

Aoraki Development and Promotions Limited

Performance Report

For the year ended
30 June 2020

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Aoraki Development and Promotions Limited

Entity Information

"Who are we?", "Why do we exist?"

For the year ended
30 June 2020

Legal Name of Entity:	Aoraki Development & Promotions Limited
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Other Name of Entity (if any):	Trading as Aoraki Development
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Type of Entity and Legal Basis (if any):	New Zealand Registered Company
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Registration Number:	2515190
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Entity's Purpose or Mission: To facilitate and support smart, sustainable economic development. The purpose of Local Economic Development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non governmental sector partners work collectively to create better conditions for economic growth and employment generation. Involves short and long term strategies out 10-20 years. As from end of April 2020 the Visitor & Tourism Agency transitioned back to Aoraki Development & Promotions Limited from Timaru District Council. The purpose to deliver tourism & business services for the district.

Entity Structure: The Chief Executive is employed by the board and is responsible for the day to day operations and the staff employed. The board approves the strategic/ annual plan and budget which are aligned to the Statement of Intent, jointly agrees with and approved by Timaru District Council. Aoraki Development board meetings held monthly with a set agenda which includes CE's monthly report and monthly management accounts.

Aoraki Development and Promotions Limited

Entity Information

"Who are we?", "Why do we exist?"

For the year ended
30 June 2020

Contact details

Physical Address:	2 Sefton Street East, Timaru 7910
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Aoraki Development and Promotions Limited
Trading as
Aoraki Development
Annual Report

Your directors present their report on the financial statements for the year ended 30 June 2020

Principal Activities

Regional Development and Promotion

Results

	2020	2019
Operation Profit/(Loss) after income tax	\$ 37,885	(\$25,758)

Dividends

No payment of any dividend for this year is recommended by the directors.

Directors

The following persons held office as a director at the date of this report:

Remuneration

Remuneration and other benefits paid or due and payable to directors for services as a director during the year, are as follows:

	2020	2019
Directors Fees		
Mark Francis Rogers	\$ 7,000	\$ 7,000
Stephen Brett King (<i>ceased 3/12/2018</i>)	\$ -	\$ 2,500
Andrea Gwentyth Leslie (<i>ceased 2/10/2019</i>)	\$ 1,250	\$ 5,000
Brian Leslie Rae (<i>ceased 2/10/2019</i>)	\$ 1,250	\$ 5,000
Nicola Alice Orbell Hyslop	\$ 5,000	\$ 5,000
Warren Michael Park (<i>Appointed 20/12/2018</i>)	\$ 5,000	\$ 2,500
Raeleen Elva de Joux (<i>appointed 1/7/2019</i>)	\$ 5,000	\$ -
Erin Mary McNaught (<i>appointed 1/7/2019</i>)	\$ 5,000	\$ -
Allan Peter Booth (<i>appointed 12/2019</i>)	\$ 3,333	\$ -
	\$ 32,833	\$ 27,000

Directors' Benefits

No director of the company has received during the year, or has become entitled to receive a benefit (other than a benefit included in the directors' remuneration shown in the financial statements).

Interests register

Directors' interests are duly noted in the interests register and are fully acceptable to the Company

Employee Remuneration

One employee received remuneration between \$140,001 and \$150,000 during the year

Director



Date 7/9/2020
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RdJ

Aoraki Development and Promotions Limited

Statement of Financial Performance "How was it funded?" and "What did it cost?" For the year ended 30 June 2020

	Note	Actual This Year \$	Actual Last Year \$
Revenue			
Funding from central & local government	1	856,558	659,597
Revenue from non governmental sources for providing services	1	12,033	34,958
Interest, dividends and other investment revenue	1	5,322	8,629
Total Revenue		873,913	703,184
Expenses			
Employee related costs	2	391,229	287,115
Costs related to providing goods or services	2	263,393	218,566
Other expenses	2	20,061	17,400
Special Projects	2	145,781	215,102
Total Expenses		820,464	738,183
Net Profit before Tax		53,449	(34,999)
Less Provision for Tax		15,564	9,241
Surplus/(Deficit) for the Year		37,885	(25,758)

This statement should be read in conjunction with the accompanying accounting policies, notes to the performance report and independent auditor's report.



