



Annual Report

Year Ended 30th June 2022



Enterprise North Canterbury

ENC's Vision

'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.

This financial year saw many disruptions for ENC events including the cancellation of the 2021 NC Business Awards Gala Dinner and Ceremony, cancellation of the three MADE NORTH CANTERBURY events that we were either going to participate or lead, events funded through the Regional Event and Waimakariri Event Fund and we were only able to hold one networking function. There was a huge downturn in the number of ENC training workshops. We put this down to the hard times for businesses not having the funds for training staff and people not wanting to sit in a room with others while COVID was so rampant. As a result, many workshops were either cancelled or put on hold. However, our core services to support businesses remained our focus and we delivered nearly all non-financial performance measures as set in the 2021/22 Statement of Intent.

ENC is proud to be lead projects contributing to carbon reduction including:

- MADE NORTH CANTERBURY – local provenance project promoting, buying and sourcing locally produced food and beverage
- Pegasus Bay Cycle Trail – working with four Councils and Te Kohaka Trust to develop a multiday cycle trail for North Canterbury
- Procuring locally sourced food and beverage for all ENC's events
- Conducting an annual audit of our own energy use with a plan to reduce it each year

Key highlights in 2021/22:

We thank both Waimakariri and Hurunui District Councils for the foundation funding that enables ENC to leverage additional funding from various Government agencies as well as sponsor businesses. This financial year to support specific ENC projects we received over \$680,000:

- \$55,000 from NZTE for Regional Business Partner Programme for FTE
- \$100,000 from MBIE for Year Two of the MADE NORTH CANTERBURY project
- \$83,908 from MBIE for the Regional Event Funding (REF) (\$163,000 over 3 financial years)

- \$296,240 from DIA Community Facility Fund for the Pegasus Bay Cycle Trail development
- \$60,000 private funding for Hurunui Green Powered Hub skinny business case
- \$85,000 from ENC Sponsors

Supporting Existing Businesses to Grow and Prosper:

- Successfully delivering the Regional Business Partner Programme with NZTE
- Successfully pitching to MBIE to run Digital Boost Foundation workshops in 2022/23
- Running a successful online 2021 North Canterbury Business Awards
- Supporting Hurunui District Council, MainPower, Ngāi Tahu Farming and Transwaste to progress a Skinny Business Case for a green powered Hurunui Hub

Attract and Inspire Businesses. Te Rūnanga o Ngāi Tahu and Government to Invest in our region – ENC:

- Was successful in their application to DIA Community Facilities Fund for \$296,000 to upgrade the recreational cycle trails around Waimakariri District to further progress the development of a multi-day cycle trail.
- Continued to stimulate new marketing and sales opportunities for North Canterbury food and beverage producers through the unifying provenance brand MADE NORTH CANTERBURY and completed Intellectual Property Trademark Protection process

Promoting the Waimakariri District:

- ENC interviewed and supported 72 start up businesses (125 last year) and 64 expanding businesses (50 last year) and welcomed and promoted 86 new businesses to the district through social media and our newsletter (89 last year) and 109 people signed up to the online business start-up course
- 25 new businesses were established as a direct result of ENC's influence and assistance.
- ENC continued to support the WHoW Trustees to promote the AquaPlay Inflatable park on Courtney Lake.
- Visit Waimakariri launched their new website in October 2021
- 25,000 Official Visitor Guides were produced funded by 40 advertisers and a grant from Kiwi Gaming Foundation
- 5,000 cycling maps were designed and printed
- Followers on Visit Waimakariri's Facebook increased by 1,085 (up 17%)
- 15 events (17 last year) received \$30,397 (\$41,770 last year) in WDC event funding
- One event was granted \$6k from the Regional Event Fund in the August 2021 round and two events were successful in applying for \$10k each in the March 2022 round.
- Three Marketing Campaigns developed and promoted:
 - Spring – WHY YOU ARE TIRED ON MONDAY, showcasing our cycle and walkways, mountains, beaches and rivers
 - Summer – WHY WE LOVE SUMMER – showcasing our water activities of kayaking, swimming, surfing, The Water Park and the Kaiapoi River Queen
 - Autumn – WHY YOU SHOULD ARRIVE HUNGRY – showcasing the Food and Beverage businesses.

