a Health Research Council/WorkSafe NZ project.

“
I think the SBN
network and services
provide resilience
to the business
community wanting
to venture into the
sustainability space”

INVESTOR FOR IMPACT 2021
SURVEY RESPONSE





Thank you!

We'd like to thank all our partners and Investors for Impact for their support throughout the year. In particular we wish to thank the following significant partners:

ACT ON CLIMATE

- + Bank of New Zealand
- + Energy Efficiency & Conservation Authority
- + Meridian Energy
- + Ministry of Business Innovation and Employment
- + New Zealand Trade and Enterprise
- + Waka Kotahi / NZ Transport Agency

DESIGN OUT WASTE

- + Auckland Council
- + Foodstuffs
- + thinkstep-anz
- + Ministry for the Environment (Waste Minimisation Fund)
- + Ministry for Primary Industries
- + NZ King Salmon
- + NZ Post
- + Wellington City Council

REGENERATE NATURE

- + Alsco
- + Auckland Council
- + Department of Conservation
- + Foundation North
- + Kainga Ora
- + Ministry for the Environment
- + Ministry for Primary Industries – NZ Forestry Te Uru Rākau

SUSTAINABLE BUSINESS AWARDS

- + Department of Conservation
- + EECA
- + Foodstuffs NZ
- + Medical Assurance Society
- + Meridian Energy
- + NZ Insurance
- + Waka Kotahi / NZ Transport Agency

Thank you also to the following organisations, that have also supported our work:

- + 3R Group
- + Aquaculture NZ
- + Auckland Council
- + Auckland Unlimited
- + COR Associates
- + Fuji Xerox
- + Inzide Commercial
- + The Body Shop
- + Toitū Envirocare



Statement of service performance

Sustainable Business Network

The Sustainable Business Network is the largest sustainable business organisation in New Zealand. We're an independent social enterprise. We're a network, a community and a movement.

Our role is to transform New Zealand business to meet the world's sustainability challenges.

We're in the business of stabilising the climate, regenerating nature and making waste and pollution things of the past.

We do that by facilitating connections, professional training and providing world-class business resources.

OUR PURPOSE

Empowering business so people and nature prosper.

OUR MISSION

**Always connect.
Always inspire.
Build unstoppable momentum to restore Aotearoa.**



Our outcomes

Acting on climate

Climate change is the biggest issue facing the planet today. Business has a major role to play in transitioning Aotearoa to a net zero carbon economy by 2050. We need to halve our emissions by 2030. Our Climate Action 20/25 project is helping businesses reach that goal.

Designing out waste

In a circular economy resources are never abandoned to become waste. Products are designed to be safe and easy to manage in cycles of production and reproduction. Our circular economy projects help businesses improve their packaging and product stewardship.

Regenerating nature

Restoration and regeneration of nature are part of a sustainable economy. Our projects include supporting the planting of waterways with native plants and trees, helping create nature-based jobs and restoring the mauri – or life-giving essence – of the Hauraki Gulf (Tikapa Moana or Te Moana-nui-a-Toi).





