

Venture Timaru Limited

Performance Report

For the year ended
30 June 2021

Contents

	Page
Non-Financial Information:	
Entity Information	2 to 3
Annual Report	4
Financial Information:	
Statement of Financial Performance	5
Statement of Financial Position	6
Statement of Cash Flows	7
Statement of Accounting Policies	8
Notes to the Performance Report	9 to 17
Statement of Service Performance	18 to 19
Independent Auditor's Report	20 to 22

Venture Timaru Limited

Entity Information

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

For the year ended
30 June 2021

Legal Name of Entity:	Venture Timaru Limited
Other Name of Entity (if any):	Trading as Venture Timaru
Type of Entity and Legal Basis (if any):	New Zealand Registered Company
Registration Number:	2515190

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 Venture Timaru 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. Venture Timaru board meetings held monthly with a set agenda which includes CE's monthly report and monthly management accounts.

Venture Timaru Limited

Entity Information

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

For the year ended
30 June 2021

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Contact details

Physical Address:	2 Sefton Street East, Timaru 7910
Postal Address:	PO Box 560 Timaru 7940
Phone/Fax:	03 687 2682
Email/Website:	enquiries@venturetimaru.nz www.venturetimaru.nz
	www.facebook.com/venturetimaru

Venture Timaru Limited
Trading as
Venture Timaru
ANNUAL REPORT

Your directors present their report on the performance report for the year ended 30 June 2021

Principal Activities

Regional Development and Promotion

Results	<i>2021</i>	<i>2020</i>
Operation Profit/(Loss) after income tax	\$ 49,851	\$37,885

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:

	<i>2021</i>	<i>2020</i>
Directors Fees		
Mark Francis Rogers	\$ 15,000	\$ 7,000
Andrea Gwenyth Leslie (<i>ceased 2/10/2019</i>)	\$ -	\$ 1,250
Brian Leslie Rae (<i>ceased 2/10/2019</i>)	\$ -	\$ 1,250
Nicola Alice Orbell Hyslop	\$ 5,000	\$ 5,000
Warren Michael Park (<i>ceased 1/3/2021</i>)	\$ 7,500	\$ 5,000
Raeleen Elva de Joux	\$ 10,000	\$ 5,000
Erin Mary McNaught	\$ 10,000	\$ 5,000
Allan Peter Booth	\$ 10,000	\$ 3,333
Anthony Raymond Brien (<i>appointed 1/4/2021</i>)	\$ 2,500	-
Antony Charles Howey (<i>appointed 1/4/2021</i>)	\$ 2,500	-
Stacey Alice Scott (<i>appointed 1/4/2021</i>)	\$ 2,500	-
Karl Riki Te Raki (<i>appointed 1/4/2021</i>)	\$ 2,500	-
	<u>\$ 67,500</u>	<u>\$ 32,833</u>

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).

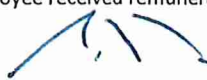
Interests register

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

17/9/21

Venture Timaru Limited
Statement of Financial Performance
 "How was it funded?" and "What did it cost?"
 For the year ended
 30 June 2021

	Note	Actual This Year \$		Actual Last Year \$
Revenue				
Funding from central & local government	1	3,167,739		856,558
Revenue from non governmental sources for providing goods or services	1	35,664		12,033
Interest, dividends and other investment revenue	1	4,288		5,322
Total Revenue		3,207,691	-	873,913
Expenses				
Employee related costs*	2	455,696		391,229
Costs related to providing goods or services*	2	617,492		263,393
Other expenses	2	23,655		20,061
Special Projects	2	2,028,539		145,781
Total Expenses		3,125,382	-	820,464
Net Profit before Tax		82,309		53,449
Less Provision for Tax		32,457		15,564
Surplus/(Deficit) for the Year		49,852	-	37,885


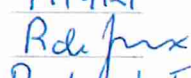
This statement should be read in conjunction with the accompanying accounting policies, notes to the performance report and independent auditor's report.