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:

- Rolling out six MBIE funded Digital Boost Workshops to over 120 businesses
- Overseeing the upgrade for recreational tracks in Waimakariri as per the DIA Community Funding
- Delivering the inaugural MADE NORTH CANTERBURY hospitality activation 'North Course' to showcase local food and beverage in their menu for the month of October
- Identifying a sustainable future for the MADE NORTH CANTERBURY project
- Developing and delivering a new talent attraction resource for North Canterbury businesses to assist them in enticing new staff to their roles
- Initiating the inaugural 'new business' networking functions twice a year
- Completing an annual audit of ENC's carbon management
- Progressing the Hurunui Green Powered Economic Hub for Hurunui and accessing Government funding as required
- Launching the North Canterbury Business Awards in April 2023, sign up sponsors and achieve at least 60 entries
- Delivering the Waimakariri District Promotion Contract to:
 - Attract quality investment to Waimakariri District
 - Increase in number of visitors to the district through greater branding and marketing
 - Fully distribute the Waimakariri and the Regional Major event funds and promoting events widely
 - Conducting an event venue audit with the view to working together to attract more events (including business events) to the district

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

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.

Clare Giffard
ENC Chair

North Canterbury Economic Development Trust
trading as

ENTERPRISE NORTH CANTERBURY
DIRECTORY

FOR THE YEAR ENDED 30TH JUNE 2022

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 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 2nd term in February 2022
Michael John Weight – appointed for 2nd term in February 2022
James Francis Flanagan – appointed for 1st term in November 2021
Grant Kennedy Edmundson – appointed for 1st term in November 2021

Advisory Trustees: Appointed by the Board

Philip James Harland resigned as CE of WDC in March 2022 and Jeffrey Mark Millward commenced in June 2022)

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: PricewaterhouseCoopers Christchurch (On Behalf of the Controller and Auditor-General

ENC Strategic Objectives
Performance Measures 2021/22

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

Strategic Objective 1: Supporting existing businesses to grow and prosper

	Performance Measure	Target	Results
Objective 1.1 Support existing businesses to grow and prosper	<p>Deliver the Regional Business Partner Programme for NZTE</p> <p>Provide training of local business owners and managers</p> <p>Support new and expanding businesses</p> <p>Maintain and grow ENC's website and social media</p>	<p>Undertake 48 Capability Assessments and issue a minimum of \$80,000 NZTE Vouchers</p> <p>A minimum of 24 businesses referred to Business Mentors NZ</p> <p>Run a minimum of 20 half day business training workshops with 80% satisfaction rate</p> <p>Provide business support 50 new start-up businesses and 50 existing businesses to grow/expand</p> <p>Grow social media channels and website visitors by 10%</p>	<p>86 Assessment completed (<i>achieved</i>)</p> <p>\$82,546 vouchers issues (<i>achieved</i>)</p> <p>27 businesses referred to BMNZ (<i>achieved</i>)</p> <p>6 half day workshops</p> <p>100% satisfaction rate (<i>achieved</i>)</p> <p>72 new businesses supported (<i>achieved</i>)</p> <p>64 existing/expanding businesses supported (<i>achieved</i>)</p> <p>Facebook likes increased 13.67% on last year from 2033 to 2311 (<i>achieved</i>)</p> <p>Website visits decreased 5.9% on last year from 46496 to 43751 (<i>not achieved</i>)</p>



<p>Objective 1.2 Celebrate and Recognise Business Leaders in the region</p>	<p>Organise the 2021 Business Awards Gala Dinner and Ceremony</p>	<p>Business Awards Gala event a success</p> <p>62 entries accepted and independently judged. The Gala awards dinner was cancelled due to Covid restrictions. An online awards ceremony for the 11 categories was held over 3 days (15-17 November 2021). 89% of participants reported an overall positive experience. <i>(Achieved)</i></p>
<p>Objective 1.3 To assist Hurunui Council establish economic projects in the district, improving the wellbeing and viability of Hurunui communities</p>	<p>Programme of initiatives agreed and implemented</p>	<p>ENC assists and supports initiatives as agreed</p> <p>ENC assisted Leftfield Consulting with the creation of a \$60k 'skinny business plan' for a green powered industrial hub in Waipara (Hurunui Hub). ENC were the fund holder for this project \$49,000 and were successful in their application to EECA for \$11,000 <i>(achieved)</i></p>