OUR OUTPUTS

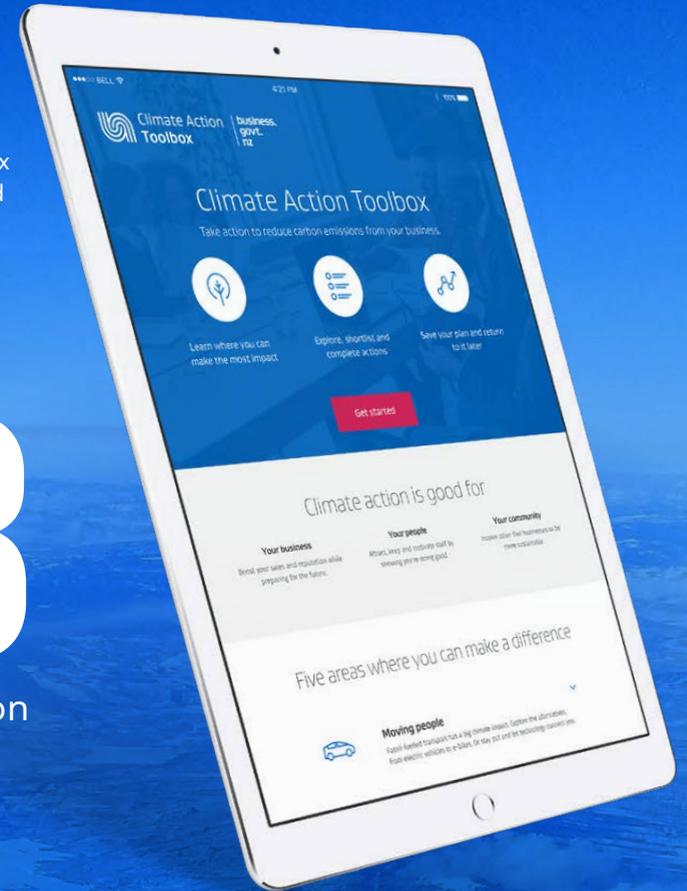
Act on Climate

Climate Action 20/25 is our major five-year programme to accelerate climate action by smaller businesses. These are some of the impacts from the programme's first year.

↑ \$460,448

Raised for climate action

Climate Action Toolbox created and published on business.govt.nz



43 CASE STUDIES

of businesses taking climate action shared through our Toolbox

531 PEOPLE

upskilled in climate action through our webinar series

7 PARTNERS

invested in the creation of the Climate Action Toolbox



OUR OUTPUTS

Design out Waste

Our projects on plastic packaging and product stewardship are designed to speed up the inevitable and necessary transition to a circular economy in New Zealand. These are some of the impacts of our work.



58

Product stewardship schemes and initiatives listed in our Product Stewardship website

17,487

USERS

of our Product Stewardship website since its launch in August 2020

336

PEOPLE

upskilled in plastic packaging through our events

665

DOWNLOADS

of our plastic packaging reports this year



OUR OUTPUTS

Regenerate Nature

Nature is the fundamental source of health and wellbeing for our people. Intact ecosystems absorb greenhouse gas emissions. They will make a crucial contribution to addressing the climate emergency. These are some of the impacts of our work.

48,204 HOURS

of nature conservation funded



↑ **\$2.89** MILLION
Raised for nature conservation

30.9 FULL TIME EQUIVALENT
Nature conservation jobs created

“
Awesome organisation from top to bottom, clear leaders”

INVESTOR FOR IMPACT 2021 SURVEY RESPONSE



OUR OUTPUTS

Sustainable Business Network

The Sustainable Business Network includes hundreds of organisations, ranging from corporates to small businesses, councils and non-profits.

Every year we present the Sustainable Business Awards. They recognise and celebrate success in sustainability and have been running for 19 years.

*Source: Investor for Impact 2021 Survey



95% OF OUR NETWORK are better informed about sustainable business as a result of our news*

231 ENTRIES to the Sustainable Business Awards 2020



65% OF OUR NETWORK have made useful connections through SBN*

4 SCHOLARSHIPS for Kiwi kids funded through tickets to the Sustainable Business Awards

“Professional advice, guidance and tapping into a larger network”

INVESTOR FOR IMPACT 2021 SURVEY RESPONSE



Sustainable Business Network Incorporated

Independent auditor's report to the Members

Report on the Performance Report

Opinions

We have audited the performance report of Sustainable Business Network Incorporated (the entity), which comprises the the statement of financial position as at 31 March 2021, the entity information, statement of service performance, statement of financial performance and statement of cash flows for the year ended 31 March 2021, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report gives a true and fair view of:
 - i) the entity information for the year then ended;
 - ii) the service performance for the year then ended; and
 - iii) the financial position of Sustainable Business Network Incorporated as at 31 March 2021 and of its financial performance, and cash flows for the year then ended.

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised).