Aoraki Development and Promotions Limited

Statement of Financial Position

"What the entity owns?" and "What the entity owes?"

As at
30 June 2020

	Note	Actual This Year \$	Actual Last Year \$
Assets			
Current Assets			
Bank accounts and cash	3	178,707	77,330
Debtors and prepayments	3	87,338	39,079
Inventory	3	641	675
Other current assets	3	194,568	176,436
Total Current Assets		461,254	293,520
Non-Current Assets			
Property, plant and equipment	4	57,905	41,210
Other non-current assets	3	17,464	35,504
Total Non-Current Assets		75,369	76,714
Total Assets		536,623	370,234
Liabilities			
Current Liabilities			
Creditors and accrued expenses	3	52,264	36,762
Employee costs payable	3	37,884	24,207
Unused donations and grants with conditions*	3	114,168	14,843
Total Current Liabilities		204,316	75,812
Total Liabilities		204,316	75,812
Total Assets less Total Liabilities (Net Assets)		332,307	294,422
Accumulated Funds			
Capital contributed by owners	5	260,077	260,077
Accumulated surpluses or (deficits)	5	72,230	34,345
Reserves		-	-
Total Accumulated Funds*		332,307	294,422

This performance report has been approved by the Board, for and on behalf of Aoraki Development & Promotions Ltd:

Date	7/9/20	7/9/20
Signature	<i>[Signature]</i>	<i>[Signature]</i>
Name	Mike Francis Lopez	Raeleen Edna de Jesus
Position	Chair	Vice Chair

This statement should be read in conjunction with the accompanying accounting policies, notes to the performance report and independent auditor's report.



Aoraki Development and Promotions Limited

Statement of Cash Flows

"How the entity has received and used cash"

For the year ended
30 June 2020

	Actual This Year \$	Actual Last Year \$
Cash Flows from Operating Activities		
Cash was received from:		
Funding from central & local government	905,884	690,640
Receipts from non governmental sources for providing goods or services	12,326	34,379
Interest, dividends and other investment receipts	4,181	9,351
Tax refund - RWT	2,621	-
Net GST	12,791	-
Cash was applied to:		
Payments to suppliers and employees	791,369	717,061
Donations or grants paid	-	47,424
Net GST	-	47,424
Net Cash Flows from Operating Activities	146,434	(30,115)
Cash flows from Investing and Financing Activities		
Cash was received from:		
Receipts from the sale of investments	274,289	613,000
Cash was applied to:		
Payments to acquire property, plant and equipment	29,366	9,805
Payments to purchase investments	289,980	528,000
Net Cash Flows from Investing and Financing Activities	(45,057)	75,195
Net Increase / (Decrease) in Cash	101,377	45,080
Opening Cash	77,330	32,250
Closing Cash	178,707	77,330
This is represented by:		
Bank Accounts and Cash	178,707	77,330

This statement should be read in conjunction with the accompanying accounting policies, notes to the performance report and independent auditor's report.

Aoraki Development and Promotions Limited

Statement of Accounting Policies

"How did we do our accounting?"

For the year ended
30 June 2020

Basis of Preparation

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

Goods and Services Tax (GST)

All amounts are recorded exclusive of GST, except for Accounts Receivable and Accounts Payable which are stated inclusive of GST.

Bank Accounts and Cash

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

Trade Receivables

Trade Receivables are recognised at estimated realisable value.

Fixed Assets

Plant & Equipment are depreciated over their useful lives on either a straight line or diminishing value.

Revenue (Government Grants)

Revenue is measured at the fair value of the consideration received. Contributions received from the Timaru District Council were the company's primary source of funding for the year ended 30 June 2020. Contributions are recognised as revenue when they become receivable unless there is an obligation to return funds if conditions of the contribution are not met. No such obligation is attached to the Council contributions received.