Strategic Objective 2: Attract and inspire businesses, Mana Whenua (Te Ngāi Tūāhuriri Rūnanga and Ngāti Kuri) and Government to Invest in our region

	Performance Measure	Target	Results
<p>2.1 Develop a North Canterbury Cycle Trail</p>	<p>Continue to seek and apply for funds for the development of a North Canterbury Cycle Trail from Christchurch to Waipara</p>	<p>Staff prepare and submit applications in conjunction with the Councils</p>	<p>An application to DIA Community Facilities Fund for track upgrades in Waimakariri District was successful \$296,000 granted <i>(achieved)</i></p>

2.2 Deliver the MADE NORTH CANTERBURY Food and Beverage project to achieve greater collaboration

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

ENC builds networks and relationships with and facilitates collaborations among producers and manufacturers

- Grow MADE NORTH CANTERBURY Website, Facebook and Instagram platforms by 10% that promote detail of business and product, increasing awareness and sales of NCF&B

- Create, stimulate new marketing and promotional initiatives and resources for NCF&B businesses

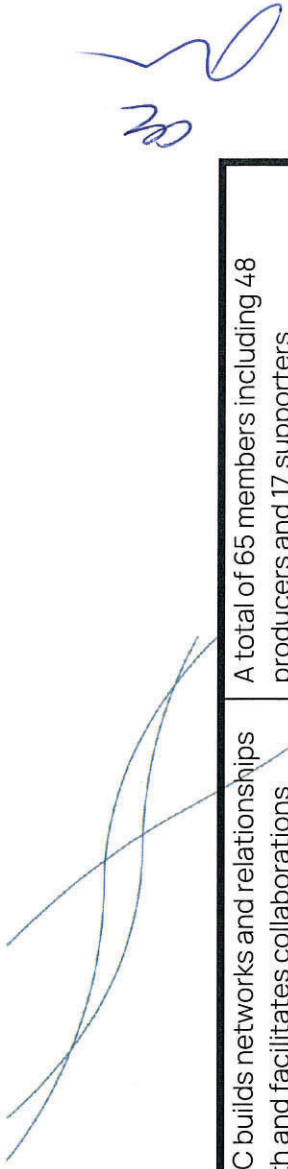
- Opportunities identified to attend and profile MADE NORTH CANTERBURY members at event and trade shows

A total of 65 members including 48 producers and 17 supporters
44 direct collaborations made

Website: 9,178 users (9,150 Of these were 'new users' to the site)
Facebook: 3,691 followers, up from 2,552 and 44.63% on last year (*achieved*)
Instagram: 1,002 followers, up from 520 and 92.69% on last year (*achieved*)

We facilitated four grocery displays over the year at Preston's, Durham Street, Ravenswood and Rangiora New Worlds. Assisted Canterbury Nuts to coordinate MADE NORTH CANTERBURY Goodie Boxes for Christmas.
Promotional features were included in the May issue of Avenues, F+B Tech Magazine, NC Locals Magazine, ODT Rural Life Section and The Herald Country Section.

Three planned events including the NC Wine Collective, the new Taste Trail and NC Wine and Food Festival were cancelled due to COVID-19



		<ul style="list-style-type: none"> Track referrals, engagements and type of support given 	<p>A total of 458 business engagements were recorded across this time period, comprising:</p> <ul style="list-style-type: none"> 187 marketing support 85 referrals/collaborations/connections that led to sales 146 business support, one-on-one or membership support 25 event planning support 15 other
<p>2.3 Collaborate with Te Ngāi Tūāhuriri Rūnanga and Ngāti Kuri</p>	<p>Build relationships with mana whenua</p>	<ul style="list-style-type: none"> Identify common strategic goals Identify and promote investment opportunities that benefit the North Canterbury community 	<p>ENC and Hurunui District Council worked with Ngai Tahu property to assess the viability of purchasing land and developing a green powered commercial Hub</p>

Strategic Objective 3: Promote the Waimakariri District

	Performance Measure	Target	Results
<p>Produce an annual business promotion plan for board and Council approval</p>	<p>Deliver on Business Promotion objectives, as contracted to Council</p>	<ul style="list-style-type: none"> Contract delivered 	<p>The contract runs until June 2024. To achieve the Promotion Objectives the 2021/22 Promotion Plan has four key goals with an aim to attract new businesses and</p>

