

Enterprise North Canterbury



Annual Report

Year ended 30th June 2021



Enterprise North Canterbury

The Board's vision is:

'To inspire, attract and retain individuals, businesses and social enterprises to invest in our region'

ENC staff continued to work across the *three strategic objectives* this year,

1. Supporting existing businesses to grow and prosper
2. Attract and inspire businesses, Te Rūnanga o Ngāi Tahu and Government to invest in our region
3. Promoting the Waimakariri District to visitors and new businesses.

ENC, in conjunction with the two Councils, plays an important role in making our region a great place to do business. In times of crises ENC is Council's own organisation 'on the ground' ready to support local businesses continued to provide a pivotal support role to businesses recovering from the effects of COVID-19 to their businesses this financial year.

Key highlights in 2020/21:

ENC leveraged an additional \$369,000 from various Government departments this financial year to support specific ENC projects:

- NZTE \$34,000 additional funds for ENC staffing due to COVID-19 demand
- MBIE \$100,000 MADE NORTH CANTERBURY project Year One
- MBIE \$163,000 Regional Event Funding (REF) (over 3 financial years)
- MSD \$70,500 Business Start-up Incubator Project (over 2 financial years)

Supporting Existing Businesses to Grow and Prosper:

ENC's COVID-19 Response

- Award Winning recognition of ENC at the 2021 Economic Development NZ Conference for 'Business Support Recovery Initiatives' in delivering high quality support from a small team to meet the needs of North Canterbury businesses during COVID-19.
- Securing \$535,557 from NZTE that went directly to support 304 businesses impacted by COVID-19 via issuing 100% capability funding vouchers.
- The successful partnership and achievements outlined in this report, with MSD for the six months to Dec 2020.
- Successful application to MSD to run two Business Start-up Incubator courses with follow-up coaching for up to 29 businesses. This was possible due to the high calibre and practical experience of the workshop presenter – Craig Rust who designed this for ENC.

Non-COVID-19 support:

- Leveraging \$15k from five Hurunui businesses, MainPower, TransWaste and Amuri Irrigation Ltd, plus \$5k of our own funds to write a Strawman Report that investigated the concept of a Green Powered Economic Hub in Hurunui
- Securing full sponsorship to run the 2021 North Canterbury Business Awards and hosting a very successful launch function. We received 87 entries with 62 going forward to be interviewed by the Judges.

Attract and Inspire Businesses, Te Rūnanga o Ngāi Tahu and Government to Invest in our region

- Developing a new provenance brand MADE NORTH CANTERBURY for North Canterbury food and beverage producers

- Signing up 64 new members and two major sponsors to be part of this unifying brand. It's a marketing platform and a communications tool used to celebrate our people, our produce, our plates and our place.
- Commencing process of Intellectual Property Trademark Protection.

Promoting the Waimakariri District:

- ENC interviewed and supported 125 start up businesses (78 last year) and 50 expanding businesses (59 last year) and welcomed and promoted 89 new businesses to the district through social media and our newsletter (74 last year).
- ENC ran two Business Start-Up Incubator Boost series with 29 prospective business attending (15 first course and 14 on the second).
- 20 new businesses were established as a direct result of ENC influence and assistance.
- ENC continued to support the WHOV Trustees and assisted them in their endeavours to set up an AquaPlay Inflatable park on Courtney Lake, Kaiapoi in October 2021.
- ENC in partnership with WDC and key stakeholders developed a new Visitor Marketing Strategy 2020-2027 with an aim to increase visitation.
- The ENC Board approved the development of a new website and brand for Visit Waimakariri.
- ChristchurchNZ worked alongside ENC to deliver an Incubator Programme for Waimakariri food and beverage businesses
- Followers on Visit Waimakariri's Facebook increased by 30
- 17 events (12 last year) received \$41,770 (\$31,550 last year) in WDC event funding
- ENC were granted \$163k net, over 3 years to grow major events in the Waimakariri from MBIE and to grow the capability of local event organisers.
- The Kaiapoi i-SITE provided exceptional customer service in challenging and uncertain times and served as the only i-SITE in the greater Christchurch and South Canterbury
- Net commission overall this year were up 18% to \$24,484 (\$20,691 last year)

Future Developments:

The ability of ENC to gain support from Government, the private sector and sponsors on various projects and activities is a very effective way of leveraging Councils' funds. ENC has confidence that this will continue in the coming year through:

- Roll out its new brand/refreshed logo – after 15 years in its current format
- Successfully running the 2021 North Canterbury Business Awards, COVID-19 allowing.
- Undertaking a face to face survey of up to 50 large businesses to fully understand the critical issues facing their business.
- Setting a benchmark/audit of ENC's carbon management and to provide upskilling of SME businesses in North Canterbury through awareness and training.
- Gaining a greater uptake of local food and beverage producers to the MADE NORTH CANTERBURY project to increase awareness and sales.
- Delivering the inaugural MADE NORTH CANTERBURY Taste Trail event in February 2022.
- Continuing to identify streams of funding for new and ongoing projects eg Pegasus Bay Cycle Multi-day Trail and Oxford Observatory.
- Progressing ENC's relationship with local Runanga(s).
- Progressing the Green Powered Economic Hub development for Hurunui and accessing Government funding if appropriate.
- Waimakariri District Promotion
 - Attracting quality investment to Waimakariri District

- Increasing in number of visitors to the district through greater branding and marketing
- Fully distributing the Waimakariri and the Regional Major event funds and promoting events widely

We thank all staff and contractors who collectively enabled ENC to meet its objectives throughout the year.