Interest

Interest is recognised on the accruals basis.

Investment Policy

Term deposits with banks are recognised at cost. Term deposits with original maturities of three months or less are classified as cash and bank, term deposits with maturities greater than three months but less than one year are current assets. Investments with maturities in excess of one year are non current assets.

Employee Benefits

Defined contribution Schemes - Kiwi Saver. Contributions to defined pension schemes are charged to the consolidated statement of profit or loss and other comprehensive income in the year to which they relate. Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities. Non vesting benefits such as sick leave are not recognised.

Accounts payable and other accruals

Accounts payable and other accruals represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. Accounts payable are recorded at the amount of cash required to settle those liabilities. The amount are unsecured and are usually paid within 30 days of recognition.

Inventory

Inventory is valued at cost.

Intangible Assets

The company has a website with an indefinite useful life. It is an externally generated intangible. The asset is assessed for impairment of its operating potential annually, and any impairment is presented in the financial performance.

Leases

The company leases office premises, motor vehicles and equipment.

Income Tax Liability

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 28% (2019:28%)
Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered.
Unused tax losses have an indefinite useful life.

Changes in Accounting Policies

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

Aoraki Development and Promotions Limited

Notes to the Performance Report

For the year ended
30 June 2020

Note 1 : Analysis of Revenue

Revenue Item	Analysis	This Year	Last Year
		\$	\$
Funding from central & local government	TDC Regional Development Grant	530,000	530,000
	Ministry of Social Development - Youth Initiative	-	55,157
	Ministry of Social Development - YI Portal Development	-	74,440
	TDC Tourism Grant	143,384	-
	Ministry of Social Development - Education to employment	147,343	-
	MBIE - PGF - Road Transport Certificate	15,000	-
	MBIE - PGF - capability funding	20,831	-
	Total		856,558

Revenue Item	Analysis	This Year	Last Year
		\$	\$
Revenue from non government sources for providing goods and services	Other Income	12,033	16,758
	Special Projects	-	18,200
Total		12,033	34,958

Revenue Item	Analysis	This Year	Last Year
		\$	\$
Interest, dividends and other investment revenue		5,323	8,629
Total		5,323	8,629



Aoraki Development and Promotions Limited

Notes to the Performance Report

For the year ended
30 June 2020

Note 2 : Analysis of Expenses

Expense Item	Analysis	This Year \$	Last Year \$
Employee related costs	ACC levies	576	286
	Directors Fees	32,833	27,000
	Salaries and Wages	357,820	259,829
	Total	391,229	287,115

Expense Item	Analysis	This Year \$	Last Year \$
Costs related to providing goods or services	Direct costs relating to inventory	-	16,200
	Administration and overhead costs	194,847	198,209
	Staff related expenses	-	4,157
	Tourism Administration	68,546	-
	Total	263,393	218,566

Expense Item	Analysis	This Year \$	Last Year \$
Other Expenses	Transport & Logistics	24,579	12,987
	Education to Employment / Youth Initiative	65,044	129,597
	Special Projects	56,158	72,518
			-
	Total	145,781	215,102

Expense Item	Analysis	This Year \$	Last Year \$
Other expenses	Audit fees	7,305	3,255
	Depreciation	10,279	8,883
	Impairment charges	2,477	4,953
	Loss on assets written off	-	309
	Total	20,061	17,400

Aoraki Development and Promotions Limited

Notes to the Performance Report

For the year ended
30 June 2020

Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	This Year \$	Last Year \$
Bank accounts and cash	Cheque account balance	9,883	7,454
	Call account balance	128,604	39,160
	BNZ Investment	-	30,216
	Petty Cash	200	500
	ASB Investment	40,020	-
	Total		178,707

Asset Item	Analysis	This Year \$	Last Year \$
Debtors and prepayments	Accounts receivable	59,225	-
	Prepayments	25,857	22,555
	Accrued Income	742	1,219
	GST Receivable	-	12,684
	Income Tax Receivable	1,514	2,621
	Total		87,338