Venture Timaru Limited
Statement of Financial Position
 "What the entity owns?" and "What the entity owes?"
 As at
 30 June 2021

	Note	Actual This Year \$		Actual Last Year \$
Assets				
Current Assets				
Bank accounts and cash	3	945,252		178,707
Debtors and prepayments	3	56,009		87,338
Inventory	3	-		641
Other current assets	3	324,218		194,568
Total Current Assets		1,325,479		461,254
Non-Current Assets				
Property, plant and equipment	4	58,702		57,905
Other non-current assets	3	1,239		17,464
Total Non-Current Assets		59,941		75,369
Total Assets		1,385,420		536,623
Liabilities				
Current Liabilities				
Creditors and accrued expenses	3	207,168		52,264
Employee costs payable	3	53,913		37,884
Unused donations and grants with conditions*	3	742,180		114,168
Total Current Liabilities		1,003,261		204,316
Total Liabilities		1,003,261		204,316
Total Assets less Total Liabilities (Net Assets)		382,159		332,307
Accumulated Funds				
Capital contributed by owners	5	260,077		260,077
Accumulated surpluses or (deficits)	5	122,082		72,230
Reserves		-		-
Total Accumulated Funds*		382,159		332,307

This performance report has been approved by the Board, for and on behalf of Venture Timaru Ltd:

Date	17/9/21	17/9/21
Signature		
Name	Mark Francis Rogers	Raelen de Joux
Position	Chairman	Deputy Chairperson

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



Venture Timaru Limited
Statement of Cash Flows
 "How the entity has received and used cash"
 For the year ended
 30 June 2021

	Actual This Year \$		Actual Last Year \$
Cash Flows from Operating Activities			
Cash was received from:			
Funding from central & local government	3,820,760		905,884
Receipts from non governmental sources for providing goods or services	5,944		12,326
Interest, dividends and other investment receipts	4,954		4,181
Tax refund - RWT	1,514		2,621
Net GST	48,396		12,791
Cash was applied to:			
Payments to suppliers and employees	2,971,091		791,369
Donations or grants paid			
Net Cash Flows from Operating Activities	910,477	-	146,434
Cash flows from Investing and Financing Activities			
Cash was received from:			
Receipts from investments maturing	72,215		274,289
Cash was applied to:			
Payments to acquire property, plant and equipment	15,740		29,366
Payments to purchase investments	200,407		289,980
Net Cash Flows from Investing and Financing Activities	(143,932)	-	(45,057)
Net Increase / (Decrease) in Cash	766,545	-	101,377
Opening Cash	178,707		77,330
Closing Cash	945,252	-	178,707
This is represented by:			
Bank Accounts and Cash	945,252	-	178,707

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



Venture Timaru Limited
Statement of Accounting Policies
"How did we do our accounting?"
For the year ended
30 June 2021

Basis of Preparation

Venture Timaru 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 although this year it has total expenses of over \$2,000,000, the previous years have been less than \$2,000,000 and therefore Venture Timaru Limited still complies. 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 2021. 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.

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% (2020:28%)
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.

Imputation Credit Account

Imputation credits available to shareholders at 31 March 2021: \$44,073 (Last year: \$44,287)

Tier 2 PBE Accounting Standards Applied

The company has elected to apply Tier 2 PBE Accounting Standards for reporting income taxes.

Changes in Accounting Policies

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



Venture Timaru Limited
Notes to the Performance Report
For the year ended
30 June 2021

Note 1 : Analysis of Revenue

Revenue Item	Analysis	This Year \$	Last Year \$	
Funding from central & local government	TDC Regional Development Grant	640,000	530,000	
	TDC Tourism Grant	350,000	143,384	
	TDC Stimulus Fund	149,990	-	
	Ministry of Social Development - Education to employment	155,000	147,343	
	Ministry of Education - Educational events	14,908	-	
	Local Government Mayoral Fund	3,000	-	
	MBIE-Strategic Tourism Assets Protection Programme	286,898	-	
	MBIE - PGF - Road Transport Certificate	300,000	15,000	
	MBIE - PGF - capability funding	39,588	20,831	
	MBIE-PGF- Regional Apprenticeship Initiative	1,228,355	-	
	Total		3,167,739	856,558

Revenue Item	Analysis	This Year \$	Last Year \$
Revenue from non government sources for providing goods and services	Other Income	35,664	12,033
Total		35,664	12,033

This Year

Last Year

This Year

Last Year

Revenue Item	Analysis	This Year \$	Last Year \$
Interest, dividends and other investment revenue	Interest and dividends	4,288	5,323
Total		4,288	5,323