I would like to personally thank Craig Rust, who retired after six years of valued input into the ENC Board. Craig served on the Audit and Risk Committee as well as the Remuneration Committee during his time on the board and provided mentorship to new board members. Our Board members are volunteers and provide valuable insight, entrepreneurship and time to our organisation.

Successful Economic Development is about long term partnerships. It involves creating an economic vision and an environment that is conducive to business growth while meeting the needs of local communities. ENC has developed trusted relationships with businesses, developers, event organisations and organisers, tourism operators, government organisations, local community groups. MainPower, as the major corporate sponsor, continues to show commitment and passion for the business community through its sponsorship of ENC.

Holly Sterne
ENC Chair



NORTH CANTERBURY ECONOMIC DEVELOPMENT TRUST
trading as

ENTERPRISE NORTH CANTERBURY
DIRECTORY

FOR THE YEAR ENDED 30TH JUNE 2021

Purpose: The purpose of the Trust is to encourage economic development in North Canterbury.

Trustees: Appointed by Waimakariri and Hurunui District Councils

Mayor Dan Bruce Gordon – *ex officio* (commenced Nov 2019)
Mayor Marie Honor Black – *ex officio* (commenced Nov 2019)
Craig Rust – concluded his 2nd term and Trustee role at ENC in May 2021
Craig Patterson – reappointed for a 2nd term in November 2019
Clare Diana Giffard – appointed for 2nd term in February 2021
Holly Louise Sterne – appointed for 2nd term in February 2021
Robert Ray Penter – appointed for 1st term in February 2019
Michael John Weight – appointed for 1st term in February 2019

Advisory Trustees: Appointed by the Board
James Leslie Palmer (resigned as CE in March 2021 and Philip James Harland commenced in April 2021)
Hamish Ian Dobbie

Address: 143 William Street
Kaiapoi

Bankers: Westpac
Rangiora Branch
P O Box 328
Rangiora

Accountants: Jenkins Anderson Ltd
P O Box 78
Rangiora

Solicitors: Helmore Stewart
P O Box 44
Rangiora.

Auditor: Audit New Zealand on behalf of the Controller and Auditor-General

1.0 Summary of 2020/21 Objectives and Achievements

ENC operates to an Annual Business Plan and budget, which is prepared in conformity with its Five Year Strategic Plan and Statement of Intent. The 2020/21 Business Plan had three key objectives. This Annual Report reports against the 2020/21 Statement of Intent (SOI) submitted to both Councils.

Objective 1 Supporting existing businesses to grow and prosper

1.1 Provide an increased business support programme to existing businesses due to COVID19 response and recovery

a Deliver the contracted Regional Business Partner Programme for NZTE to June 2021

Targets:

Undertake at least 48 Capability Assessments for NZTE (Result: Achieved)

Issue a minimum of \$80,000 NZTE Vouchers (Result: Achieved)

Refer a minimum of 24 businesses to Business Mentors NZ (Result: Not Achieved)

- ENC carried out 297 full capability assessments (102 last year). 282 of these were registered in the RBP system
- 88 training vouchers (110 last year) were issued to 73 businesses (88 last year) in the amount of \$82,711 (\$96,980 last year).
- 9 businesses referred to Business Mentors NZ (32 last year). Less this year due to the free COVID-19 one on one coaching taken up.

b Provide additional support to businesses who are negatively impacted by COVID-19

Targets:

Maximise Government funding to help support local business through recovery

Provide solutions to businesses that may not include vouchers but timely information and direction to other financial or non financial support (Results: Achieved)

- ENC secured an additional \$535,557 in funding that went directly to North Canterbury Businesses via ENC's business support team. This included:
 - \$441,687 of 100% Covid-19 funding (\$207,037 last year) to 256 businesses (213 last year) to assist with a variety of professional services and conducted 223 (303 last year) business interviews of Covid affected businesses (some vouchers were issued to those interviewed the previous year).
 - \$93,870 of 100% tourism funding to 48 businesses to assist additional coaching for tourism businesses in our districts. Many of these businesses also received Covid-19 funding.
- ENC engaged with 259 businesses regarding coping with COVID-19 (657 last year) (68 in Hurunui, 178 in Waimakariri, 23 in Kaikōura).
- ENC's CE was part of Waimakariri and Hurunui's economic recovery groups, made up of local business leaders who met on a number of occasions.

c Provide Training of local business owners and managers

2020/21 Target: Run at least 10 business training sessions or webinars with 80% satisfaction rate.