Asset Item	Analysis	This Year \$	Last Year \$
Inventory	Book Stock	641	675
	Total		641

Asset Item	Analysis	This Year \$	Last Year \$
Other current assets	BNZ Investment	112,314	71,053
	ASB Investment	82,254	105,382
Total		194,568	176,435

Asset Item	Analysis	This Year \$	Last Year \$
Other non-current assets	Deferred Tax	14,987	30,551
	Website	2,477	4,953
Total		17,464	35,504

Aoraki Development and Promotions Limited
Notes to the Performance Report
For the year ended
30 June 2020

Note 3 : Analysis of Assets and Liabilities

Liability Item	Analysis	This Year \$	Last Year \$
Creditors and accrued expenses	Trade and other payables	45,936	36,762
	GST Payable	6,328	-
	Total	52,264	36,762

Liability Item	Analysis	This Year \$	Last Year \$
Employee costs payable	Accrued wages	10,422	4,078
	Accrued holiday pay	15,131	11,184
	PAYE payable	12,331	8,945
	Total	37,884	24,207

Liability Item	Analysis	This Year \$	Last Year \$
Unused donations and grants with conditions	PGF Capability Funding Rec'd in Advance	29,168	14,843
	MSD Education to Employment unused	10,000	-
	MBIE PGF Transport Cert unused	75,000	-
	Total	114,168	14,843



Aoraki Development and Promotions Limited

Notes to the Performance Report

For the year ended
30 June 2020

Note 4 : Property, Plant and Equipment

This Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Plant	-	10,756		359	\$ 10,397
Office Fitout	11,716	4,543		1,270	14,989
Furniture and fixtures	16,967	7,600		2,588	21,979
Office equipment	4,815			1,958	2,857
Computers/ Electronic equipment	7,712	4,075		4,104	7,683
Total	41,210	26,974	-	10,279	57,905

Last Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Office Fitout	13,019			1,303	11,716
Furniture and fixtures	15,276	3,577		1,886	16,967
Office equipment	8,724		309	3,600	4,815
Computers (including software)		9,804		2,092	7,712
Total	37,019	13,381	309	8,881	41,210



Aoraki Development and Promotions Limited

Notes to the Performance Report

For the year ended
30 June 2020

Note 5: Accumulated Funds

This Year				
Description*	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	260,077	34,345	-	294,422
Surplus/(Deficit)		37,885		37,885
Closing Balance	260,077	72,230	-	332,307

Last Year				
Description	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	260,077	60,103	-	320,180
Surplus/(Deficit)		(25,758)		(25,758)
Closing Balance	260,077	34,345	-	294,422



Aoraki Development and Promotions Limited

Notes to the Performance Report

For the year ended
30 June 2020

Note 6 : Commitments and Contingencies

Commitment	Explanation and Timing	At balance date	At balance date
		This Year	Last Year
		\$	\$
Commitments to lease or rent assets	Lease premises		
	Less than one year	44,983	41,934
	Between one and five years	208,754	197,884
	over 5 years	18,668	74,521
	Total Commitment	272,405	314,339
	The prior period comparative balance of lease commitment has been reinstated to be in line with the lease agreement		
	A Finance Lease agreement was signed on 23/6/2016 for photocopier and finisher	3,540	7,080
	A finance lease agreement for motor vehicle from 9/11/17	4,620	15,708
	A finance lease agreement for motor vehicle from 1/6/20	20,475	-

Contingency	Explanation	At balance date	At balance date
		This Year	Last Year
		\$	\$
Contingent liability	Estimated cost to return previous premises to original state prior to taking the tenancy.	-	6,000



Aoraki Development and Promotions Limited

Notes to the Performance Report

For the year ended
30 June 2020

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Note 7: Related Party Transactions

Description of Related Party Relationship	Description of the Transaction (whether in cash or amount in kind)	This Year	Last Year	This Year	Last Year
		\$	\$	\$	\$
		Value of Transactions	Value of Transactions	Amount Outstanding	Amount Outstanding
Timaru District Council - shareholder	Economic Grant	530,000	530,000	-	-
Timaru District Council - shareholder	Tourism Grant	143,384	-	-	-

Note 8: Events After the Balance Date

On 1 July 2020 the company changed its name to Venture Timaru Limited.