Venture Timaru Limited
Notes to the Performance Report
For the year ended
30 June 2021

Note 2 : Analysis of Expenses

Expense Item	Analysis	This Year \$	Last Year \$
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Expense Item	Analysis	This Year \$	Last Year \$
Employee related costs	ACC levies	603	576
	Directors Fees	67,500	32,833
	Salaries and Wages	387,593	357,820
	Total	455,696	391,229

Expense Item	Analysis	This Year \$	Last Year \$
Costs related to providing goods or services	Administration and overhead costs	214,584	194,847
	Tourism Administration	402,908	68,546
	Total	617,492	263,393

Expense Item	Analysis	This Year \$	Last Year \$
Other Expenses	Transport & Logistics	250,507	24,579
	Education to Employment / Youth Initiative	168,191	65,044
	Regional Apprenticeship Initiative	1,228,355	-
	Strategic Tourism Asset Protection Programme	286,898	-
	Special Projects	94,588	56,158
	Total	2,028,539	145,781

Expense Item	Analysis	This Year \$	Last Year \$
Other expenses	Audit fees	6,800	7,305
	Depreciation	15,171	10,279
	Impairment charges	1,238	2,477
	Loss on assets written off	446	
	Total	23,655	20,061



Venture Timaru Limited
Notes to the Performance Report
For the year ended
30 June 2021

Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	This Year \$	Last Year \$
Bank accounts and cash	Cheque account balance	29,942	9,883
	Call account balance	174,453	128,604
	ASB	54	-
	Petty Cash	200	200
	ASB Investment	340,274	40,020
	BNZ Investment	400,329	-
	Total		945,252

Asset Item	Analysis	This Year \$	Last Year \$
Debtors and prepayments	Accounts receivable	30,096	59,225
	Prepayments	25,316	25,857
	Accrued Income	597	742
	Income Tax Receivable	-	1,514
	Total		56,009

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

Asset Item	Analysis	This Year \$	Last Year \$
Other current assets	BNZ Investment	241,039	112,314
	ASB Investment	83,179	82,254
	Total		324,218

Asset Item	Analysis	This Year \$	Last Year \$
Other non-current assets	Deferred Tax	-	14,987
	Website	1,239	2,477
	Total		1,239



Venture Timaru Limited
Notes to the Performance Report
For the year ended
30 June 2021

Note 3 : Analysis of Assets and Liabilities

Liability Item	Analysis	This Year \$	Last Year \$
Creditors and accrued expenses	Trade and other payables	142,824	45,936
	GST Payable	48,099	6,328
	Income Tax Payable	16,245	-
	Total	207,168	52,264

Liability Item	Analysis	This Year \$	Last Year \$
Employee costs payable	Accrued wages	16,621	10,422
	Accrued holiday pay	20,743	15,131
	PAYE payable	16,549	12,331
	Total	53,913	37,884

Liability Item	Analysis	This Year \$	Last Year \$
Unused donations and grants with conditions	PGF Capability Funding Rec'd in Advance	14,581	29,168
	MBIE - STAPP Funding unallocated	113,102	
	MSD Education to Employment unused	-	10,000
	MBIE PGF Transport Cert unused	33,000	75,000
	Regional Events Funding received in advance	120,260	-
	Vocational Event Funding received in advance	9,592	-
	MBIE - RAI Funding received in advance	451,645	-
	Total	742,180	114,168



Venture Timaru Limited
Notes to the Performance Report
For the year ended
30 June 2021

Note 4 : Property, Plant and Equipment

This Year					
Asset Class	Opening Carrying Amount	Purchases	(Sales/Disposal)	(Current Year Depreciation and Impairment)	Closing Carrying Amount
Plant	10,397			2,079	\$ 8,318
Office Fitout	14,989			1,632	13,357
Furniture and fixtures	21,979	1,654		3,017	20,616
Office equipment	2,857		446	870	1,541
Computers/ Electronic equipment	7,683	14,759		7,572	14,870
Total	57,905	16,413	446	15,170	58,702

Last Year					
Asset Class	Opening Carrying Amount	Purchases	(Sales/Disposal)	(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 (including software)	7,712	4,075		4,104	7,683
Total	41,210	26,974	-	10,279	57,905