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			<p>visitors through marketing and events. <i>(Achieved contract was delivered)</i></p> <p>ENC provides an annual business plan and budget that the ENC Board approve at their May board meeting. 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). <i>(Achieved)</i></p>
		<ul style="list-style-type: none">• Performance reported six monthly to Waimakariri District Council	

2.0 General

2.1 Other Activities/projects this year

- ENC interviewed 35 large businesses in November 2021 and identified three key issues:
 - Lack of adequate staff, skilled and unskilled – 57% of respondents have roles they are actively seeking to fill.
 - General uncertainty – 61% of respondents reported this as a major issue
 - Growing input costs – 84% of respondents raising prices to counteract increase in costs, sick leave and minimum wage changes
- Two business opinion surveys were also undertaken in October 2021 (63 responded) and April 2022 (with 49 respondents). Results were circulated to participants, the board and local newspaper.
- ENC completed a carbon baseline assessment/audit to identify ways to reduce their carbon emissions as an office based organisation and when running events such as the North Canterbury Business Awards.
- ENC coordinated eight free sessions for businesses to participate
 - Three 'Talk with the Experts' sessions
 - Five Business Breakfast Briefings
- 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 new brand was completed in March 2022 and applied to our new website which didn't go live until July 2022.
- In May 2022 MBIE were seeking Intermediaries to roll out their Digital Boost Facilitation Scheme to prioritise the use of the Digital Boost Platform and encourage businesses to apply the digital skills learnt to their own business. ENC submitted an application to run six 24 hour sessions for businesses in June 2022. We were required to have a minimum of 15 businesses sign up for each session before we could be accepted as an intermediary and granted the funds. We actually had 120 businesses register. These sessions will be run in the coming financial year.

2.2 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, and Misco Joinery, Ravenswood, The Learning Staircase, Brannigans (eight bronze sponsors) which provided an income of \$69,246 (\$70,446 last year)
- **Business Centre** external bookings were \$8,179 this financial year (\$12,587 last year)
- **Networking Events Sponsors:** ENC ran one networking function at Lacebark Function Centre. This event was fully sponsored by Waimakariri District Council.
- **MADE NORTH CANTERBURY Sponsors:** Founding and major sponsor Sidekick Rangiora. 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.
- **Hurunui Tourism:** ENC and Hurunui Tourism worked collaboratively on two projects this year being:
 - the Pegasus Bay Cycle Trail – Hurunui Tourism funded a graphic designed summary/sell document to be used for future funding applications and Council presentations
 - The inaugural MADE NORTH CANTERBURY Taste Trail – Hurunui Tourism funded Event Goals to develop, facilitate, promote and run the event. However it was cancelled due to COVID-19
- **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, DIA Community Facility Fund for the Pegasus Bay Cycle Trail development.
- ENC produced 13 newsletters throughout the year. In addition to the monthly newsletters (excluding January, as per usual), this year we produced two Covid-19 update newsletters which went out during and after the August 2021 lockdown.
- ENC produced 31 business relevant news articles for our website (27 last year).

2.3 Staff:

Our focus continues to be on matching staff skills and resources with the programme objectives sought by our funders. ENC is a team of 6 full time (8 last year) and 3 part time (3 last year) employees/contractors.

During this financial year:

- Khloe Peck resigned in December 2021 to take up a full time permanent position. Khloe was on a twelve month maternity cover contract.
- Lucy Harvey did not return in April 2022 after her 12 months and Zoe Williams was appointed to the role of Digital Marketing Manager however did not start in the role until July 2022.
- Gwen Creek left her employment as Kaiapoi i-SITE Manager after 16 years with ENC. We thank Gwen for her dedication to the role of Manager and the contribution she made to ENC over this time. Anna Western-Bell was appointed i-SITE Manager.
- Alissa Wilson returned from maternity leave as a part time contractor and Amelia Norman who was working full time in the maternity leave cover for MADE NORTH CANTERBURY went back to her usual part time contract with ENC as communications and online manager.
- Tania Emmett left her employment in April 2022 as a result of not wishing to apply for a full time combined role of business centre and training manager with managing the i-SITE. This role will be funded 80% from i-SITE budget and 20% from business centre bookings. Anna Western-Bell applied for this new full time role and was successful.