Note 9: Ability to Continue Operating

The company has sufficient liquidity and solvency to continue as a going concern.

Note 10: Intangible Asset

	this year	last year
Website		
Cost	33,965	33,965
Less accumulated amortisation	31,489	29,012
Website balance 30/6/2020	2,476	4,953

Note 11: COVID-19

The Company has assessed the likely impact of COVID-19 and has concluded that for the 12 months from date of signing these financial statements, that COVID-19 will not impact the ability of the company to continue operating. That conclusion has been reached because:

- The Company operates in a district that has substantially diversified industry sectors including primary sector, food processing & manufacturing, transport & logistics, trades along with health & social services.
- The district's largest industry sectors are recognised nationally as those that will lead it through COVID recovery.
- The Company has facilitated an enhanced level of cooperation and trust across our businesses and wider community
- The Company is located in a central South Island "hub" with 80% of the South Island within two and a half hours drive.
- The district has strong connectivity to markets, through road, rail, sea, and fibre.
- As COVID-19 continues to be a developing situation, the Board of Directors considers that the company has sufficient working capital and appropriate funding from Timaru District Council for a period of at least 12 months from the date the financial statements are approved and as such, COVID-19 is not considered to have a material impact on the company's ability to continue as a going concern.



AORAKI DEVELOPMENT YEAR IN REVIEW 2019/20

COVID 19

The latter part of the 2019/20 year was impacted significantly by the COVID 19 event with the effects of this felt throughout every corner of our district and wider communities.

This event is a once in 100-year event which requires a once in 100-year response to revitalise our Timaru District by being coordinated, bold and inclusive. As the Economic Development Agency for the Timaru District, now also with responsibility for Tourism and Visitor Attraction, Aoraki Development will take a lead role in facilitating the economic recovery of our district over the next 12 months and beyond.

Our objectives and associated nature of scope and activities proposed to be undertaken in the next 12 months, include priorities such as:

- A prominent role in the response, recovery and reignition of our wider district economy
- Sustained and extensive promotion of the district to visitors, new workforce, and new business
- A targeted approach to the retention, retraining and redeployment of our existing workforce.
- Supporting local business as they recover and reignite their businesses with a leading role in the promotion and encouragement of “buy local” complemented by facilitating our large local procurers to take a lead role in local procurement.
-

In no way understating the challenges we are facing, and will continue to face, across our business and wider community as a result of the COVID 19 event, locally we are very well placed to recover and reignite quicker than many other parts of the country. Leading economists and others have rightly recognised us as being one of the best placed districts to cope with, adapt, recover, and reignite ourselves as we head through the stages of this COVID 19 event.

- We have substantially diversified industry sectors including primary sector, food processing & manufacturing, transport & logistics, trades along with health & social services.
- Our largest industry sectors are recognised nationally as those that will lead us through COVID recovery.
- We have an enhanced level of cooperation and trust across our businesses and wider community
- We are a central South Island “hub” with 80% of the South Island within two and a half hours drive.
- We have strong connectivity to markets, through road, rail, sea, and fibre.
-

Many of our local businesses are adapting to new work practices and meeting the challenges head on. The Timaru District will bounce back and bounce back stronger, and throughout 2020/21 Aoraki Development will take a leading role in facilitating this recovery.

NAME CHANGE

Whilst outside this reporting period it is important to note that effective July 2020 Aoraki Development and Promotions Ltd trading as Aoraki Development changed our name to Venture Timaru Ltd trading as Venture Timaru. This new name more appropriately represents who we are as an organisation, linking directly to the district we serve and encompassing both the economic development and tourism components of the organisation. For example, it reflects both streams of work for the organisation – from business ventures, to the adventures that visitors are encouraged to enjoy while in Timaru District.