- ENC ran 29 half day workshops (23 last year), 5 courses (8 last year), with a total of 105 attendees (94 last year). This is higher due to hosting the two Business Start Up Boost workshops and Digiboost workshop at ENC. *(Results: Achieved)*
- We achieved a 100% satisfaction rating from workshop attendees who completed the surveys, however satisfaction surveys were not collected for the 2021 Supervising and Managing Others course. *(Results: Not Achieved)*

3 Support new and expanding businesses

2020/21 Target: Provide business support to 50 start up businesses and 50 existing businesses to grow/expand (Results: Achieved)

- ENC had face-to-face interviews with 125 start-up businesses (78 last year). 84 of these businesses were scoping or developing a plan and the other 41 had recently started and needed assistance.
- ENC had face to face to face interviews with 50 expanding businesses who required assistance (59 last year).

e Maintain and grow ENC's website and social media

2020/21 Targets: Grow social media channels and website visitors by 10%

- ENC Website Statistics were up this year compared to last year: *(Result: Not Achieved)*
 - Visits were up 2.38% to 46,496 from 45,415
 - Page views were up 4.63% to 95,123 from 90,918
- ENC Social Media Channels had a good increase: *(Result: overall Achieved)*
 - Facebook Page likes: 2,033, up from 1,860 (9.3% increase)
 - Facebook Page followers: 2,084 up from 1,888 (10.3% increase).
 - LinkedIn Page: followers 184 up from 151 (21.85% increase)

f Deliver the contract for services with MSD to retain and create jobs

2020/21 Targets: Businesses looking to make staff redundant will be identified; high growth businesses will be identified, a quick matching system will be developed, minimising applications for benefit. (Results: Achieved)

A twelve-month contract was signed on the 27th of May 2020 with MSD who agreed to partner with ENC and have their senior work broker, Michelle Becks, based at ENC to 'support and save local jobs' where possible. Both organisations were very pleased with the results. A full report was provided to MSD. Due to the country coming out of lockdown early and trading at Level 1 for most of this period, Michelle only stayed on-site at ENC in this partnership role for six months. Connections made during her time at ENC included:

- General vacancies – 81 opportunities
- Placements made – 49 (plus 15 Apprenticeship Boost)
- Individual Job Seekers – 22 Connected to services for training and employment.
- Employer queries - The partnership with ENC resulted in increased MSD visibility throughout the Business community and as a result have been connected with over 60 new businesses that MSD had yet to engage with. Enquiries were primarily around funding for apprenticeships, existing and new.
- As a result of the ENC Business Survey 27 businesses were identified as needing support for recruitment and contact was made via email to the respondents outlining MSD products and services, including recruitment.
- Redundancy Seminars (Community) – 7 held and 2 redundancy seminars held with two large businesses (inhouse)

1.2 Celebrate and recognise business leaders in the region

1.2.1 Launch the 2021 Business Awards

2020/21 Targets::

Full sponsorship of seven categories is achieved (Result: Achieved)

Successful launch event held (Result: Achieved)

Attract the same number of entries or more as the 2018 business awards (Result: Achieved)

- ENC secured eight category sponsors (up from seven last year) and MainPower once again as Supreme Sponsor for the 2021 North Canterbury Business Awards.
- The Awards launch was held on the 28th April, 2021.
- We received 62 entries that went through to be judged by the three independent Judges (Steve Wilkinson, Brian Davey and Debs Taylor-Hayhurst) (60 in 2018).

1.3 Assist Council with the wellbeing and viability of Hurunui towns

1.3.1 Programme of initiatives agreed and implemented

2020/21 Targets: ENC assists and supports town initiatives as agreed (Result: Achieved)

- At their November Board meeting, the ENC Board approved that up to \$5,000 from their current year's projected surplus, to be used to investigate the concept of a green energy based processing and production ecosystem for North Canterbury.
- A workshop was hosted by Mayor Marie Black at Hurunui Council Chambers and facilitated by Gil Cox and Susan Goodfellow (Leftfield Consulting) with MainPower and 8 local businesses attending. A financial commitment to fund a Strawman Report to develop the concept was sought. MainPower committed \$5k, Amuri Irrigation Group \$2k, TransWaste \$3k and 5 other businesses committed \$1k each plus ENC's contribution, totalled \$20k.
- Left Field Consulting (LFC) completed the consultation and Strawman Report and was presented to stakeholders on the 5th of May. Marie Black, the Mayor, and ENC's CE wrote a cover letter of support for potential funders.