Venture Timaru Limited
Notes to the Performance Report
For the year ended
30 June 2021

Note 5: Accumulated Funds

This Year				
Description*	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	260,077	72,230	-	332,307
				-
Surplus/(Deficit)		49,852		49,852
Closing Balance	260,077	122,082	-	382,159

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



Venture Timaru Limited
Notes to the Performance Report
For the year ended
30 June 2021

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	Less than one year	63,816	44,983
	Between one and five years	207,274	208,754
	over 5 years	-	18,668
	Total Commitment	271,090	272,405



Venture Timaru Limited
Notes to the Performance Report
For the year ended
30 June 2021

Notes 7-11

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	640,000	530,000	-	-
Timaru District Council - shareholder	Tourism Grant	350,000	143,384	-	-
Timaru District Council - shareholder	Stimulus Fund Grant	150,000	-	-	-

Note 8: Events After the Balance Date

In August 2021 the Government imposed a nation-wide lockdown at Level 4. At the time of preparing this report the full impact of the lockdown is indeterminate, but it is not expected to have a material financial impact on the organisation.

Note 9: Ability to Continue Operating

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

Note 10: Intangible Asset	this year	last year
Website		
Cost	33,965	33,965
Less accumulated amortisation	32,727	31,488
Website balance 30/6/2021	1,238	2,477



Venture Timaru Statement of Performance 2020/21

OBJECTIVE	MEASUREMENT	ACHIEVED	COMMENTARY
Encourage innovation and facilitate the growth of existing business.	<ul style="list-style-type: none"> a minimum of 20 new connections facilitated for existing businesses per month. 	YES	<p>With a strong focus on “facilitate, enable and grow” our local economy and communities, we have proactively facilitated a wide range of new connections across all sectors of business, education, health, and community. Our now well-established industry business connections groups coupled with our extensive local, regional, and national networks of contacts have ensured value add connections and introductions have occurred in excess of the stated measurement.</p>
Assist business to re-deploy, retain, and attract a skilled workforce, with success measured through year-on-year improvement.	<ul style="list-style-type: none"> quarter on quarter improvement in the district’s unemployment rate 	NO	<p>Sept 3.7%, Dec 4.0%, March 4.2%, and June 4.3%. Below NZ in all quarters with recent months seeing a reducing number of jobseekers trending to below pre-covid levels. Unemployment rates for Timaru District all confirmed to Infometrics data.</p>
Deliver tourism and visitor attraction services for the district, with success measured through year-on-year improvement.	<ul style="list-style-type: none"> quarter on quarter improvement in the district’s tourism expenditure 	NO	<p>Quarter on quarter visitor spend Sept \$36m, Dec \$44m, March \$40m and June \$39m.</p> <p>Notably, when comparing 2019.20 year to recent 2020.21 year (normalised by excluding April/May o/a lockdown months) both Canterbury and Rest of NZ Visitor spend both well up on prior year by \$7m and \$4.3m, respectively. Totals being 2019.20 visitor spend \$129.3m v 2020.21 Visitor Spend \$132.6m. All confirmed to spreadsheet source from monthly Marketview reports aligned with Infometrics.</p>
Create an environment to attract and assist new and developing business, with success measured through year-on-year improvement.	<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. 	<p style="text-align: center;">NO</p> <p style="text-align: center;">YES</p>	<p>3 new businesses established via our direct involvement across training, roading and retail sectors. New business enquiries and activity severely impacted, in some cases curtailed/deferred, due to ongoing impact of COVID 19. Confirmed 3 new businesses in training & skills, education and retail sectors</p> <p>A variety of district influencers have been established and are proactively engaged with and utilised to promote the district to visitors, new business and new</p>