Aoraki Development Year in Review 2019/20

OBJECTIVE	MEASUREMENT	ACHIEVED	COMMENTARY
1. Assist businesses to attract and retain a skilled workforce	AD will develop a well-informed local youth/school leaver workforce by achieving all measurements within the MSD MyNextMove Youth Initiative Contract.	YES	<ul style="list-style-type: none"> • MSD MyNextMove Youth initiative Contract retained and expanded and continues to develop as best practice in the field of “expose, Educate and Excite” our next generation of the variety of career pathways and further education opportunities. All measurements and reporting requirements have been fully met • The success of MyNextMove has been nationally recognised and is the basis on which the Ministry of Education established now 24 like Education to Employment Brokerage services throughout NZ effective 1/4/20. Aoraki Development has proactively assisted Ministry of Education and Ministry of Social Development with this new roll out • MyNextMove won an Economic Development New Zealand Best Practice Award for Collaboration in October 2019. • We again assisted the local; Careers Advisors Group with the 2019 Employment Expo where >650 year 11&12 local secondary school students were in attendance, hearing from 20+ local businesses from a variety of industries.
	<p>AD will support businesses to retain and attract a skilled workforce with success measured through year on year improvement via:</p> <ul style="list-style-type: none"> - feedback received via Annual Survey of local business and organisations evidencing value added by AD - activity and achievements reflected in AD quarterly reporting to Council 	YES	<ul style="list-style-type: none"> • Although activities were impacted significantly through the last quarter of the year due to COVID-19, the 2019/20 year saw Aoraki Development facilitate: <ul style="list-style-type: none"> ○ 21 events introducing local youth to career opportunities via Sector Days, Pathway Speakers, Teacher Only Days, Business Visits and Employment Expos ○ 2229 individual student/parent/teacher interactions with local business and industry – over the past three years these interactions have now totalled more than 12,750 ○ 150 varied local businesses commitment to this initiative ○ 24 students individually mentored by mentors from our business community. • The initiative continues to develop with success evident via growing numbers of local students actively engaged in local Gateway Placements, Work Experience, Dual Pathways, Course Development, Internships and Part & Full Time Employment. • Aoraki Development has, as a result of the prominence of MyNextMove, been a member of both the Industry Funding Reference Group (assisting the development of the new funding model for the Reform of Vocational Education – RoVE) and most recently as an appointed member to the interim Canterbury Regional Skills Leadership Group. • Aoraki Development was kindly gifted a driver simulator by Fulton Hogan during the year which will be used as a community asset to help facilitate increased awareness of the need for our youth obtaining their drivers licences. We are working closely with the District Council’s Road Safety Officer and local instructors to do this. • The MyNextMove website continues to develop with increasing usage with a student requested Job Board soon to be added further enhancing the relationship between local students and the workplace. • Further enhancements have been made to our suite of freely accessible online/hardcopy collateral and promotions associated with Workforce Attraction. We continue to utilise and update the very successful “WeloveTimaru” campaign utilising national billboards, social media, curtain siding on transport operator trucks/trailers etc.... • In the 2019/20-year Timaru Districts average annual unemployment rate compared favourably to NZ and identified like district Taranaki: <ul style="list-style-type: none"> ○ Timaru District 3.2% (3.3%) ○ New Zealand 4.1% (4.3%) ○ Taranaki 4.8% (4.9%)