Objective 2 Attract and inspire businesses, Te Rūnanga o Ngāi Tahu and Government to Invest in our region

2.1 Develop a North Canterbury Cycle Trail

2.1.1 Continue to seek and apply for funds for the development of a North Canterbury Cycle Trail from Christchurch to Waipara

2020/21 Target: Staff prepare and submit applications in conjunction with Councils (Results: Achieved)

- ENC made 2 applications: Crown Infrastructure Fund and to RATA subsequent to balance date in November 2021. Both applications were declined

2.2 Stimulate the North Canterbury Food and Beverage sector to achieve greater collaboration

2.2.1 Local food and beverage producers and manufacturers are provided opportunities to collaborate and connect

- a) *2020/21 Targets: NC Food and Beverage Brand created; NC Food and Beverage Website, Facebook, Instagram platforms set up to increase awareness and sales of NCF&B Promote detail of business and products on website (Results: All Achieved)*

This project is made possible through MBIE funding, ENC administration and overhead support, membership fees, foundation sponsors (Sidekick Rangiora and Meridian Energy) and supporting sponsors (Croft Print, Leading Labels, Infinity IP). In this period ENC developed a powerful brand and assets:

- Website
 - Brochure
 - Posters
 - Pull-up banner
 - Point-of-Sale (POS) signage – includes, shelf talkers, shelf surrounds and flanners
 - A gift box for North Canterbury products
 - Food grade stickers for products
 - Tote bags
- We also commenced the process for IP trademark protection.
 - In February we launched the new website directory that now gets an average of over 1200 unique visitor sessions per month.
 - We use Facebook predominantly for digital marketing and grown our following to 3,578 since we started (in 14 months to 30 June 2021 and have 759 Instagram followers.

- b) *2020/21 Targets: ENC builds networks and relationships with producers and manufacturers; Referrals and connections tracked (Results: Achieved)*

We have built a community consisting of 64 food and beverage businesses, which is on track to meet the goal of 80 businesses by the end of the two year period. We would like to establish stronger networks and relationships with contacts within the hospitality sector.

- Many of our producers now incorporate the provenance logo on their packaging.
- We hosted a planning session with our members on the 14th of April, facilitated by Phillip Roth (BDO). This has set a compass point for the next 12 months and a marketing strategy was developed as a result.
- The North Canterbury Food and Beverage Story was signed off by Matapopore on behalf of Te Rūnanga o Ngāi Tahu and Ngai Tuhahuriri.
- In the 12 months we have created 49 connections resulting in direct sales; 17 producer collaborations and engaged with 241 businesses since commencement of this project

- c) *2020/21 Targets: Opportunities identified to attend and profile NCF&B at event and trade shows (Results Achieved)*

- **MADE NORTH CANTERBURY TASTE TENT** at the North Canterbury Wine and Food Festival in March 2022.
- **MADE NORTH CANTERBURY CHEF'S TOUR**. We have bookmarked a Summer Tour for the end of January.
- The design and planning for a new event in February 2022 the **MADE NORTH CANTERBURY TASTE TRAIL** has taken place this period, using a professional event organiser.



Objective 3 Promotion of the Waimakariri District

3.1 Produce an annual business promotion plan for board and council approval

3.1.1 Deliver on Business Promotion Objectives as contracted to Council

a) *2020/21 Target: Contract delivered (Results: Achieved)*

The contract runs until June 2021 and was renewed for a further three years to 30 June 2024.

To achieve the Promotion Objectives the 2020/21 Promotion Plan has four key goals with an aim to attract new businesses and visitors through marketing and events, profiling why it is worth visiting/investing in/doing business in/relocating to. All four key goals have been achieved.

b) *2020/21 Target: Performance reported six monthly to Waimakariri District Council (Results: Achieved)*

ENC provides an annual business plan and budget that ENC board approve at their May board meeting each year. It is then presented and approved by Waimakariri District Council.

ENC staff provides a six monthly written and verbal report to Council along with a full twelve-month report on results (both written and verbal).

2.0 GENERAL

2.1 Sponsorship and Financial Support:

Other valued contributors toward our activities during the year included:

- **Business Centre Sponsors:** We are grateful to our existing sponsors MainPower (corporate), Spark Business Hub Christchurch, BDO and Meridian Energy (silver sponsors), Hellers, PLC, Hazeldine Construction; Ray White Morris & Co, Skytech and Misco Joinery, Ravenswood, The Learning Staircase, Brannigans (nine bronze sponsors).
- **Networking Events Sponsors:** The Five River Queen owners (Dec), Waipara Hills Winery and Hurunui Tourism (March).
- **MADE NORTH CANTERBURY Sponsors:** Founding sponsors Sidekick Rangiora and Meridian Energy. Supporting sponsors Leading Labels, Croft Print, Infinity IP.
- **North Canterbury Business Awards Sponsors:** MainPower, BDO, Spark Business Hub Christchurch, Hellers, Misco Joinery, PaknSave, Hanmer Springs Thermal Pools and Spa, Lime Real Estate, Joint sponsor Harris Meats/Patoa Farms, Percival Street Bakery, North Canterbury News.
- **Additional and valued sponsors:** Devlin Real Estate, Kaiapoi Harcourts (Street Maps) and Sharp.
- **Government Funders:** NZTE for the Regional Business Partner Programme and MBIE for the MADE NORTH CANTERBURY food and beverage project, MBIE for the Regional Event Fund established, MSD for partnering with ENC and funding its two Start-Up Incubator workshops and coaching.
- **ENC Brand** – ENC engaged local brand specialist, The Mark, to refresh and update their logo and design new templates for organisational electronic mailouts and all forms of future communications and signage. The Mark has provided a sizeable sponsorship to enable this to happen