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report. We are independent of the entity in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

ACCOUNTANTS & ADVISORS

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Auckland 1010, New Zealand
PO Box 106 090
Auckland 1143, New Zealand
Telephone: +64 9 366 5000
williambuck.co.nz

William Buck Audit (NZ) Limited

Information Other than the Performance Report and Auditor's Report Thereon

The Board is responsible for the other information. The other information comprises the Foreword from the Chair and CEO included in the Annual Report report, but does not include the performance report and our auditor's report thereon.

Our opinion on the performance report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Responsibilities of the Board for the Performance Report

The Board are responsible for:

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

In preparing the performance report, the Board are responsible on behalf of the entity for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

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

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement director on the audit resulting in this independent auditor's report is Alison Anderson.

Restriction on Distribution and Use

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



William Buck Audit (NZ) Limited
Auckland
28 June 2021



Financial Statements

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Statement of Financial Performance

HOW WAS IT FUNDED? AND WHAT DID IT COST?

FOR THE YEAR ENDED 31 MARCH 2021	NOTE	ACTUAL THIS YEAR	BUDGET THIS YEAR	ACTUAL LAST YEAR
			(Unaudited)	
		\$	\$	\$
REVENUE				
Donations, fundraising and other similar revenue	1	62,225	45,000	148,857
Fees and subscriptions from Investors for Impact	1	814,793	586,150	846,132
Sponsorship revenue from Investors for Impact	1	180,013	106,049	325,049
Sponsorship revenue from public or non-investor government agencies	1	7,200	-	30,000
Revenue from providing goods or services to Investors for Impact	1	842,487	783,704	574,500
Revenue from providing goods or services to public or non-investor government agencies	1	593,583	462,699	350,389
Ticket sales from awards, conference and other events	1	2,132	20,004	168,264
Interest, dividends and other investment revenue	1	12,514	8,610	18,623
Rental Income	1	-	-	17,600
MSD Wage Subsidy		133,562	133,562	-
Total Revenue		2,648,509	2,145,778	2,479,414
EXPENSES				
Volunteer and employee related costs	2	2,169,032	1,830,654	1,662,358
Costs related to providing goods or services	2	302,933	446,602	316,834
Costs related awards, conference and other events	2	100,840	69,143	217,986
Other expenses	2	37,080	107,487	31,611
Total Expenses		2,609,885	2,453,886	2,228,789
Surplus/(Deficit) for the Year		38,624	(308,108)	250,625

Statement of Financial Position

WHAT THE ENTITY OWNS? AND WHAT THE ENTITY OWES?

AS AT 31 MARCH 2021	NOTE	ACTUAL THIS YEAR	ACTUAL LAST YEAR
		\$	\$
ASSETS			
Current Assets			
Bank accounts and cash	3	1,616,280	1,350,721
Debtors and prepayments	3	361,382	382,705
Total Current Assets		1,977,662	1,733,426
Non-Current Assets			
Property, plant and equipment	4	42,583	52,679
Total Non-Current Assets		42,583	52,679
Total Assets		2,020,245	1,786,105
LIABILITIES			
Current Liabilities			
Creditors and accrued expenses	3	110,058	96,618
Employee costs payable	3	221,721	179,110
Unused donations with conditions	3	118,262	147,805
Unused sponsorship and Investors for Impact fees with conditions	3	818,807	776,859
Unallocated DOC P2P Funds		127,060	-
		1,395,908	1,200,392
Total Liabilities		1,395,908	1,200,392
Total Assets less Total Liabilities (Net Assets)		624,337	585,713
ACCUMULATED FUNDS			
Accumulated surpluses or (deficits)	5	624,337	585,713
Total Accumulated Funds		624,337	585,713