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.

2.4 Governance

Trustees:

- Holly Sterne was re-elected as Chair at the September 2021 board meeting with a view to step down in February.
- Clare Giffard was elected the new Chair of ENC in February 2022.
- With Craig Rust not wishing to continue as a Trustee for his third term, his position was advertised by the CE of WDC. The Councils appointed two new ENC Trustees, James Flanagan and Grant Edmundson and they attended their first ENC meeting in November 2021.
- Craig Patterson replaced Craig Rust on the Remuneration Committee
- Jim Harland stepped down as CEO of WDC in March 2022.

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

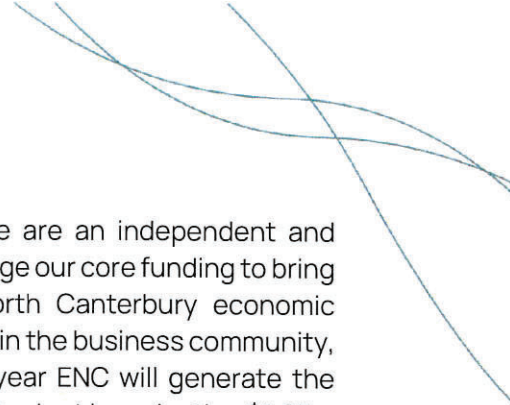
- ENC submitted a six-month report to both Councils and a six month report for the promotion activities to Waimakariri District Council as per their contract.
- The annual Draft Statement of Intent (SOI) was submitted to both Councils prior to the 28 February as required.
- The board ran a Strategic Planning session facilitated by Phillip Roth (BDO) on the 28th of July 2021 and again on the 23rd of February 2022.
- The Board approved the 2022/23 annual business plan and budget at their 18th May 2022 board meeting.
- Health and Safety remains as an agenda item at the beginning of every Board meeting.
- In November, health and safety specialist Kate Sutcliffe, carried out an independent risk assessment of each role within ENC for exposure of transmission for COVID-19. Every role was considered high risk so a decision was made to make ENC Business Centre/ Kaiapoi i-SITE a vaccine passport location/venue. On the 4th of April another risk assessment for the transmission of COVID-19 was undertaken and we were advised to stay a vaccine passport venue until after the Omicron variant had peaked.
- The Board Registration of Interest is updated annually and remains an Agenda item at each board meeting.
- The Risk Register is reviewed at every board meeting.
- Two new policies were approved this period, Reserves Policy (at the 29 September 2021 board meeting) and Sponsor Guidelines (30 March 2022 board meeting).

2.5 Rent:

ENC signed a renewal of lease on 15th of December 2021 for a further three years to December 2024. The rate commenced at \$77,416 per annum with a zero increase in Y1 and a maximum increase of 2% per annum or half of CPI, in Y2 and Y3, whichever is the lesser.

3.0 CONCLUSION

ENC is passionate about our local business community. Despite being a comparatively tiny economic development agency we have been recognised as being one of the top performing EDAs in New Zealand, continually showing real benefit for businesses in North Canterbury at all stages in their business cycle.



The breadth of services we provide is only possible because we are an independent and apolitical agency. This enables us to actively and successfully leverage our core funding to bring additional programmes and initiatives to support and grow North Canterbury economic development. It also enables us to quickly adjust to changing needs in the business community, particularly in times of disaster. In the coming 2022/23 financial year ENC will generate the highest turnover in its history with a record number of projects. Our budget is projecting \$1.65m in turnover of which \$922k is externally funded, leveraging Councils economic development base funding 3.5 times.

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 projects that involve the community, local and central government. We are grateful to the ongoing support of our councils and of our business community in enabling us to be the best we can be.

ENTERPRISE NORTH CANTERBURY

ENTITY INFORMATION FOR THE YEAR ENDED 30 JUNE 2022

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 three 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 primarily provided from the sale of services provided by the Trust.