2.2 Staff:

ENC entered and received an award at the National Economic Development (EDNZ) Conference in May 2021 for its Business Support Recovery Initiatives during 2020. We attended the conference and received the Award at the Gala Dinner. It was celebrated as a joint effort by all staff at ENC.

Our focus continues to be on matching staff skills and resources with the programme objectives sought by our funders. ENC is a team of 8 full time (7 last year) and 3 part time (5 last year) employees/contractors working with a cast of over 2,200 businesses and sponsors. During this financial year Lucy Harvey went on one year's maternity leave and we welcomed Khloe Peck to cover this period. Anna Western-Bell was employed part time to replace Khloe in the Kaiapoi i-SITE role. Kate Underwood was taken on with a part time three month contract to support the MADE NORTH CANTERBURY project.

We have a well-regarded professional team who have formed strong relationships with the businesses in North Canterbury. Our main referrals are word of mouth from those who are satisfied with our engagement and delivery.

2.3 Governance

- Holly Sterne was elected Chair of ENC once again at the September 2020 board meeting.

- Board members Holly Sterne and Clare Giffard along with the CEO presented ENC's 2019/20 annual report to the WDC Audit and Risk Committee on 19th of November 2020.
- At its May 2021 Board meeting, the Board received notice from Craig Rust that he did not wish to renew his term for his third and final three year term.
- At its May Board meeting it was agreed that Jim Harland would replace Jim Palmer on the Audit and Risk Committee along with Mike Weight to replace Craig Rust. They have held their first meeting. They reviewed the Risk Register, Draft Reserve Policy, Policy Manual and Fraud Risk Assessment and advised the CE to make some minor changes. This was done.

ENC continues to apply best practice principles in the governance and management of the Trust. During the course of the year:

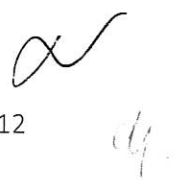
- ENC submitted a six-month report to both Councils and a six month report for the promotion activities to Waimakariri District Council as per their contract.
- Prior to submitting the annual Draft Statement of Intent (SOI) the board decided to run a Strategic Planning session with Phillip Roth (BDO) facilitating, on the 10th of February. Changes were made as a result of that session and the SOI was recirculated for board approval and then sent to both Councils prior to the 28 February as required.
- The Board approved the 2021/22 annual business plan and budget at their 31 May 2021 board meeting.
- Health and Safety remains as an agenda item at the beginning of every Board meeting.
- The Board Registration of Interest is updated annually and remains an Agenda item at each board meeting.
- The Board reviewed the Risk Register in September 2020 and March 2021
- The board held two Strategy Future Thinking sessions and have instigated 'board only time' at the start of their meetings.

2.4 Rent:

ENC's two year right of renewal on its lease at 143 William Street, Kaiapoi expires on the 15th December 2021 with Property Lifestyle Concepts (PLC). A renewal of lease was signed on 15th of December 2021 for a further three years to December 2024. The rate commenced at \$77,416 per annum with a maximum increase of 2% per annum or half of CPI, whichever is the lesser.

3.0 CONCLUSION

ENC services and supports a well networked business community through our ENC website and social media channels, our workshops, networking functions and business support programmes. The value of an independent and apolitical local economic development agency is that it can freely focus beyond the next few months or years ahead and support and facilitate resilient and progressive businesses on which all our communities. Transforming, strengthening and diversifying a regional economy is a long term game which includes building innovation and business support ecosystems, attracting investment and working on large projects that involve the community, local and central government.



ENTERPRISE NORTH CANTERBURY
ENTITY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2021

Legal name

North Canterbury Economic Development Trust

Type of entity and legal basis

The Trust is a not for profit trust incorporated in New Zealand under the Local Government Act 1974. The trust is controlled by the Waimakariri and Hurunui District Councils and is therefore a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

The Trust's purpose or mission

The primary objective of the Trust is to provide promotions and economic development services for the North Canterbury region. The trust on behalf of the Waimakariri and Hurunui District Councils focuses on developing existing businesses and promoting new businesses within the region. The Trust also promotes the region as a visitor destination.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of Trustees who oversees the governance of the Trust, a Chief Executive who is responsible for the day-to-day operations of the trust and reporting to the trustees, and five other full-time staff and five part-time staff who support the Chief Executive in delivering against the Trust's objectives. The trustees are appointed by the Waimakariri and Hurunui District Councils.