Chairperson

28 June 2021

Date

Treasurer

28 June 2021

Date



Statement of Cash Flows

HOW THE ENTITY HAS RECEIVED AND USED CASH

FOR THE YEAR ENDED 31 MARCH 2021

	ACTUAL THIS YEAR	ACTUAL LAST YEAR
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was received from:		
Donations, fundraising and other similar receipts	-	57,848
Sponsorship, grants and other similar receipts	193,201	217,849
Fees, subscriptions and other receipts from Investors for Impact	850,573	914,174
Receipts from providing goods or services	1,531,931	1,303,410
Interest, dividends and other investment receipts	16,828	14,926
Receipts for MMS projects	406,150	405,791
Receipts for P2P projects	1,760,000	-
MSD Wage Subsidy	133,562	-
Net GST	(6,481)	(16,802)
CASH WAS APPLIED TO:		
Payments to suppliers	707,324	653,324
Payments to employees	1,837,566	1,564,792
Payments to MMS projects now closed	424,973	434,276
Payments to P2P partners	1,632,940	-
Net Cash Flows from Operating Activities	282,961	244,804
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES		
Cash was received from:		
Receipts from selling property, plant and equipment	-	-
CASH WAS APPLIED TO:		
Payments to acquire property, plant and equipment	17,402	27,303
Net Cash Flows from Investing and Financing Activities	(17,402)	(27,303)
Net Increase / (Decrease) in Cash	265,559	217,501
Opening Cash	1,350,721	1,133,220
Closing Cash	1,616,280	1,350,721
THIS IS REPRESENTED BY:		
Bank Accounts and Cash	1,616,280	1,350,721

Statement of Accounting Policies

HOW DID WE DO OUR ACCOUNTING?

FOR THE YEAR ENDED 31 MARCH 2021

Basis of Preparation

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

Goods and Services Tax (GST)

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Income Tax

Sustainable Business Network Incorporated is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

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

Property, Plant and Equipment

Property Plant and Equipment are included at cost less accumulated depreciation.

Depreciation

Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 1994.

Asset Class	Depn Rate	Depn Method
Office Furniture	10% - 25%	Diminishing Value
Office Equipment	30% - 67%	Diminishing Value

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year (last year - nil)



Notes to the Performance Report

PAGES 26 - 29

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1: ANALYSIS OF REVENUE

Revenue Item	Analysis	THIS YEAR \$	LAST YEAR \$
Donations and other similar revenue	Administration donation	-	57,847
	MMS admin fee on closed projects	62,225	91,010
	Total	62,225	148,857

Revenue Item	Analysis	THIS YEAR \$	LAST YEAR \$
Fees, subscriptions from Investors for Impact	Investors for Impact fees are billed throughout the year on the Investors renewal date. An adjustment for Investors for Impact fee in advance is made each year at year end.	853,085	888,125
	Transfer of Investor for Impact fees to MMS Project	(38,292)	(41,993)
	Total	814,793	846,132

Revenue Item	Analysis	THIS YEAR \$	LAST YEAR \$
Sponsorship revenue from Investors for Impact	Administration	24,013	115,245
	Awards	156,000	173,000
	Conference	-	30,000
	Other Events	-	6,804
	Total	180,013	325,049

Revenue Item	Analysis	THIS YEAR \$	LAST YEAR \$
Sponsorship revenue from public	Administration	7,200	30,000
	Total	7,200	30,000

Revenue Item	Analysis	THIS YEAR \$	LAST YEAR \$
Revenue from providing goods or services to Investors for Impact	Project and Advisory partner income	842,487	574,500
	Total	842,487	574,500

Revenue Item	Analysis	THIS YEAR \$	LAST YEAR \$
Revenue from providing goods or services to non member govt agencies or public	Project and Advisory partner income	593,583	350,389
	Total	593,583	350,389

Revenue Item	Analysis	THIS YEAR \$	LAST YEAR \$
Ticket sales from awards, conference and other events	Awards	-	79,919
	Conference	-	49,975
	Project and Advisory events	2,132	8,248
	Other events	-	30,122
	Total	2,132	168,264

Revenue Item	Analysis	THIS YEAR \$	LAST YEAR \$
Interest, dividends and other investment revenue	Interest	12,514	18,623
	Total	12,514	18,623

Revenue Item	Analysis	THIS YEAR \$	LAST YEAR \$
Rental Income	Sub lease rentals	-	17,600
	Total	-	17,600