			<p>The recent COVID event has seen a slight increase in work ready jobseekers locally, however our diverse industry sector base and strong foundation of collaboration has seen many affected workers quickly retained and redeployed.</p> <ul style="list-style-type: none"> • The 2019/20 Aoraki Development survey was again undertaken by an independent third party that ensured confidentiality and openness in the responses, was received. This year we received 116 responses v 148 last year. In light of COVID19 and the proliferation of many business surveys we consider this level of response whilst down on prior year as acceptable in the circumstances. The results evidenced: <ul style="list-style-type: none"> ○ The largest concern not unexpectedly related to the COVID 19 event with ○ 75% of respondents advising reduced income was the biggest effect of COVID 19 on their business. ○ 58% of respondents advising their largest concern was for their income/sales post COVIDF 19 with 56% citing general COVID 19 issues (known and unknown) as their largest concern ○ 35% of respondents have confidence in the general NZ business situation improving over the next 6 months with 32% believing conditions will deteriorate further. ○ 94% (67%) of respondents have had direct involvement with AD via the variety of projects undertaken during the year ○ 86% (91%) of respondents acknowledged AD had added value with projects they had been involved in. ○ Respondents on average rated the ease of doing business in the Timaru District at 86% well up on the 75% on 2017/18 year.
<p>2. Encouraging innovation and facilitating the growth of existing business</p>	<p>AD will encourage innovation and facilitate the growth of existing business, with success measured through year on year improvement via:</p> <ul style="list-style-type: none"> - a minimum of 20 new connections facilitated for existing businesses per month. - feedback received via Annual Survey of local business and organisations evidencing value added by AD - activity and achievements reflected in AD quarterly reporting to Council 	<p>YES</p>	<ul style="list-style-type: none"> • Ongoing scheduled meetings of key industry sectors via Business Connection Groups (Food Processing & Manufacturing, Trades, Transport & Logistics and Hospitality & Tourism) which meet 4-6 weekly to collaboratively address key workforce issues, promotion of their sectors/businesses into secondary schools and further afield, sharing of best practice and enhanced communication between businesses. <p>Some key successes in this area include:</p> <ul style="list-style-type: none"> ○ The industry led Transport & Logistics course involving 16 + local companies has completed 3 student intakes with more than 85% obtaining fulltime employment – many before the end of their respective courses. ○ As administrator for the local T&L Panel, Aoraki Development led an application to the Provincial Growth Fund’s Te Ara Mahi Fund from which the panel has received \$600,000 over two years to assist with the course costs. The 4th intake for the course of approx. 18 students commences August 2020 ○ The Sustainable is Attainable project involving nearly 20 different businesses from our Food Processing and Manufacturing sector. Focused on being a fully collaborative approach to identifying waste and by product output and finding value add and collaborative treatment solutions this is a NZ first involving so many companies. The SiA project has partnered with 12+ NZ universities and research and development organisations to complete on-site waste data collection and subsequent assessment. Various projects both immediate, medium, and long term have now been identified and are being progressed as appropriate. University of Canterbury along with Aoraki Development facilitate this exciting collaboration and are appreciative of the ongoing support of Callaghan Innovation. ○ Aoraki Development has recently been approached by the Government to act as third party administrator of the recently announced Regional Apprenticeship Initiative (RAI) for Mid & South Canterbury and North Otago. RAI priority sectors being Primary, Construction, Engineering, Manufacturing and Wood Processing have initially indicated at least 100 new apprentices will be appointed within our central South Island location in the next 12 months – all of which will benefit from RAI.