			residents.
	<p>Feedback received via Annual Survey of local business and organisations evidencing value added by VT.</p>	YES	<p>The 2020/21 Venture Timaru survey was again undertaken by an independent third party that ensured confidentiality and openness in the responses, was received. This year we received 136 responses v 116 last year. The results (previous year in brackets) evidenced:</p> <p>The largest concern not unexpectedly related to the COVID 19 event with:</p> <ul style="list-style-type: none"> o 46% (66%) of respondents advising reduced income was the biggest effect of COVID 19 on their business. o Interestingly, there were similar proportions of stakeholders who experienced COVID-19 as positively affecting their business 30.7%, negatively affecting their business 38.6% and neither positively nor negatively affecting their business 30.7%. o 46% of respondents accessed COVID-19 wage subsidy o 40% implemented wellbeing initiatives because of COVID-19 with 40% confirmed enhanced use of technology. o 79% (94%) of respondents have had direct involvement with VT via the variety of projects undertaken during the year o 87% (86%) of respondents acknowledged VT had added value with projects they had been involved in. o Respondents on average rated the ease of doing business in the Timaru District at 93.8% well up on the 86% on 2017/18 year.
	<p>Activity and achievements reflected in VT quarterly reporting to Council.</p>	YES	<p>All confirmed via results of Venture Timaru Stakeholder Survey 2021.</p> <p>All quarterly reports provided as scheduled with Chair and CE attending Council meetings to present report and discuss.</p>



INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF VENTURE TIMARU LIMITED'S PERFORMANCE REPORT AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2021**

The Auditor-General is the auditor of Venture Timaru Limited (the company). The Auditor-General has appointed me, Nathan Breckell, using the staff and resources of Nexia Audit Christchurch, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- The financial statements of the company on pages 5 to 17, that comprise the statement of financial position as at 30 June 2021 the statement of comprehensive income, statement of changes in equity 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 company on pages 18 to 19.

In our opinion:

- The financial statements of the company on pages 5 to 17:
 - Present fairly, in all material respects:
 - Its financial position as at 30 June 2021; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit); and
- the performance information of the company on pages 18 to 19 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 2021.

Our audit was completed on 17 September 2021. 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 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 Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements 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 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 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 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 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 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 company 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 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 financial statements and the performance information, and our auditor's report thereon.

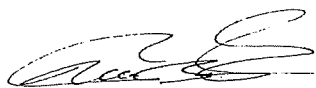
Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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 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.



Nathan Breckell

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

2021 Venture Timaru Chairman's report

It is my pleasure to present the annual report as Chair of Venture Timaru.

The year began with the launch of the organisation's new name, and this has been positively embraced by the team and the wider community.

Venture Timaru has now completed its first full year with responsibility for tourism, and as the ongoing effects of Covid 19 and changing alert levels impact our every day lives, taking on this role at this time has been both more satisfying and more challenging than we could ever have imagined.

While grappling with the impact of closed borders and the new focus on purely domestic tourism, there has been the substantial benefit of Central Government funding for tourism and events which has had a significant positive effect for our district.

The funding has come with a number of stipulations from the Government – firstly for increased collaboration with our neighbouring regions and secondly, the requirement that each tourism organisation had to implement or update a Destination Management Plan.

Venture Timaru has begun this Destination Management journey, as it also works with consultants Martin Jenkins to update and refresh the Economic Development Strategy. By working on both these documents simultaneously, it gives the board clear direction for the future.

During the year we have farewelled board members Nicky Hyslop and Warren Park and welcomed new board members Tony Howey, Stacey Scott, Karl Te Raki and Anthony Brien. The new board members bring a diversity of interests and knowledge to the table and will be great assets in guiding the organisation.

There will continue to be challenging times ahead, as the world learns to live the global pandemic. However, the reality for Timaru District is that we do have a resilient economy, with our firm agricultural and food manufacturing base, and we are fortunate for this. While the next year ahead will have more challenges, there will equally be opportunities. Our district has the benefit of being small enough that people still know and care about their neighbours, and the local businesses down the road. The community is well aware of the importance of supporting local businesses and appears to have embraced this.

Finally, I would like to thank our Chief Executive and the staff of Venture Timaru for their valuable and enthusiastic work over the past year, and also my deputy chair, Raeleen de Joux, and fellow board members for their ongoing commitment.

Thanks also to the Timaru District Council Mayor, Councillors and staff for their continued support and encouragement. We look forward to another exciting and positive year ahead promoting economic development and tourism for our district.



Mark Rogers
Chairman

2021 Venture Timaru Chief Executives Report

The year commenced with us becoming Venture Timaru – a name that better reflects our now joint role as the districts Economic Development Agency and the Regional Tourism Organisation. We assumed responsibility for visitor attraction services late April 2020 and have welcomed the opportunity to align and actively enhance these two key responsibilities.