**NOTE 2: ANALYSIS OF EXPENSES**

Expense Item	Analysis	THIS YEAR	LAST YEAR
		\$	\$
Volunteer and employee related costs	Salaries and Wages	1,846,675	1,543,587
	KiwiSaver contributions	52,036	45,404
	ACC levies	2,781	2,706
	Contractors and Project Managers	249,300	66,286
	Staff Training	18,240	4,375
	Total		2,169,032

Expense Item	Analysis	THIS YEAR	LAST YEAR	
		\$	\$	
Costs related to providing goods or services	Catering	16,840	20,651	
	Commission/Licence fees	4,847	4,919	
	Donations to MMS and other charities	-	1,153	
	Insurance, repairs and maintenance	11,532	14,056	
	IT	69,369	87,717	
	Marketing/advertising	81,501	44,229	
	Travel	7,021	31,407	
	Utilities (rent, rates, power, telephone, internet)	72,761	73,734	
	Workshop and event costs (speaker, equipment, venue)	16,648	12,331	
	Other admin costs (general, bank fees, stationery, printing, postage, subscriptions, security)	22,414	26,637	
	Total		302,933	316,834

Expense Item	Analysis	THIS YEAR	LAST YEAR
		\$	\$
Costs related to awards, conference and other events	Marketing and Advertising	34,290	21,733
	Catering	20,807	107,470
	Speaker Fees and Entertainment	5,960	11,150
	Equipment Hire	31,644	36,341
	Venue Hire	3,913	20,978
	Commissions	-	8,490
	Other event expenses	4,226	11,824
	Total		100,840

Expense Item	Analysis	THIS YEAR	LAST YEAR
		\$	\$
Other expenses	Auditors Fees	6,732	6,901
	Depreciation	18,621	23,215
	Loss on sale of disposal of assets	8,877	1,495
	Legal Fees	2,850	-
	Total		37,080

NOTE 3: ANALYSIS OF ASSETS AND LIABILITIES

Asset Item	Analysis	THIS YEAR	LAST YEAR
		\$	\$
Bank accounts and cash	Westpac Bank Cheque Accounts	762,257	550,569
	Westpac Bank Savings Accounts	71,830	71,794
	Westpac Term Deposit	781,893	728,158
	Petty Cash	300	200
	Total		1,616,280

Asset Item	Analysis	THIS YEAR	LAST YEAR
		\$	\$
Debtors and prepayments	Accounts receivable	334,127	357,440
	Prepayments	8,569	19,842
	Accrued Income	18,686	5,423
	Total		361,382

Liability Item	Analysis	THIS YEAR	LAST YEAR
		\$	\$
Creditors and accrued expenses	Trade and other payables	48,736	23,508
	GST Payable	61,322	73,110
	Total		110,058

Liability Item	Analysis	THIS YEAR	LAST YEAR	
		\$	\$	
Employee costs payable	Wages and salaries earned but not yet paid	56,689	43,950	
	Holiday pay accrual	95,948	65,469	
	Long service leave accrual	6,141	8,213	
	PAYE owing	47,145	46,653	
	KiwiSaver and Student Loan contributions owing	15,798	14,825	
	Total		221,721	179,110

Liability Item	Analysis	THIS YEAR	LAST YEAR	
		\$	\$	
Unused donations with conditions	MMS donations on open projects. This account represents funds received by donors and sponsors to our waterways restoration project that the organisation is facilitating with various field partners to restore the health of New Zealand streams with the aim to reach one million metres of riparian planting.			
	Opening Balance 1 April 2020	147,805	205,813	
	Donations and Sponsorship	385,290	579,159	
	Expenses Incurred	(414,833)	(637,167)	
	Total		118,262	147,805

Note 3 continues on page 28



Liability Item	Analysis	THIS YEAR	LAST YEAR
		\$	\$
Unused sponsorship and Investors for Impact fees with conditions	Sponsorship, Project Management and Advisory	400,444	299,254
	Investors for Impact	418,363	477,605
	Total	818,807	776,859