			<ul style="list-style-type: none"> • Having assumed responsibility for the District’s Tourism operations as the RTO from Timaru District Council on 28th April, we have quickly established a local Tourism advisory board with sector representatives across hospitality, tourism operators, sports, event organisers and accommodation. This is already seeing a much improved level of collaboration across this sector as we implement the adopted Visitor Strategy for the 2020/21 year which will be informed and guided by this group. There is also a strong focus of this group on reigniting local events big and small post COVID 19 as a way for our communities to reconnect with each other., • Ongoing involvement in the Timaru CBD Group who are proactively focussed on enhancing the Timaru CBD by attracting people and business. They are also a prominent voice with the development of the new Hub Strategy for the CBD. • The alignment of Economic Development to central and local governments wellbeing pillars has seen increased involvement for us across our wider community. Aoraki Development is now a member of the Strengthening Families Group – facilitated by Family Works this is a group of 20+ local social service agencies, police etc... which meets regularly to discuss and collaborate on community wide matters of importance. • We have also actively assisted the Aoraki Migrant Centre including involvement with the first of our new residents following Timaru Districts appointment as a Refugee Settlement Area for 2020 and beyond.
<p>3. Creating an environment to attract and assist new business</p>	<p>AD will continue to develop an environment that attracts and assist new and developing business, with success measured through year on year improvement via:</p> <ul style="list-style-type: none"> - a minimum of 10 new and developing business opportunities identified and engaged per quarter, with a minimum 10% conversion rate of new business established. - a minimum of 30 “District Influencers” identified and supplied with the new quarterly Timaru District Heartbeat Report. - feedback received via Annual Survey of local business and organisations evidencing value added by AD - activity and achievements reflected in AD quarterly reporting to Council. 	<p>YES</p>	<ul style="list-style-type: none"> • Developed and fostered relationships with key central government agencies to extensively promote the districts key points of difference to new national and international businesses. • Progressed a database of available Industrial Land in Washdyke, Port and Redruth area with extensive interaction with existing landowners. • A variety of type and size new business opportunities progressed during the year across retail, manufacturing, tourism, primary, aviation and service industry sectors. • Introductions of new and existing business owners to industrial landowners in Washdyke and Redruth. • Throughout COVID 19 a number of local businesses adapted their operations to meet demand for associated products and services and we at Aoraki Development facilitated a number of introductions to enable this to occur. • A District Influencer database has been established and is updated regularly with key district stats and information that enables them to be better informed ambassadors of the District. • Ongoing promotion of the substantial benefits of doing business in the Timaru District – via web, social & TV media, printed material and developing networks. • As a member of the NZOG Southern Community Panel – Aoraki Development is the key local stakeholder representative at the forefront of the district’s engagement re the potential offshore exploration opportunity. • Sourced via Companies office records approx. 313 new companies were established in the Timaru District during the 2019/20 year which evidences a similar level of activity to 2018/19 - 270 registrations. Noted this is a high-level measurement as difficult to accurately assess trading v non-trading.



INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF AORAKI DEVELOPMENT AND PROMOTIONS LIMITED LIMITED'S
PERFORMANCE REPORT AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30
JUNE 2020**

The Auditor-General is the auditor of Aoraki Development and Promotions Limited (the company). The Auditor-General has appointed me, Andrew Hastie, using the staff and resources of Nexia Audit Christchurch, to carry out the audit of the performance report and performance information of the company on his behalf.

Opinion

We have audited:

- the performance report of the company on pages 5 to 16, that comprise the statement of financial position as at 30 June 2020, the statement of financial performance, statement of cash flows for the year ended on that date and the notes to the performance report that include accounting policies and other explanatory; and
- the performance information of the company on pages 17 to 20.

In our opinion:

- the performance report of the company on pages 5 to 16:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2020; 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 PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit); and
- the performance information of the company on pages 17 to 20 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2020.

Our audit was completed on 7 September 2020. This is the date at which our opinion is expressed.

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

Basis for our opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs(NZ)). Our responsibilities under those standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – COVID 19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the company as set out in note 11 to the performance report. The Board of Directors considers that the company will have sufficient working capital and appropriate funding from Timaru District Council for a period of at least 12 months from the date the financial statements are approved. As such, COVID-19 is not considered to have a material impact on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors for the performance report and the performance information

The Board of Directors is responsible on behalf of the company for preparing performance report that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare performance report and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the performance report and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the performance report and the performance information

Our objectives are to obtain reasonable assurance about whether the performance report 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 performance report and the performance information.

We did not evaluate the security and controls over the electronic publication of the performance report 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 performance report 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 company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report 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 company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the performance report and the performance information, including the disclosures, and whether the performance report and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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 Board of Directors is responsible for the other information. The other information comprises the information included on pages 2 to 4 but does not include the performance report and the performance information, and our auditor's report thereon.

Our opinion on the performance report 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 performance report 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 performance report 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 company 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 company.



Andrew Hastie

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