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$ Actual	2021 \$ Actual
Revenue			
Council funding	1	688,466	642,675
Central government funding		153,631	250,572
Sales of goods and services		142,213	95,989
Other grants and donations received	2	126,873	79,515
iSITE commissions		6,899	24,357
Interest received		6,994	6,448
Total Revenue		1,125,076	1,099,556
Expenditure			
Employment related costs	3	673,171	698,918
Advertising and marketing costs		136,062	70,606
Rent costs		77,417	77,416
Depreciation of property, plant & equipment	9	19,398	22,722
Costs of providing goods & services		123,235	110,524
Other expenses	4	104,377	113,472
Loss on sale		-	377
Total Expenditure		1,133,660	1,094,035
Net (Deficit)/Surplus for the year		(8,584)	5,521
Less taxation expense	5	1,080	3,340
Net (Deficit)/Surplus after taxation		(9,664)	2,181

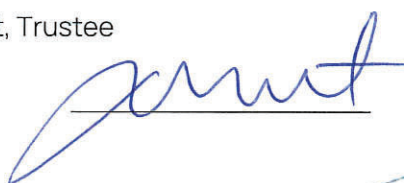
The accompanying notes form part of these financial statements

**ENTERPRISE NORTH CANTERBURY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Note	2022 \$ Actual	2021 \$ Actual
Assets			
Current assets			
Bank accounts and cash	6	222,229	281,882
Short term investments	6	915,777	503,364
GST refund due		59,409	54,002
Debtors and other receivables	7	10,037	24,717
Taxation Refund		3,016	-
Inventories	8	1,026	555
Prepayments		4,331	4,555
Total current assets		1,215,825	869,075
Non-current assets			
Property, plant and equipment	9	70,228	88,057
Total non-current assets		70,228	88,057
Total Assets		1,286,053	957,132
Liabilities			
Current liabilities			
Creditors and accrued expenses	10	62,901	54,920
Grants and funding subject to conditions	11	670,029	322,616
Taxation payable		-	1,212
Employee costs payable	12	33,772	49,369
Total current liabilities		766,702	428,117
Total Liabilities		766,702	428,117
Total assets less total liabilities		519,351	529,015
Trust Equity			
Accumulated surpluses	13	519,351	529,015
Total trust equity		519,351	529,015

Clare Giffard, Chairperson

Mike Weight, Trustee

ENTERPRISE NORTH CANTERBURY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$ Actual	2021 \$ Actual
Cash flows from operating activities			
Receipts of council funding		716,974	706,736
Receipts of central government funding		518,644	276,599
Receipts from sale of goods and services		144,576	123,962
Net GST		(4,110)	(46,060)
Interest receipts		6,994	6,448
Receipts of other grants and donations		98,350	88,790
Receipts of other revenue		-	-
Payments to suppliers and employees		(1,121,791)	(1,056,300)
Net taxation refund		(5,308)	1,026
<i>Net cash flow from operating activities</i>		354,329	101,201
Cash flows from investing and financing activities			
Receipts from sale of property, plant and equipment		-	-
Receipts from sale of investments		503,364	400,285
Payments to acquire property, plant and equipment		(1,569)	(41,753)
Payments to acquire investments		(915,777)	(503,364)
<i>Net cash flow from investing and financing activities</i>		(413,982)	(144,832)
Net increase/(decrease) in cash for the year		(59,653)	(43,631)
Add opening bank accounts and cash		281,882	325,513
Closing bank accounts and cash	6	222,229	281,882

ENTERPRISE NORTH CANTERBURY
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2022

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, except for Debtors and other receivables, Creditors and other payables and Grants and funding subject to conditions, which are all stated inclusive 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. All items shown in Note 11: Grants and funding subject to conditions have been reviewed annually to ensure they remain subject to their original conditions and are therefore not required to be returned.

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 2022

	2022 \$ Actual	2021 \$ Actual
Note 1: Council funding		
Waimakariri District Council	637,216	591,425
Hurunui District Council	51,250	51,250
Total council funding	688,466	642,675

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	5,627	8,856
Silver & bronze sponsorship	39,246	40,446
Other donations	-	213
North Canterbury Business Awards sponsorship	52,000	-
Total other grants and donation received	126,873	79,515

Note 3: Employment related costs

Salaries & wages	583,099	640,812
Management contractors	86,085	55,975
Other employment related costs	3,987	2,131
Total employment related costs	673,171	698,918

Note 4: Other expenses

Administration and overhead costs	83,377	102,214
Audit fees for the financial statement audit	21,000	9,658
Grants and donations paid	-	1,600
Total other expenses	104,377	113,472