Main sources of the Trust's cash and resources

Operating and promotion grants received from the Waimakariri and Hurunui District Councils and central government agencies are the primary sources of funding to the Trust. Further funding is provided from the sale of primarily services provided by the Trust.

ENTERPRISE NORTH CANTERBURY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$ Actual	2020 \$ Actual
Revenue			
Council funding	1	642,675	753,401
Central government funding		250,572	116,613
Sales of goods and services		95,989	65,630
Other grants and donations received	2	79,515	69,807
ISite Commissions		24,357	20,223
Interest received		6,448	17,109
Total Revenue		<u>1,099,556</u>	<u>1,042,783</u>
Expenditure			
Employment related costs	3	698,918	635,984
Advertising and marketing costs		70,606	115,273
Rent costs		77,416	77,416
Depreciation of property, plant & equipment	9	22,722	26,298
Costs of providing goods & services		110,524	54,904
Other expenses	4	113,472	117,351
Loss on sale		377	-
Total Expenditure		<u>1,094,035</u>	<u>1,027,226</u>
Net (Deficit)/Surplus for the year		<u>5,521</u>	<u>15,557</u>
Less taxation expense	5	3,340	10,011
Net (Deficit)/Surplus after taxation		<u>2,181</u>	<u>5,546</u>

The accompanying notes form part of these financial statements




ENTERPRISE NORTH CANTERBURY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$ Actual	2020 \$ Actual
Assets			
Current assets			
Bank accounts and cash	6	281,882	325,513
Short term investments		503,364	400,662
GST refund due		54,002	22,027
Debtors and other receivables	7	24,717	5,426
Taxation Refund		-	3,154
Inventories	8	555	913
Prepayments		4,555	4,332
Total current assets		869,075	762,027
Non-current assets			
Property, plant and equipment	9	88,057	69,026
Total non-current assets		88,057	69,026
Total Assets		957,132	831,053
Liabilities			
Current liabilities			
Creditors and accrued expenses	10	54,920	47,394
Grants and funding subject to conditions	11	322,616	215,267
Taxation payable		1,212	-
Employee costs payable	12	49,369	41,558
Total current liabilities		428,117	304,219
Total Liabilities		428,117	304,219
Total assets less total liabilities		529,015	526,834
Trust Equity			
Accumulated surpluses	13	529,015	526,834
Total trust equity		529,015	526,834



 Clare Giffard
 Chairman



 Mike Weight
 Trustee

The accompany notes form part of these financial statements

ENTERPRISE NORTH CANTERBURY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$ Actual	2020 \$ Actual
Cash flows from operating activities			
Receipts of council funding		706,736	702,165
Receipts of central government funding		276,599	212,564
Receipts from sale of goods and services		123,962	82,043
Net GST		(46,060)	23,298
Interest receipts		6,448	17,109
Receipts of other grants and donations		88,790	85,152
Receipts of other revenue		-	-
Payments to suppliers and employees		(1,056,300)	(999,374)
Net taxation refund		1,026	(16,901)
<i>Net cash flow from operating activities</i>		101,201	106,056
Cash flows from investing and financing activities			
Receipts from sale of property, plant and equipment		400,285	487,014
Receipts from sale of investments		(41,753)	(8,565)
Payments to acquire property, plant and equipment		(503,364)	(400,662)
Payments to acquire investments		-	-
<i>Net cash flow from investing and financing activities</i>		(144,832)	77,787
Net increase/(decrease) in cash for the year		(43,631)	183,843
Add opening bank accounts and cash		325,513	141,670
Closing bank accounts and cash	6	281,882	325,513

ENTERPRISE NORTH CANTERBURY
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2021

ACCOUNTING POLICIES APPLIED

Basis of preparation

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

Goods & services tax

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST.

Commitments and contingencies are disclosed exclusive of GST.

Significant accounting policies

Revenue

Grants

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met (“use or return condition”). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sales of goods

Revenue from the sale of goods is recognised when the goods are delivered to the customer.

Sales of services

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Donated assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value is readily obtainable or able to be estimated.

Interest Received

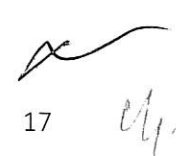
Interest revenue is recorded as it is earned during the year.

Employee related costs

Wages, salaries and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries and leave entitlements.

Advertising, marketing, administration, overhead and function costs

These are expensed when the related service has been received.



Leases

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments made under operating leases are recognised in the statement of financial performance on a straight-line basis over the term of the lease.

Bank accounts and cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts and deposits held at call with banks.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Inventories

Inventories are initially recorded at cost. Goods held for sale are subsequently measured at the lower of cost and their selling cost. Goods for use or distribution are subsequently measured at cost and written down if they become obsolete.

Investments

Investments comprise investments in term deposits with banks.