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

ASSET CLASS	OPENING CARRYING AMOUNT	PURCHASES	SALES/ DISPOSALS	CURRENT YEAR DEPRECIATION AND IMPAIRMENT	CLOSING CARRYING AMOUNT
THIS YEAR	\$	\$	\$	\$	\$
Furniture and fixtures	10,090	-	8,517	222	1,351
Office equipment	42,589	17,402	360	18,399	41,232
Total	52,679	17,402	8,877	18,621	42,583
LAST YEAR					
Furniture and fixtures	11,521		224	1,207	10,090
Office equipment	38,565	27,303	1,271	22,008	42,589
Total	50,086	27,303	1,495	23,215	52,679

NOTE 5: ACCUMULATED FUNDS

DESCRIPTION	CAPITAL CONTRIBUTED BY OWNERS OR INVESTORS FOR IMPACT	ACCUMULATED SURPLUSES OR DEFICITS	RESERVES	TOTAL
THIS YEAR	\$	\$	\$	\$
Opening Balance	-	585,713	-	585,713
Surplus/(Deficit)		38,624		38,624
Closing Balance	-	624,337	-	624,337
LAST YEAR				
Opening Balance	-	335,088	-	335,088
Surplus/(Deficit)		250,625		250,625
Closing Balance	-	585,713	-	585,713

NOTE 6: COMMITMENTS AND CONTINGENCIES

COMMITMENT	EXPLANATION AND TIMING	AT BALANCE DATE THIS YEAR	AT BALANCE DATE LAST YEAR
		\$	\$
Commitments to lease premises: 8-18 Darby Street, Auckland Central	Not later than one year	65,161	54,727
	Later than one year and not later than five years	65,161	130,322
	Later than five years	-	-
TOTAL		130,322	185,049

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last Year - nil).

NOTE 7: GOODS OR SERVICES PROVIDED TO THE ENTITY IN KIND

DESCRIPTION	AMOUNT
Soar Printing	4,000
Yealands Family Wine	5,832
Hallertau	1,361
Kind and Co	15,000
Stuff	15,000
Corporate AV Services Ltd	2,252
Garage Project	1,440
Karma Kola	720
GridAKL	2,600
Toyota - provision of the free use of a vehicle	-

NOTE 8: DESCRIPTION OF RELATED PARTY RELATIONSHIP

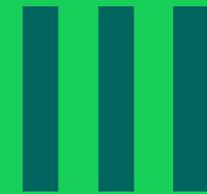
The Sustainable Business Network Incorporated has a policy to use Investors for Impact for goods and services where possible and these are provided at normal or below trade prices and market rates. The Sustainable Business Network Incorporated receives a portion of its funding from Sponsorship and this may be provided from Investors for Impact of the Sustainable Business Network Incorporated.

NOTE 9: COVID-19 AND EVENTS AFTER THE BALANCE DATE

In March 2020 the country went into lock down as a result of the Covid-19 pandemic. As a result, some April to June 2020 activities were postponed and the Board recast their budgets for 2020 to 2021. There has been some assistance provided by the government to reduce the impact on the Charitable Sector. At the date of signing these financial statements the impact on Sustainable Business Network Incorporated as an organisation cannot be fully reasonably estimated. No adjustments have been made to the results or financial position for the year ended 31 March 2021 as a result of the ongoing pandemic. There were no other events that have occurred after the balance date that would have a material impact on the Performance Report. (Last Year Nil)

NOTE 10: ASSETS ON WIND UP OF THE ORGANISATION

If upon the winding up or dissolution of the organisation there remains after the satisfaction of all its debts and liabilities any property whatsoever the same shall not be paid to or distributed among the Investors for Impact of the organisation but shall be given or transferred to some other organisation or body having charitable objects similar to the objects of the first organisation, or to some other charitable organisation or purpose within New Zealand.



OUR PURPOSE

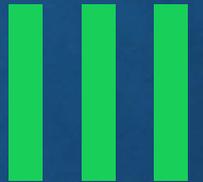
**Empowering
business
so people
and nature
prosper.**



**Ko ahau
te taiao,
ko te taiao
ko ahau.**

I am nature and nature is me.

MĀORI PROVERB





sustainable.org.nz

Annual Performance Report

2020 / 2021

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