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ENTERPRISE NORTH CANTERBURY

Explanatory notes to and forming part of the financial statements for the year ended 30 June 2022

	2022	2021
	\$	\$
	Actual	Actual
Note 5: Taxation		
Taxation expense		
Net (Deficit)/Surplus before taxation	(8,583)	5,521
Tax @ 33%	(2,833)	1,822
Plus/(less) tax effects of non-deductible expenses	(2,467)	1,518
Plus tax losses (recognised)/not recognised	5,300	-
	-	3,340
Components of tax expense		
Current tax	-	3,340
Adjustments to current tax for prior years	1,080	-
Taxation expense	1,080	3,340

Unused tax losses of \$16,059 (2021 \$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	104,983	254,901
Westpac online saver account	117,126	26,861
Total bank accounts and cash	222,229	281,882

All bank accounts and cash were held as cash or held within on call or short term accounts as at 30 June. Short term investments are held for between 3 to 6 months and are therefore not readily available and because of this reason have not been classified as cash.

Note 7: Debtors and other receivables

Total debtors and other receivables	10,037	24,717
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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 iSITE for sale	1,026	555
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ENTERPRISE NORTH CANTERBURY

Explanatory notes to and forming part of the financial statements for the year ended 30 June 2022

	2022 \$ Actual	2021 \$ Actual
Note 10: Creditors and accrued expenses		
Creditors	14,535	11,148
Accrued expenses	48,366	43,772
Total creditors and accrued expenses	<u>62,901</u>	<u>54,920</u>

Note 11: Grants and funding subject to conditions (inc GST)

WDC promotion contract	208,359	179,851
DIA cycle trail	340,676	-
Provincial growth fund	39,952	5,798
Other government grants	62,128	84,994
Other grants and donations	12,000	40,523
Sales of goods and services	6,914	11,450
Total grants and funding subject to conditions	<u>670,029</u>	<u>322,616</u>

These amounts have been reviewed at balance date to ensure the conditions remain valid and they are therefore not required to be returned.

Note 12: Employee costs payable

Accrued employee costs	15,397	19,164
Annual leave	18,375	30,205
Total employee costs payable	<u>33,772</u>	<u>49,369</u>

Note 13: Equity

Accumulated surpluses

Balance at 1 July	529,015	526,834
Surplus/(deficit) for the year	(9,664)	2,181
Total equity at 30 June	<u>519,351</u>	<u>529,015</u>

ENTERPRISE NORTH CANTERBURY

Explanatory notes to and forming part of the financial statements for the year ended 30 June 2022

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

	2022 \$	2021 \$
Waimakariri District Council		
Services provided by the Trust (excluding GST)	637,216	591,425
Outstanding balances as at 30 June 2022:		
- Income in advance	208,359	179,851
- Accounts receivable	-	-
Hurunui District Council		
Services provided by the Trust (excluding GST)	51,250	51,250
Outstanding balances as at 30 June 2022:		
- 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:

	2022 \$	2021 \$
Less than one year	77,416	38,708
Later than one year and not later than two years	77,416	-
Later than two years but not later than five years	38,708	-
Later than five years	-	-
	<hr/> 193,540	<hr/> 38,708

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 (2021: Nil)

Note 17: Events after balance sheet date

There were no significant events after balance sheet date.

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 2021 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. This also has meant that Enterprise North Canterbury has failed to complete its 2022 audited financial statements and service performance information by 30 November 2022 as required by section 67(5) of the Local Government Act 2002. PricewaterhouseCoopers was not appointed as Auditor until 20th December 2022, past this required reporting date.

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 2022.

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 2022.



Independent Auditors' Report

to the readers of north canterbury enterprise economic development trust's financial statements and performance information for the year ended 30 June 2022

The Auditor-General is the auditor of North Canterbury Economic Development Trust (the Trust). The Auditor-General has appointed me, Nathan Wylie, using the staff and resources of PricewaterhouseCoopers, 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 16 to 27, that comprise the statement of financial position as at 30 June 2022, 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 16 to 27:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; 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 2022.

Our audit was completed on 24 May 2023. 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 because we were appointed as auditor after the required completion date.

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 Trust 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 15, 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.

Nathan Wylie
On behalf of the Auditor-General

24 May 2023
Christchurch, New Zealand

PricewaterhouseCoopers