Property, plant and equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value is readily obtainable or able to be estimated.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount. For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is recognised on a straight line basis at rates that will substantially write off the cost of the asset over its useful life. The useful life of major classes of assets are as follows:

Office furniture and equipment	4 to 20 years
Plant and equipment	20 years
Motor vehicles	5 years

Creditors and other payables

Creditors and other payables are stated at cost

Employee costs payable

Employee costs payable that the Trust expects to be settled within 12 months of balance date are measured at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date.

Income Tax

The Trust is subject to the provisions of the Income Tax Act 2007. Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years.

Provisions

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that

expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Tier 2 PBE Accounting Standards applied

The Trust has not applied any Tier 2 Accounting Standards in preparing its financial statements.

CHANGES IN ACCOUNTING POLICIES

All accounting policies have been applied on the same basis as the previous year.

ENTERPRISE NORTH CANTERBURY

Explanatory notes to and forming part of the financial statements
for the year ended 30 June 2021

	2021 \$ Actual	2020 \$ Actual
Note 1: Council funding		
Waimakariri District Council	591,425	702,151
Hurunui District Council	51,250	51,250
Total council funding	642,675	753,401

All grants have been applied for the purposes provided and in accordance with obligations in any contractual agreements. If conditions of the grant are not met and there is such an obligation the grants are recorded as Grants in advance and funding subject to conditions and recognised as revenue when conditions of the grants are satisfied.

Note 2: Other grants and donations received

MainPower sponsorship	30,000	30,000
Food & beverage sponsorship	8,856	-
Silver & Bronze sponsorship	40,446	39,807
Other donations	213	-
Total other grants and donation received	79,515	69,807

Note 3: Employment related costs

Salaries & wages	640,812	482,117
Management Contractors	55,975	152,211
Other employment related costs	2,131	1,656
Total employment related costs	698,918	635,984

Note 4: Other expenses

Administration and overhead costs	102,214	89,439
Audit fees for the financial statement audit	9,658	9,512
Grants and donations paid	1,600	18,400
Total other expenses	113,472	117,351

ENTERPRISE NORTH CANTERBURY

**Explanatory notes to and forming part of the financial statements
for the year ended 30 June 2021**

	2021 \$ Actual	2020 \$ Actual
Note 5: Taxation		
Taxation expense		
Net (Deficit)/Surplus before taxation	<u>5,521</u>	<u>15,557</u>
Tax @ 33%	1,822	5,134
Plus/(less) tax effects of non-deductible expenses	1,518	4,877
Plus tax losses (recognised)/not recognised	-	-
	<u>3,340</u>	<u>10,011</u>
Components of tax expense		
Current tax	3,340	10,011
Adjustments to current tax in prior years	-	-
Taxation expense	<u>3,340</u>	<u>10,011</u>

Unused tax losses of \$NIL (2020 \$NIL) are available to carry forward and offset against future taxable income.

Note 6: Bank accounts and cash

Cash at bank and on hand	120	120
Westpac cheque account	254,901	298,541
Westpac online saver account	26,861	26,852
Total bank accounts and cash	<u>281,882</u>	<u>325,513</u>

All bank accounts and cash were held as cash or held within on call or short term accounts as at 30 June.

Note 7: Debtors and other receivables

Total debtors and other receivables	<u>24,717</u>	<u>5,426</u>
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The carrying amount of receivables approximates their fair value.
Trade receivables are shown net of impairment losses amounting to nil.

Note 8: Inventories

Stock held at Kaiapoi i-SITE for sale	<u>555</u>	<u>913</u>
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ENTERPRISE NORTH CANTERBURY

Explanatory notes to and forming part of the financial statements for the year ended 30 June 2021

Note 9: Property, plant and equipment (Office Equipment includes Computer software of \$35,159)

At 30 June 2021

PPE	Cost		Accumulated Depreciation		Carrying Amount		Current Year		Current Year		Current Year		30 June 2021		30 June 2021	
	1 July 2020	1 July 2020	1 July 2020	1 July 2020	1 July 2020	1 July 2020	Additions	Disposals	Depreciation	Depreciation	Cost	Accumulated Depreciation	Carrying Amount			
Plant	1,064	-	(1,064)	-	-	-	-	-	-	1,064	(1,064)	-	-			
Office equipment	204,123	62,004	(142,119)	42,480	(725)	17,101	243,424	(156,768)	86,656							
Motor vehicles	28,101	7,022	(21,079)	-	-	5,621	28,101	(26,700)	1,401							
Total	233,288	69,026	(164,262)	42,480	(725)	22,722	272,589	(184,532)	88,057							

At 30 June 2020

PPE	Cost		Accumulated Depreciation		Carrying Amount		Current Year		Current Year		Current Year		30 June 2020		30 June 2020	
	1 July 2019	1 July 2019	1 July 2019	1 July 2019	1 July 2019	1 July 2019	Additions	Disposals	Depreciation	Depreciation	Cost	Accumulated Depreciation	Carrying Amount			
Plant	1,064	-	(1,064)	-	-	-	-	-	-	1,064	(1,064)	-	-			
Office equipment	195,558	74,116	(121,442)	8,565	-	20,677	204,123	(142,119)	62,004							
Motor vehicles	28,101	12,643	(15,458)	-	-	5,621	28,101	(21,079)	7,022							
Total	224,723	86,759	(137,964)	8,565	-	26,298	233,288	(164,262)	69,026							