The 2021/22 year saw the Timaru District bounce back from the 2020 COVID lockdown better than most other areas of New Zealand. This was largely due to the diversity of our local economy and the fact we had a larger portion of “essential workforce” compared to many regions. In fact the sectors with our largest base of employees (primary, food processing, trades, transport & logistics along with health and social services), we largely all deemed essential so continued to work through lockdowns. This meant down time was minimised and they were all in a much better place to revert to full production or activity immediately post lockdown.

That said like most other areas our retail, hospitality and accommodation sectors have had a hard time of it however have been buoyed and thankful for the support of our local community to “Buy Local”. We were thrilled to be able to support this by promoting and celebrating our great local businesses via our Buy Local campaign throughout the past year.

Not unexpectedly our traditionally low unemployment rate of <3.0% rose over the initial part of the 2020/21 year however recent months has seen jobseeker numbers trending down to pre-2020 lockdown levels which is certainly pleasing.

The level of interest from new businesses attracted to the district has certainly been impacted by the uncertainty associated with COVID with many discussions either deferred or stopped as a result. Regardless, we retain a wide range of benefits to new business, and we will continue to promote these to targeted new business going forward.

One of our largest challenges locally, being to attract and retain the extensive workforce our industry sectors need, has been intensified as a result of COVID. Without the 60,000 – 80,000 migrant workers that previously have transitioned through New Zealand annually, the national labour market has tightened significantly. Although many businesses are doing their best to upskill/multi-skill their existing workforce, many still have gaps which not only take time to fill but are also impacting their ability to do the job.

The area of workforce and assisting business to attract, retain and upskill is and will continue to be a top priority for Venture Timaru in the year ahead.

We were pleased to be approached by Central Government to administer their Regional Apprenticeship Initiative across Mid & South Canterbury and North Otago with applications opening early October. This initiative has seen us access funding of \$4.0m to encourage and support up to 100 new apprentices across the Construction, Primary, Manufacturing, Engineering, or Wood Processing sectors. This funding, which is applied direct into the businesses employing these new apprentices, will have an economic benefit for our area of more than \$14.0m over the next 3.5 years and has been well received and valued by these industry sectors. We are thrilled that our process and success in administering this initiative, funding fully allocated within 5 months, is seen as a national exemplar by central government.

Our well established reputation of growing and processing a wide range of exceptional food and beverage products has us well placed but it is not without challenges – specifically those relating

to COVID impacted supply chain disruptions. Generally speaking, we have plenty of supply of the raw products/materials, plenty of ability to process and plenty of demand nationally and internationally (in fact global prices for some of our commodities are up 30%+) but we are struggling with an inconsistent supply of containers to ultimately load with our finished products for delivery to international markets.

As a priority we continue to engage with industry, transport & logistics sector, local and central government on what can be done to alleviate these challenges and also address much need improved resilience via a national supply chain strategy. Coastal shipping is an obvious and, in our view, overdue solution which would be of huge value to us locally.

We continue to be proud of the role we play in facilitating the collaborative Sustainable is Attainable initiative involving 20+ of our local food processors and manufacturers. The current focus on collectively investigating sustainable and aligned solutions on their waste management and energy needs has the potential to be a game changer locally.

Having responsibility for both economic development and visitor attraction has enabled us to fully align both workstreams which in the latter part of the year has seen us develop a new Economic Development Strategy and Draft Destination Management Plan. These two documents have been informed by extensive engagement across key stakeholder groups both within the district but as importantly inter-regionally and nationally. The adoption of these two documents will inform and prioritise our workstream and associated opportunities across next and future years. (I'd change this to say just "associated opportunities in future years")

Our visitor attraction promotional activities have been enhanced significantly by receipt of targeted Central Government funding as the sector adapted to a 100% domestic tourism market. Some key achievements in this area over the past year include:

- Coordinated district wide visitor attraction campaigns
- New events – SCOFF (South Canterbury Outstanding Food Festival) that encompassed the wider South Canterbury region joining with neighbouring territorial authorities to deliver; food and music Bandquet at Caroline Bay.
- New Products – Development of the ROAM Driving App, Timaru Trails, Geraldine Nature & Sculpture Trail
- New resources - Hero videos and still images to provide captivating imagery for promotional use on digital and print channels
- Distribution of \$150,000 of Timaru District Council Stimulus funds to local events post lockdown 2020
- Development began of the first ever Destination Management Plan for the Timaru District, with the plan now in draft form for wider community engagement
- Commenced a feasibility study on a SC Food Heritage Centre to celebrate and tell our unique local story food and beverage.
- Establishment of an active and committed Tourism & Visitor Advisory Group to help inform and enhance collaboration with the sector

We have also further developed our close relationship with our neighbouring districts and our regional lead, Christchurch NZ, to ensure complementary and at times joint offerings for our great Central South Island location. This work has included participation in the Domestic Events Fund (DEF) and Regional Events Fund (REF) allocations, involving the Regional Tourism Organisations of Canterbury and Westland.

Local and National Connectivity

We continue to maintain a wide variety of networks, connections, and group memberships that we foster for the benefit of our businesses and wider community. These include but are not limited to the following groups and associations:

- Locally – Timaru CBD Group, City Hub Steering Committee, Strengthening Families, South Canterbury Career & Transition Education Assn.
- Nationally – Economic Development New Zealand (Board Member), Regional Tourism Operator for Timaru District, Canterbury Regional Skills Leadership Group, Canterbury Mayoral Forum Economic Development Committee.

Annual Survey

The 2020/21 Venture Timaru survey was again undertaken and completed by over 135 respondents. The largest concern not unexpectedly related to the COVID 19 pandemic with:

- 46% (66%) of respondents advising reduced income was the biggest effect of COVID 19 on their business.
- Interestingly, there were similar proportions of stakeholders who experienced COVID-19 as positively affecting their business 30.7%, negatively affecting their business 38.6% and neither positively nor negatively affecting their business 30.7%.
- 46% of respondents accessed the COVID-19 wage subsidy
- 40% implemented wellbeing initiatives because of COVID-19 with 40%
- confirmed enhanced use of technology.
- 87% (86%) of respondents acknowledged Venture Timaru had added value with projects they had been involved in.
- Respondents on average rated the ease of doing business in the Timaru District at 93.8% well up on the 86% on 2017/18 year.

Financials

The 2020/21 year saw income grow to \$3.207m (\$857K) from a variety of sources over and above traditional funding being our Development & Visitor Grants ex Timaru District Council. Our 2-year MyNextMove and Transport & Logistics Course contracts, with Ministry of Social Development and Provincial Development Unit respectively, continued. We also obtained additional central government contracts and funding via the 3.5year Regional Apprenticeship Initiative \$4.0m contract and Strategic Tourism Asset protection Programme \$400.00.

Our end of year profit after tax of \$49,885 (\$37,885) includes carry over funds from the above contracts all of which will be expensed in the 2020/21 financial year.

Year Ahead & Summary

Assisting businesses to attract, retain and upskill their workforce will remain a key priority for Venture Timaru in the year ahead. This includes fostering inert-business & industry collaboration along with localised provision of training.

Alongside this will be our ongoing advocacy and direct involvement in the area of supply chain disruptions – specifically the need for a national supply chain strategy that incorporates improved resiliency and coastal shipping.

We remain committed to facilitating and advocating for what is best for our district and sub-region. We have real concerns about the proposed Three Waters reforms and fully endorse the Timaru District Councils position on seeking a more pragmatic and appropriate process to this review.

Locally, water is our most critical asset and maintaining local influence to its ongoing management is a must.

In a year of continual challenge and change, I would like to thank the ongoing support of our shareholder Timaru District Council (mayor, councilors, and staff) along with the guidance and governance of our board led by Chairman Mark Rogers. I would also like to acknowledge the work of board members Nicky Hyslop and Warren Park who left us during the year, but in doing so also welcome new board members Stacey Scott, Karl Te Raki, Tony Howey, and Tony Brien.

Finally, a huge thanks to our staff at Venture Timaru who retain a strong desire to see our local businesses and wider community prosper. They are passionate about adding value and making a difference to this great part of the country in which we live.

A handwritten signature in blue ink, appearing to read 'Nigel Davenport', with a stylized flourish at the end.

Nigel Davenport - Chief Executive