ENTERPRISE NORTH CANTERBURY

Explanatory notes to and forming part of the financial statements
for the year ended 30 June 2021

	2021 \$ Actual	2020 \$ Actual
Note 10: Creditors and accrued expenses		
Creditors	11,148	-
Accrued expenses	43,772	47,394
Total creditors and accrued expenses	<u>54,920</u>	<u>47,394</u>
Note 11: Grants and funding subject to conditions (inc GST)		
WDC Promotion Contract	179,851	86,408
Provincial growth fund	5,798	89,777
Other government grants	84,994	-
Other grants and donations	40,523	31,248
Sales of goods and services	11,450	7,834
Total grants and funding subject to conditions	<u>322,616</u>	<u>215,267</u>
Note 12: Employee costs payable		
Accrued employee costs	19,164	14,551
Annual leave	30,205	27,007
Total employee costs payable	<u>49,369</u>	<u>41,558</u>
Note 13: Equity		
Accumulates surpluses		
Balance at 1 July	526,834	521,288
Surplus/(deficit) for the year	2,181	5,546
Total equity at 30 June	<u>529,015</u>	<u>526,834</u>

ENTERPRISE NORTH CANTERBURY

Explanatory notes to and forming part of the financial statements for the year ended 30 June 2021

Note 14: Related Parties

Enterprise North Canterbury is a Council Controlled Organisation (CCO) which provides services on behalf of the Waimakariri and Hurunui District Councils developing existing businesses and promoting new businesses within the region.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the trust would have adopted in dealing with the party at arm's length in the same circumstances

	2021	2020
	\$	\$
Waimakariri District Council		
Services provided by the Trust (excluding GST)	591,425	702,151
Outstanding balances as at 30 June 2021:		
- Income in advance	179,851	86,408
Accounts receivable	-	-
Hurunui District Council		
Services provided by the Trust (excluding GST)	51,250	51,250
Outstanding balances as at 30 June 2021:		
- Accounts receivable	-	-

No related party debts have been written off or forgiven during the year.

Note 15: Capital commitments and operating leases

Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	2021	2020
	\$	\$
Less than one year	38,708	77,416
Later than one year and not later than two years	-	38,708
Later than two years but not later than five years	-	-
Later than five years	-	-
	<hr/> 38,708	<hr/> 116,124

The Trust has no significant capital commitments contracted for at balance date.

Note 16: Contingent liabilities

The Trust has no contingent liabilities and no contingent assets as at balance date (2020: Nil)

ENTERPRISE NORTH CANTERBURY

Explanatory notes to and forming part of the financial statements for the year ended 30 June 2021

Note 17: Events after balance sheet date

A renewal of lease was signed on 15th of December 2021 for a further three years to December 2024. The rate commenced at \$77,416 per annum with a maximum increase of 2% per annum or half of CPI, whichever is the lesser.

Note 18 : Breach of legislative reporting requirement

Enterprise North Canterbury was required under section 67(5) of the Local Government Act 2002 to complete its audited financial statements and service performance information by 30 November 2021. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.

Note 19: Impact of COVID-19

There was no material impact on the going concern assumption and internal control procedures due to COVID-19. Revenue and debtors are deemed to be collectible as at 30 June 2021.

The overall impact on the operations of the Trust has been minimal. In summary, management and the board have considered the impact of COVID-19 on the Trust's operations and the relevant balances and disclosures in the financial statements. Overall the financial impact of COVID-19 on the Trust has been minimum for the year ended 30 June 2021.

Independent Auditor's Report

To the readers of Enterprise North Canterbury's financial statements and performance information for the year ended 30 June 2021

The Auditor-General is the auditor of Enterprise North Canterbury (the Trust). The Auditor-General has appointed me, Yvonne Yang, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 14 to 25, that comprise the statement of financial position as at 30 June 2021, the statement of financial performance and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 6 to 10.

In our opinion:

- the financial statements of the Trust on pages 14 to 25:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standards; and
- the performance information of the Trust on pages 6 to 10 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2021.

Our audit was completed late

Our audit was completed on 23 May 2022. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by section 67(5) of the Local

Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Trustees for the financial statements and the performance information

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustees are also responsible for preparing the performance information for the Trust.

The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intends to liquidate the Trust or to cease operations or have no realistic alternative but to do so.

The Trustees' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, 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.
- We 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 Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust'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 financial statements and the performance information 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 Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees 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.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included on pages 2 to 5 and 11 to 13 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information 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 financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, 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.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.

A handwritten signature in black ink that reads "Yvonne Yang". The signature is written in a cursive style with a large "Y" and "Y" at the beginning.

Yvonne Yang
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand