FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Wellington Regional Economic Development Agency Limited

WellingtonNZ.com

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INDEPENDENT AUDITOR'S REPORT

To the readers of the Wellington Regional Economic Development Agency Limited's group financial statements and performance information for the year ended 30 June 2020

The Auditor-General is the auditor of the Wellington Regional Economic Development Agency Limited Group (the Group). The Auditor-General has appointed me, Bonar Robertson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of the Group, on his behalf.

We have audited:

- the financial statements of the Group on pages 7 to 34, that comprise the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive revenue and expenses, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date and the notes to the consolidated financial statements that include accounting policies and other explanatory information; and
- the performance information of the Group on pages 36 to 39.

OPINION

Qualified opinion on the financial statements – Our audit was limited due to insufficient evidence to support the carrying value of the Group's share investments

In our opinion, except for the possible effect of the matters described in the Basis for our qualified audit opinion section of our report, the financial statements of the Group on pages 7 to 34:

- 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 the Public Benefit Entity Reporting Standards.

Unmodified opinion on the performance information

In our opinion, the performance information of the Group on pages 36 to 39 present fairly, in all material respects, the Group's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Group's objectives for the year ended 30 June 2020.

Our audit was completed on 30 November 2020. This is the date at which our opinion is expressed.

The basis for our qualified opinion is explained below, and we draw attention to the impact of Covid-19 on the Group. 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 QUALIFIED OPINION

We were unable to obtain sufficient appropriate evidence to support the carrying value of the Group's share investments in incubator and accelerator companies of $1,515,363 recorded in the consolidated statement of financial position, and associated fair value movement of investments of ($23,428) recognised in the consolidated statement of comprehensive revenue and expenses.

Note 8 to the financial statements explains how the carrying value of shares in incubator and accelerator companies has been determined and the uncertainties in measuring that value. The Group has accounted for the value of its investment using the price of the most recent share transactions and relies on information supplied by the companies it invests in.

We have been unable to obtain sufficient appropriate evidence to conclude that the carrying value of the investments and associated fair value movement are materially correct. This is because there is a lack of recent share transaction activity across the investment portfolio, where there has been a recent share transaction we have been unable to confirm the transaction independently, and the Covid-19 pandemic has caused further uncertainty to the valuation of the investments.

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 qualified opinion.

EMPHASIS OF MATTER – IMPACT OF COVID-19

Without further modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Group as set out in Note 26 to the financial statements and pages 36 to 39 of the performance information.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS AND THE PERFORMANCE INFORMATION

The Board of Directors is responsible on behalf of the Group 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 Group.

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 Group for assessing the Group'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 Group 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.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Group's statement of intent.

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 Group'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 Group'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 Group'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 Group 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 obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible solely for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 in 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 'WellingtonNZ 2019/20 Annual Report' and information included on pages 1 to 39, 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 the fact. We have nothing to report in this regard.

INDEPENDENCE

We are independent of the Group 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 New Zealand Auditing and Assurance Standards Board.

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

Bonar Robertson
AUDIT NEW ZEALAND
ON BEHALF OF THE AUDITOR GENERAL
WELLINGTON, NEW ZEALAND

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

STATEMENT OF COMPLIANCE

The Board and Management of the Wellington Regional Economic Development Agency Limited (WREDA the Company and Group) confirm that all statutory requirements in relation to this annual report, as outlined in the Local Government Act 2002 and the Companies Act 1993, have been met.

STATEMENT OF RESPONSIBILITY

The Board and Management accept responsibility for:

- the preparation of WREDA's financial statements and the judgements used in them
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and service performance reporting.

In our opinion:

- the financial statements fairly reflect the financial position of WREDA as at 30 June 2020 and its operations for the year ended on that date
- the service performance statements fairly reflect the performance achievements for WREDA for the year reported.

Tracey Bridges
CHAIR
30 NOVEMBER 2020

Thomas Pippos
CHAIR, RISK AND AUDIT COMMITTEE
30 NOVEMBER 2020

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

FOR THE YEAR ENDED 30 JUNE 2020

		GROUP		
	NOTES	2020 ACTUAL $	2020 BUDGET $	2019 ACTUAL $
REVENUE				
Service revenue	2	17,553,991		18,953,591
Management fee revenue	2	3,600,961		4,798,296
Interest revenue		53,004		77,078
Rental revenue		–		48,200
Other revenue	2	6,450,440		7,631,717
TOTAL REVENUE		27,658,396	30,676,244	31,508,882
EXPENSES				
Personnel costs	3	(12,447,990)		(13,130,209)
Directors fees and expenses	22	(247,493)		(259,996)
Depreciation and amortisation	6,7	(341,720)		(247,338)
Other expenses	4	(14,183,412)		(17,038,997)
TOTAL EXPENSES		(27,220,615)	(30,526,244)	(30,676,540)
SURPLUS BEFORE INCOME TAX		437,781	150,000	832,342
Income tax expense	5	(57,916)		(113,492)
SURPLUS FOR THE YEAR		379,865	150,000	718,850
OTHER COMPREHENSIVE REVENUE AND EXPENSE				
Fair value movement of investment	8	(23,428)		148,220
Share of associate's other comprehensive revenue and expense	8	(310,738)		12,652
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSES		(334,166)	–	160,872
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		**45,699**	**150,000**	**879,722**

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

EXPLANATION OF MAJOR VARIANCES AGAINST THE ORIGINAL 2019/20 BUDGET ARE PROVIDED IN NOTE 26.

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2020

		GROUP		
	NOTES	2020 ACTUAL $	2020 BUDGET $	2019 ACTUAL $
ASSETS				
Current assets				
Cash and cash equivalents	11	4,658,728		2,443,459
Trade and other receivables	9	1,462,536		2,294,452
Prepayments		336,905		368,657
Inventories		22,934		2,025
Other Financial Assets	10	15,000		–
Taxes receivable	15	65,673		123,056
TOTAL CURRENT ASSETS		6,561,776	4,783,232	5,231,649
Non-current assets				
Property, plant and equipment	6	786,212		809,821
Intangible assets	7	29,105		184,713
Other financial assets	10	–		23,182
Investments in incubator and accelerator companies	8	1,515,363		1,513,791
Investment in associate	8	54,151		371,960
Deferred tax assets	5	47,675		25,243
TOTAL NON-CURRENT ASSETS		2,432,506	1,775,216	2,928,710
TOTAL ASSETS		8,994,282	6,558,448	8,160,359

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

EXPLANATION OF MAJOR VARIANCES AGAINST THE ORIGINAL 2019/20 BUDGET ARE PROVIDED IN NOTE 26.

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2020

	NOTES	GROUP 2020 ACTUAL $	2020 BUDGET $	2019 ACTUAL $
LIABILITIES				
Current liabilities				
Trade payables	13	1,156,010		1,671,878
Employee entitlements	12	926,253		1,117,971
Sundry creditors and accruals	14	975,271		1,373,487
Borrowings		27,765		28,650
Deferred Revenue		2,493,887		571,451
TOTAL CURRENT LIABILITIES		5,579,186	4,094,703	4,763,437
Non current liabilities				
Borrowings		20,560		48,085
TOTAL NON-CURRENT LIABILITIES		20,560	-	48,085
TOTAL LIABILITIES		5,599,746	4,094,703	4,811,522
NET ASSETS		3,394,536	2,463,745	3,348,837
EQUITY				
Contributed equity		1,000		1,000
Accumulated funds		1,111,311	-	731,446
Other reserves		705,088	-	1,039,254
Capital injection from shareholder		1,577,137	-	1,577,137
TOTAL EQUITY		3,394,536	2,463,745	3,348,837

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.
EXPLANATION OF MAJOR VARIANCES AGAINST THE ORIGINAL 2019/20 BUDGET ARE PROVIDED IN NOTE 26.

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

		GROUP		
	NOTES	2020 ACTUAL $	2020 BUDGET $	2019 ACTUAL $
BALANCE AT 1 JULY		3,348,837	2,313,745	2,469,115
Surplus for the year		379,865	150,000	718,850
Movement in investment reserve		(334,166)	-	160,872
BALANCE AT 30 JUNE	16	3,394,536	2,463,745	3,348,837
Accumulated Funds				
Balance at 1 July		731,466	731,466	
Surplus for the year		379,844	150,000	
Balance at 30 June		1,111,310	881,466	731,446
Other Reserves				
Balance at 1 July		1,039,354	1,039,354	
Movement in fair value reserve		(334,266)		
Balance at 30 June		705,088	1,039,354	1,039,354

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.
EXPLANATION OF MAJOR VARIANCES AGAINST THE ORIGINAL 2019/20 BUDGET ARE PROVIDED IN NOTE 26.

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

		GROUP		
	NOTES	2020 ACTUAL $	2020 BUDGET $	2019 ACTUAL $
Cash flows from operating activities				
Receipts from other revenue		12,254,968		14,011,925
Receipts from grants		18,115,335		18,956,291
Payments to suppliers / employees		(28,235,580)		(31,713,001)
Goods and Services tax (net)		(22,550)		(134,427)
Income tax paid		(4,488)		(113,492)
Net cash flow from operating activities	20	2,107,685	150,000	1,007,296
Cash flows from investing activities				
Interest received		54,323		77,078
Receipt from sale of investment		368,666		-
Receipt from return of capital investment		-		95,000
Proceeds from repayment of loan		15,000		15,000
Sales / (Purchases) of property, plant and equipment		(259,073)		(497,363)
Purchase of Investments		(25,000)		-
Purchases of intangibles		-		(164,867)
Net cash flow from investing activities		153,916	350,000	(475,152)
Cash flows from financing activities				
Interest paid on loan facility		(11,548)		-
Finance Lease Repayments		(28,409)		-
Interest paid on finance leases		(6,375)		-
Net cash flow from investing activities		(46,332)	-	-
Net increase in cash and cash equivalents		2,215,269	500,000	532,144
Cash and cash equivalents at beginning of the period		2,443,459	2,100,000	1,911,315
Cash, cash equivalents, and bank overdrafts at the end of the year		4,658,728	2,600,000	2,443,459

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

EXPLANATION OF MAJOR VARIANCES AGAINST THE ORIGINAL 2019/20 BUDGET ARE PROVIDED IN NOTE 26.

RECONCILIATION OF OPERATING CASHFLOWS TO NET SURPLUS/(DEFICIT) IS INCLUDED AT NOTE 20.

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Wellington Regional Economic Development Agency Limited (WREDA), the controlling entity and 'Parent', is a council-controlled organisation as defined under section 6 of the Local Government Act 2002 and domiciled in New Zealand. WREDA is a public benefit entity for the purposes of financial reporting.

The controlling entity's registered office is 111 Wakefield St, Wellington and its principal place of business is both 175 Victoria Street and 111 Wakefield Street, Wellington.

These consolidated financial statements for the year ended 30 June 2020 comprise the controlling entity and its controlled entity, together referred to as the 'Group' and individually as 'Group Entities'.

WREDA combines activities, functions and funding of particular business units previously under the control of the Wellington City Council and the Greater Wellington Regional Council. WREDA is the 100% shareholder of Creative HQ Limited, the region's business incubator and accelerator, which also has a reporting date for the year ended 30 June 2020.

WREDA aims to integrate, streamline, strengthen and, as required, modify the core activities of the legacy organisations so that the Wellington Region's prosperity will be improved and its global reputation as a centre of creativity, enterprise, diversity and liveability will be enhanced. As a result, the Region will be more attractive to visitors, investors, migrants, students and businesses, and will also retain existing enterprises and enable them to grow.

BASIS OF PREPARATION

(A) STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the Public Entity Standards ("PBE Standards") as appropriate for Tier 1 public benefit entities and have been prepared on a going concern basis. Whilst WREDA's turnover fell below the Tier 1 threshold in the period, we believe this is a temporary fall and have reported under Tier 1. The accounting policies have also been applied consistently throughout the year.

These financial statements were authorised for issue by the Board of Directors on 26 November 2020.

(B) MEASUREMENT BASIS

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position, which are measured at fair value:

- Investment in incubator and accelerator companies
- Other financial assets

(C) FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in New Zealand dollars ($) which is the controlling entity's functional and Group's presentation currency.

There has been no change in the functional currency of the Group during the year.

(D) CHANGES IN ACCOUNTING POLICIES

There have been no changes in the controlling entity and Group's accounting policies since the date of the last audited financial statements. The accounting policies are detailed in the following notes and have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group.

STANDARDS ISSUED AND NOT YET EFFECTIVE THAT HAVE BEEN EARLY ADOPTED

WREDA has not adopted early any Accounting Standards that are issued but not yet effective.

STANDARDS ISSUED AND NOT YET EFFECTIVE AND NOT EARLY ADOPTED

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to WREDA are:

Financial instruments

In March 2019, the XRB issued PBE IPSAS 41 Financial Instruments. This replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IPSAS 41 is effective for financial years beginning on or after 1 January 2022, with earlier application permitted. The main change under the standard relevant to WREDA are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.
- WREDA plans to apply the new standard in preparing the 30 June 2022 financial statements and has not yet assessed the effects of this new standard.

NEW STANDARDS ADOPTED BY THE GROUP

Interest in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34-38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6-8).

The group has adopted these standards in preparing its 30 June 2020 financial statements.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

(A) JUDGEMENTS

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the consolidated financial statements include the following:

- Intangible assets are considered to have finite lives. Refer to Note 7.
- The parent's subsidiary is considered to be 100% under the parent's control. Refer to Note 28.
- The loan issued is assumed that it will be repayable in full. Refer to Note 10.

(B) ESTIMATION AND ASSUMPTION UNCERTAINTIES

Estimation and uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 June 2020 include the following:

- Uncertainties are inherent in estimating fair value of the investments in incubator, accelerator companies and investment in associate and care has been made in exercising judgement and making the necessary estimates. Accounting standards require a gain or loss on fair value of these investments to be recognised in surplus or deficit but there is no certainty that any gain or loss based on the estimate of fair value will actually be realised if a sale was completed.

(C) SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included within the notes below to which they relate. Other significant accounting policies that do not relate to a note are included within Note 27.

(D) BUDGET FIGURES

The budget figures are those approved by the Board in the 2019/20 Statement of Intent. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by WREDA in preparing these financial statements.

2. REVENUE

Revenue is recognised when the amount of revenue can be measured reliably, and it is probable that economic benefits will flow to the Group and measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

(A) REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions arises where WREDA provides goods or services to another entity or individual and receives approximately equal value or greater in a willing arm's length transaction between a willing buyer and willing seller.

(I) GRANTS

Grants are in large received from shareholders Wellington City Council and Greater Wellington Regional Council, but also from some Central Government organisations. Grants are recognised when received and all the conditions associated with the grants have been met. Where grants have been given for specific services, income will be recognised in the same period in which the specific service is provided. At balance date any unexpended specific funding is treated as a liability (deferred revenue).

(II) INTEREST REVENUE

Interest income is recognised as the interest accrues to the net carrying amount of the financial asset using the effective interest method.

(III) RENTAL REVENUE

Rental revenue is recognised on a straight-line basis over the lease term.

(IV) OTHER REVENUE

Other revenue received includes fee revenue, capital raising success fees and sponsorships. Fee revenue received from incubator residents partly offsets the costs of running the incubator and is recognised when the future economic revenue is measurable and probable of future economic revenue being received.

Capital raising success fees received from the introduction of companies and individuals to Angel investors. These fees are received when those introduced raise capital. The fee is based on a negotiated percentage of the capital raised.

Sponsorships are received from third parties to partly cover the costs of running the subsidiary programmes and projects. Sponsors were linked to the programme and recognised in all promotions associated with the activity they sponsored. Sponsorships are recognised when measurable and probable of future economic benefits being received.

Other revenue received are from third parties to cover contracted and other services provided for the third party.

(V) SERVICE REVENUE

Service revenues are grants received by WREDA in large from its shareholders Wellington City Council & Greater Wellington Regional Council as well as both central Government organisations and private sector organisations. Service revenues are used to further economic development in the Wellington Region.

	GROUP	
	ACTUAL 2020	ACTUAL 2019
TOTAL SERVICE REVENUE	17,553,991	18,953,591

(VI) MANAGEMENT FEES

WREDA manages venues on behalf of the Wellington City Council and receives Management fee revenue for those services. The venues currently managed on behalf of the Wellington City Council include the Michael Fowler Centre, Opera House, TSB Bank Arena and Conference Centre (Shed 6). Management fee income is recognised in the accounting period in which the services are rendered.

Fees are chargeable at a value equivalent to the aggregate of employee and directors' costs contained within the Parent's venue management division and fluctuate year on year depending on those costs.

Due to Covid-19 and the ban on mass gatherings the revenue generated by the Venues was significantly reduced. WREDA applied for and received MSD's Covid-19 wage subsidy for Venues staff, recorded in other income, resulting in a lower employee cost in the year compared to previous years and budget, which meant a lower management fee.

(VI) MANAGEMENT FEES CONTINUED

	GROUP	
	ACTUAL 2020	ACTUAL 2019
TOTAL	3,600,961	4,798,296

(VII) OTHER REVENUE

	GROUP	
	ACTUAL 2020	ACTUAL 2019
Wellington i-SITE Visitor Information Centre revenue	180,892	356,688
Partner revenue	1,750,910	2,067,995
Contract income, non-government	2,660,924	2,749,605
Distribution from associate	368,666	336,818
Share of associate's (loss) / profit	-	93,592
Surplus Share - Wellington Venues	-	93,414
Other Income	1,489,048	1,933,605
TOTAL	6,450,440	7,631,717

Under a management agreement with WCC, in 2019 WREDA also earned a surplus share from its operation of Venues Wellington. This share of the Venues Wellington surplus is to be used for the future enhancement of the Venues Wellington experience. Due to Covid-19 and the closure of Venues no surplus share was earned in 2020.

(B) REVENUE FROM NON-EXCHANGE TRANSACTIONS

Non-exchange transactions are only those where the Group receives an inflow of resources (i.e. cash and other tangible or non-tangible items) but provides no (or nominal) direct consideration in return.

3. PERSONNEL COSTS

A. SHORT TERM BENEFITS

Short-term employee entitlements are those that WREDA expects to be settled within 12 months of balance date and are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned, but not yet taken at balance date.

B. DEFINED CONTRIBUTION SCHEMES

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

C. MSD COVID-19 WAGE SUBSIDY

WREDA reviewed its eligibility for the MSD Covid-19 12 week wage subsidy upon announcement of the scheme. Whilst WREDA met the criteria for receipt of the subsidy due to a reduction in turnover, it was felt that an application for all staff would not have met the intent of the scheme, as some funding for staff is covered from Local and Central Government grants. It did make a claim for those areas of the business that are commercial or trading focused that met both the criteria and the intent of the scheme. This resulted in a successful application for staff that worked within our Venues and i-Site business units, along with those staff that worked for the subsidiary, CreativeHQ. This claim totalled $850,798 and was used to ensure that those staff remained in employment whilst no or reduced revenue was received. A further claim under the 8 week extension was not made for Venues or iSite staff but CreativeHQ did make a claim totalling $103,101 that will be used to support salary payments for CreativeHQ staff during July and August 2020.

D. ANALYSIS OF PERSONNEL COSTS

	GROUP	
	ACTUAL 2020	ACTUAL 2019
Salaries and wages	12,236,922	12,592,126
Kiwisaver contributions	329,318	332,823
(Decrease) / increase in employee entitlements/liabilities	(191,718)	136,426
Other personnel costs	73,468	68,834
TOTAL	12,447,990	13,130,209

4. OTHER EXPENSES

	GROUP	
	ACTUAL 2020	ACTUAL 2019
Marketing and other costs of delivering programs of work	5,999,746	7,865,999
Major event sponsorship and activation	3,638,251	4,249,671
Audit fees	127,406	105,365
Conferences and catering	100,275	113,526
Consultants and legal fees	107,384	244,671
Contractors	1,256,154	1,644,790
Direct costs - i-SITE	14,094	37,677
Grants and contributions	472,262	291,854
Information and communication technology	420,789	399,837
Loss on disposal of asset	68,777	67,089
Impairment to investment	-	89,957
Leased copier and office equipment	58,524	54,788
Utilities	22,499	39,036
Rent	540,252	621,770
Travel	172,683	267,624
Stationery	24,420	5,549
Sponsorships and activations with partners	307,620	146,080
Membership fees	96,587	72,222
Recruitment, training and development	193,810	109,347
Cleaning	56,244	66,938
Repairs and maintenance	53,870	70,653
Other expenses	451,765	474,554
TOTAL OTHER EXPENSES	14,183,412	17,038,997

Covid-19 delayed programmes of work at WREDA that were no longer valid. Whilst some new programmes were developed these were at a lower cost and therefore resulted in less marketing and other costs of delivering programmes of work.

5. INCOME TAX

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

	GROUP	
COMPONENTS OF TAX EXPENSE	ACTUAL 2020	ACTUAL 2019
Current tax expense	74,604	110,213
Adjustments in current tax in prior years	0	(960)
Overseas witholding tax non-reclaimable	5,745	0
Deferred tax expense	(22,433)	4,239
TAX EXPENSE	57,916	113,492

	GROUP	
RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT	ACTUAL 2020	ACTUAL 2019
Net deficit before tax	437,781	832,342
Tax at 28%	122,579	233,056
Plus / (less) tax effect of:		
Non-deductible expenditure	5,701,574	6,347,775
Non-taxable income	(5,850,655)	(6,514,207)
Overseas Withholding tax non-reclaimable	5,745	0
Under provision of income tax in previous period	0	(960)
Deferred tax adjustment	78,673	47,828
TAX EXPENSE	57,916	113,492

DEFERRED TAX ASSET / (LIABILITY) GROUP	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS	EMPLOYEE ENTITLEMENTS	OTHER PROVISIONS	TAX LOSSES	TOTAL
Balance at 30 June 2018	(104,354)	(25,437)	137,703	14,058	8,783	30,753
Charged to surplus or deficit	(28,796)	1,513	25,814	(1,523)	(2,520)	(5,511)
Charged to other comprehensive income	-	-	-	-	-	-
Balance at 30 June 2019	(133,150)	(23,924)	163,517	12,535	6,263	25,242
Charged to surplus or deficit	(43,599)	29,673	(27,242)	(429)	64,030	22,433
Charged comprehensive income	-	-	-	-	-	-
Balance at 30 June 2020	(176,748)	5,749	136,275	12,106	70,293	47,675

6. PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT, AND EQUIPMENT CONSISTS OF:

Furniture and equipment – included within the office environment that WREDA operates, including but not limited to desks, chairs, cupboards etc.

Property improvements – within the buildings that WREDA leases to operate within, included but not limited to decoration, carpet etc.

Computer hardware – computers for employees including laptops, printers etc.

A. RECOGNITION AND MEASUREMENT

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

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

B. SUBSEQUENT EXPENDITURE

Subsequent Expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

C. DEPRECIATION

Depreciation is recognised in surplus or deficit on a straight line basis on all property, plant and equipment over the estimated useful life.

The estimated useful lives:

a.	Computer Hardware	2-3 years
b.	Property Improvement	2-8 years
c.	Furniture and Equipment	3-10 years

D. ADDITIONS

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated. An item of property, plant, and equipment is initially recognised at its cost.

Costs incurred after initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the group and the cost of the item can be measured reliably.

The costs of day to day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

E. DISPOSALS

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

F. IMPAIRMENT OF PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets.

Non cash generating assets are those assets that are not held with the primary objective of generating a commercial return. For non cash generating assets, value in use is determined using an approach based on a depreciated replacement cost approach. All WREDA's assets are non cash generating.

Value in use for cash-generating assets.

Cash generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash generating assets and cash generating units is the present value of expected future cash flows. WREDA does not currently hold any cash generating assets.

G. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS/ RESTRICTIONS OF TITLES

No critical assumptions have been applied to assets held. There are no restrictions on titles nor have any property, plant or equipment been pledged as security for liabilities.

H. WORK IN PROGRESS

No work in progress assets are currently held.

I. CAPITAL COMMITMENTS

The group holds no contractual commitments for acquisition of assets.

	GROUP			
	FURNITURE AND EQUIPMENT	PROPERTY IMPROVEMENT	COMPUTER HARDWARE	TOTAL
Cost				
At 1 July 2018	357,205	60,285	221,352	638,842
Additions	428,954	232,420	31,051	692,425
Disposals	(132,509)	-	-	(132,509)
At 30 June 2019	653,650	292,705	252,403	1,198,758
At 1 July 2019	653,650	292,705	252,403	1,198,758
Additions	61,805	101,471	69,057	232,333
Disposals	(368,986)	(46,474)	(117,376)	(532,836)
At 30 June 2020	346,469	347,702	204,084	898,255
Depreciation				
At 1 July 2018	(80,327)	(22,146)	(166,875)	(269,348)
Depreciation for the period	(113,392)	(26,688)	(36,254)	(176,334)
Write back of depreciation on disposal	56,745	-	-	56,745
At 30 June 2019	(136,974)	(48,834)	(203,129)	(388,937)
At 1 July 2019	(136,974)	(48,834)	(203,129)	(388,937)
Depreciation for the period	(136,702)	(75,479)	(39,617)	(251,798)
Write back of depreciation on disposal	365,102	46,474	117,116	528,692
At 30 June 2020	91,426	(77,839)	(125,630)	(112,043)
Net book value				
As at 1 July 2018	276,878	38,139	54,477	369,494
As at 30 June 2019	516,676	243,871	49,274	809,821
As at 30 June 2020	437,895	269,863	78,454	786,212

7. INTANGIBLE ASSETS

Intangible assets that are acquired, which have finite useful life, are measured at cost less accumulated amortisation and accumulated impairment losses.

The useful lives and associated amortisation rates have been estimated as follows:

- Computer Software 3 years
- Websites 3 years

Amortisation is recognised in the surplus or deficit on a straight line basis over the estimated useful lives of the intangible assets. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

Acquired software licenses are capitalised based on the costs incurred to acquire and bring to use the specific software. The costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with developing websites are recognised as an intangible asset where it can be demonstrated that the asset will generate probable future economic benefits or service potential. Costs associated with maintaining websites are recognised as an expense when incurred.

There are no internally generated intangible assets. There are no contractual commitments for acquisition of any intangible assets nor any restriction or titles. No intangible assets have been pledged as security for liabilities or have any restrictions on titles. No critical assumptions have been applied to intangible assets held.

Management review intangible assets on a periodic basis and are currently of the view that there is no impairment to these assets.

	GROUP	
	ACTUAL 2020	ACTUAL 2019
Cost at 1 July	206,473	157,107
Additions	494	164,867
Disposals	(74,420)	(115,501)
Cost at 30 June	132,547	206,473
Amortisation at 1 July	(21,760)	(66,257)
Amortisation for the period	(89,922)	(71,004)
Write back on disposal	8,240	115,501
Amortisation at 30 June	(103,442)	(21,760)
Net Book Value at 30 June	29,105	184,713

8. INVESTMENT IN INCUBATOR, ACCELERATOR COMPANIES AND ASSOCIATES

The measurement of financial assets depends on their classification based on the purpose for which financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Creative HQ receives shares from clients involved in its incubation programme as part consideration for the services and support provided by Creative HQ and the Lightning Lab to the client. The shares represent a small proportion of the total equity of the client company. These shares are investments in equity instruments that do not have a quoted market price in an active market and are designated as available for sale.

Creative HQ recognises the initial investment in the companies according to the programme the company is involved in, incubator programme or accelerator programme. Companies in the incubator do not have a value on initial recognition as no external investment has yet occurred and therefore the fair value of the initial investment is valued at nil. Companies in the accelerator programme have initial recognition at fair value though other comprehensive revenue and expense.

The valuation of these investments is undertaken by Creative HQ using accepted industry guidelines. The International Private Equity and Venture Capital Valuation Guidelines (IPEV) have been accepted as the industry standard guidelines are based on the principle of 'fair value' and are reviewed following any relevant changes in accounting standards or market practices. The IPEV Guidelines provide a framework for private equity and venture capital investors to arrive at fair value for their investments. The IPEV are of the view that compliance with PBE accounting standards can be achieved by following the guidelines.

IPEV Guidelines recommend that for early stage investments, where it is difficult to assess the future profitability of the company, fair value is generally determined by the price of the most recent investment. This methodology is appropriate until the circumstances of the company change such that an alternative valuation methodology (such as, but not limited to price/earnings analysis or discounted cash flow) is appropriate or there is evidence that the value of the investment should be adjusted. An adjustment is considered necessary where the performance of the investment is significantly below the expectations on which the investment was based, leading to a diminution in value. The level of the adjustment can range from nil to 100% of the value.

A significant or prolonged decline in fair value of the investment below its cost is considered to be objective evidence of impairment. Where the asset is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the fair value reserve is reclassified from equity to surplus or deficit as a reclassification or adjustment. Any increase in fair value after an impairment loss is recognised in other comprehensive revenue and accumulated as a separate component of equity in the fair value reserve.

As at 30 June 2020 the valuation of Creative HQ's investments is based on the price of the most recent investment made by external investors, unless there is evidence that the value of the investment should be adjusted as the performance of the investment is significantly below the expectations on which the investment was based, leading to a diminution in value. Creative HQ is reliant on receiving recent investment information from incubator and accelerator companies directly through yearly information requests.

ASSOCIATES

An associate is an entity over which Creative HQ has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise Creative HQ's share of the surplus or deficit and other comprehensive revenue and expense of the associate.

Lightning Lab Fintech 2017 Limited Partnership, an associate of Creative HQ, also holds early stage shares and applies an accounting policy for these that is consistent with Creative HQ's accounting policy for investments.

JOINT VENTURE

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity. For jointly controlled operations, Creative HQ recognises in its financial statements the assets it controls, the liabilities and expenses it incurs , and the share of revenue that it earns from the joint venture.

	GROUP	
	ACTUAL 2020	ACTUAL 2019
Opening balance	1,513,791	1,455,528
Additions	25,000	-
Impairments to investment	-	(89,957)
Movement in fair value of accelerator and incubator companies	(23,428)	148,220
TOTAL	1,515,363	1,513,791

Creative HQ invests in unlisted early stage companies. Unlisted investments are generally not publicly traded. As there may be no open market to establish an independent value for certain unlisted investments, there can be no assurance that a determination for fair value for an unlisted investment will be obtainable in the market, or that there will be a market for the unlisted investment.

The accounting policy is to recognise such investments both initially and subsequently at fair value following accounting standards. This will be based on information provided by each company.

At year end, the fair value of its investments has been determined at $1,515,363 (2019: $1,513,791). Notwithstanding the uncertainty of the valuation of the investment, the Creative HQ Board is of the view that the fair values of unlisted investments in these financial statements represent the best available information and the WREDA Board has accepted this view.

Creative HQ's exposure to changes in investment value could be material to the financial statements. As Creative HQ is not reliant on the cash flows from the investments, changes in value do not impact the underlying viability of Creative HQ or the Group. The Creative HQ Board reviews regular reports from the companies.

In the event that an investment will be considered to be impaired, it will have a non cash effect on the surplus / (deficit) of Creative HQ and Group.

INVESTMENT IN ASSOCIATE

Creative HQ holds a 73.08% interest in the Lightning Lab Fintech 2017 Limited Partnership (LP). Creative HQ is also the General Partner for this partnership. The LP agreement also allows for a carry of 20% for the General Partner. The LP invests in early stage companies and those are measured at fair value. At 30 June 2020, the value of the Creative HQ interest in the Limited Partnership was $54,151 (2019: $371,960). The Partnership has a balance date of 31 March and this date is used to value Creative HQ's interest.

	GROUP	
	ACTUAL 2020	ACTUAL 2019
Opening balance	371,960	371,603
Repayment of capital to partners	-	(105,890)
Creative HQ share of net surplus / (deficit)	(7,072)	93,591
Creative HQ share of other comprehensive revenue and expense	(310,737)	12,656
TOTAL INVESTMENT IN ASSOCIATE	54,151	371,960

SUMMARISED FINANCIAL INFORMATION OF ASSOCIATE PRESENTED ON A GROSS BASIS:

	GROUP	
	ACTUAL 2020	ACTUAL 2019
Assets	69,049	513,638
Liabilities	-	(39,572)
Revenue	418,820	506,727
Total Comprehensive Revenue and Expense	(396,039)	16,130
CHQ's share of total comprehensive Revenue and Expense	(310,738)	12,656

In 2019, there was a 53% sale of the Sharesies investment within the associate. This sale generated cash of $477,327. In 2020, the remaining shareholding of the Sharesies investment was sold. This sale generated cash of $374,451 and a related distribution of the same amount. CHQ received $322,353 as part of the gain on sale of investments.

The uncertainties and judgements exercised in measuring the fair value of the unlisted shares held by the Limited Partnership is similar to that explained above for shares held by Creative HQ in incubator and accelerator companies.

9. TRADE AND OTHER RECEIVABLES

Short term receivables are recorded at the amount due, less any provision for uncollectability. A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected. The group does not currently have any receivables considered to be impaired.

	GROUP	
	ACTUAL 2020	ACTUAL 2019
Trade receivables	1,122,600	1,635,381
Management fee receivable	323,780	439,105
Sundry receivables	16,156	219,966
TOTAL RECEIVABLES	1,462,536	2,294,452

Receivables are non interest bearing and are generally on terms of 30 days. Therefore, the carrying value of receivables approximates their fair value.

AGEING PROFILE

	GROUP	
	ACTUAL 2020	ACTUAL 2019
Gross receivables	1,462,536	2,294,452
Provision for uncollectability	-	-
TOTAL RECEIVABLES	1,462,536	2,294,452
Not past due	1,399,081	2,106,172
Past due 0-3 months	63,455	188,280
TOTAL RECEIVABLES	1,462,536	2,294,452

10. OTHER FINANCIAL ASSETS

At 30 June 2020, a loan provided to the Wellington Culinary Events Trust (WCET) with an initial value of $75,000 was recorded at its current fair value of $15,000 (2019: $23,182).

The loan is repayable in 5 years from drawdown or on demand with 60 days written notice and no interest is charged. Its fair value shall be revisited yearly and adjusted if necessary. The Board and the WCET have an expectation that the full loan of $75,000 shall be repaid and the remaining $15,000 is due for repayment in November 2020.

	GROUP	
	ACTUAL 2020	ACTUAL 2019
Loan	75,000	75,000
Partial repayment	(60,000)	(45,000)
Less provision for impairment	-	(6,818)
TOTAL OTHER FINANCIAL ASSETS	15,000	23,182

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand. The group currently maintains a $1,000,000 overdraft facility, of which $999,268 is undrawn (2019: $1 million overdraft, $997,232 undrawn). There are no restrictions over cash.

	GROUP	
	ACTUAL 2020	ACTUAL 2019
Cash at bank and on hand	4,658,728	2,443,459
TOTAL CASH AND CASH EQUIVALENTS	4,658,728	2,443,459

12. EMPLOYEE ENTITLEMENTS

Employee entitlements are all due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date. The group holds no liability for employee entitlements greater than 12 months. A liability and an expense are recognised for bonuses where the group has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made. No accruals are made for sick leave as the probability of any requirement cannot be accurately recorded.

	GROUP	
	ACTUAL 2020	ACTUAL 2019
Annual leave	604,052	571,940
Accrued salaries and wages	322,201	546,031
TOTAL EMPLOYEE ENTITLEMENTS	926,253	1,117,971

13. TRADE PAYABLES

Creditors and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are recorded at their face value. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non current liabilities.

These amounts represent liabilities for goods and services provided to WREDA prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade payables are non interest bearing and are normally settled on 20th of the month following terms. All payables are current and recorded at amounts payable.

	GROUP	
	ACTUAL 2020	ACTUAL 2019
TOTAL TRADE PAYABLES – EXCHANGE TRANSACTIONS	1,156,010	1,671,878

14. SUNDRY CREDITORS AND ACCRUALS

	GROUP	
	ACTUAL 2020	ACTUAL 2019
Expense accrual	893,532	1,232,918
Audit fee accrual	19,307	55,000
ACC payable	43,236	44,767
Other payables	19,196	40,802
TOTAL SUNDRY CREDITORS AND ACCRUALS	975,271	1,373,487

15. TAXES RECEIVABLE / (PAYABLE)

	GROUP	
	ACTUAL 2020	ACTUAL 2019
GST receivable	106,760	87,266
Income tax (payable) / receivable	(41,087)	35,790
TOTAL TAXES RECEIVABLE	65,673	123,056

16. EQUITY AND SHARE CAPITAL

Equity is Wellington City Council and Greater Wellington Regional Council's interest in WREDA, being a council controlled organisation, as measured by total assets less total liabilities. Equity has been classified into various components to identify those portions of equity held for specific purposes.

17. OPERATING AND FINANCE LEASES

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Payments made under operating leases are recognised in the surplus or deficit on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total expenses of the lease expense, over the term of the lease.

OPERATING LEASES AS LESSEE

The Group leases buildings, plant and equipment in the normal course of its business. The Group can renew leases at its own discretion at current market rates. There are no restrictions placed on the Group by any of the leasing arrangements.

Future minimum lease payments payable under non cancellable operating leases are as follows:

	GROUP	
	ACTUAL 2020	ACTUAL 2019
No later than one year	374,874	570,490
Later than one year but not later than five years	499,670	819,521
TOTAL NON CANCELLABLE OPERATING LEASE	874,544	1,390,011

FINANCE LEASES AS LESSEE

Creative HQ has entered into finance leases for furniture and mobile phones.

	GROUP	
	ACTUAL 2020	ACTUAL 2019
No later than one year	27,765	28,650
Later than one year and not later than five years	20,561	48,085
TOTAL MINIMUM LEASE PAYMENTS	48,326	76,735
Future finance charges	(11,157)	(17,532)
TOTAL MINIMUM LEASE CHARGES	37,169	59,203

18. CONTINGENT LIABILITIES AND GUARANTEES

At 30 June 2020, the Group had no contingent liabilities and had not entered into any guarantees. (2019: Nil).

19. FINANCIAL INSTRUMENTS

Financial instruments include financial assets (loans and receivables or recoverables) and financial liabilities (payables and borrowings). Financial instruments are classified into the categories outlined below based on the purpose for which they were acquired. The classification is determined at initial recognition and re evaluated at the end of each reporting period.

	GROUP	
FINANCIAL ASSETS	ACTUAL 2020	ACTUAL 2019
Loans and receivables		
Cash and cash equivalents	4,658,728	2,443,459
Receivables and recoverables	1,462,536	2,294,452
Other financial assets	15,000	23,182
Total loans and receivables	6,136,264	4,761,093
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE & EXPENSE		
Investments in incubator and accelerator companies	1,515,363	1,513,791
Total financial assets	7,651,627	6,274,884
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Trade and other payables	1,156,010	1,671,878
Sundry creditors and accruals	975,271	1,373,487
Borrowings	48,326	28,650
Total financial liabilities at amortised cost	2,179,607	3,074,015
Total financial liabilities	2,179,607	3,074,015

FAIR VALUE

The fair value of all financial instruments equates or are approximate to the carrying amount recognised in the consolidated statement of financial position.

Financial instruments are initially recognised on trade date at their fair value plus transaction costs. Subsequent measurement of financial instruments depends on the classification determined by the Group.

FINANCIAL RISK MANAGEMENT

As part of its normal operations, the Group is exposed to a number of risks. The most significant are credit risk, liquidity risk and market risk, which includes interest rate risk. The Group's exposure to these risks and the action that the Group has taken to minimise the impact of these risks is outlined below:

CREDIT RISK

Credit risk is the risk that a third party will default on its obligations to the Group, thereby causing a financial loss. The Group is not exposed to any material concentrations of credit risk. Exposure is considered to be the same as reported in the consolidated statement of financial position.

Receivables and recoverables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debt is not significant.

CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due or impaired can be assessed by reference to Standard & Poor's credit ratings. All cash is held in a registered bank with a Standard & Poor's rating of AA-.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. The Group operates prudent liquidity risk management by maintaining sufficient cash to meet debts as they fall due. The Group operates within its budgets which have been set to operate alongside its financial policies.

20. RECONCILIATION OF OPERATING CASH FLOWS TO NET SURPLUS

	GROUP	
	ACTUAL 2020	ACTUAL 2019
Surplus after tax	379,865	718,850
Add / (deduct) non cash items		
Depreciation & amortisation	341,720	249,791
Impairment of Intangibles	66,180	-
Gain on disposal of investments	(368,666)	-
Loss on disposal of property, plant and equipment	1,188	66,958
Change in deferred tax	24,432	-
Share of associates' deficit	-	(93,592)
Other adjustments	1,194	-
Write off of investments	-	89,785
Add (Deduct) items classified as investing activities		
Interest Received	(53,004)	(77,078)
Adjustments for movements in:		
Decrease in receivables	831,916	386,268
Increase in prepayments	31,752	(185,689)
Increase in inventories	(20,909)	(437)
Decrease/(Increase) in taxes receivable	57,383	(187,251)
Decrease in payables	(515,868)	(179,053)
Increase in employee entitlements	(191,718)	148,426
Increase in deferred revenue	1,922,436	4,130
(Decrease)/Increase in other payables	(398,216)	66,458
Net cash inflow from operating activities	2,107,685	1,007,296

21. RELATED PARTY TRANSACTIONS

WREDA is a council controlled organisation that is controlled by a Board of Directors appointed by its shareholders. The Shareholders of WREDA are the Wellington City Council, which owns 80% of WREDA's shares and the Greater Wellington Regional Council, which owns the remaining 20%.

Related party means parties that are related if one party has the ability to either control the other party, or exercise significant influence over the other party in making financial and operating decisions, or if the related party entity and another entity are subject to common control.

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

Related party disclosures have also not been made for transactions with entities within the Group and the Group's shareholders (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such Group transactions.

Related parties include key management personnel, directors and their close family members and entities controlled by them. Key management personnel are the chief executive of WREDA and Creative HQ Limited and the Senior Leadership team of WREDA, all of whom are employed as employees of the Group, on normal employment terms. Subsidiaries are also related parties due to WREDA's influence over them.

DIRECTORS

Director Thomas Pippos is the National Chief Executive of Deloitte. Deloitte provided accountancy services to WREDA's subsidiary Creative HQ Ltd (of which Thomas Pippos is not a director) during the period.

During the year, Creative HQ received professional accounting services from Deloitte for mentoring of participating entities and professional legal services from Chapman Tripp at no charge.

CREATIVE HQ LOAN FROM PARENT

During the period the parent has provided Creative HQ with a $400,000 loan. Interest is charged and paid monthly at the official cash rate plus 1.5%. The loan has been eliminated upon consolidation.

SUBVENTION PAYMENT AND GROUP LOSS EFFECT

During the year, no tax losses were transferred to the company from Wellington City Council by subvention payment or loss offset (2019: $nil).

22. DIRECTORS' FEES

The parent has 7 full time equivalents based on the length of service on the board (2019: 8.0) and the subsidiary has 5 full time equivalents on the same basis (2019: 5.0).

The total value of remuneration paid or payable to each Board Member during the year was:

PARENT WREDA LIMITED	ACTUAL 2020	ACTUAL 2019
Tracey Bridges (Chair from 1 January 2019)	50,000	37,500
Thomas Pippos	25,000	25,000
Matthew Clarke	25,000	25,000
William (Grant) Guilford (ceased 31.12.19)	12,500	25,000
David Gibson (ceased 31.12.19)	12,500	25,000
Wayne Mulligan	25,000	25,000
Kylie Archer	25,000	25,000
Steven Maharey (appointed 1 January 2019)	25,000	12,500
Joanne Healey (appointed 1 March 2020)	8,333	-
Peter Biggs (Chair ceased 31 December 2018)	-	25,000
TOTAL WREDA DIRECTORS' FEES	208,333	225,000

SUBSIDIARY CREATIVE HQ LIMITED	ACTUAL 2020	ACTUAL 2019
Barry Brook (Chairman)	15,000	15,000
Susan Reynolds	7,500	10,000
Richard Laverty (ceased 31 August 2020)	7,500	10,000
Wayne Mulligan	7,500	10,000
Roanne Parker (resigned 28 February 2019)	-	6,667
Lance Walker	3,750	-
John Allen (appointed 2 June 2020)	-	-
TOTAL SUBSIDIARY DIRECTORS' FEES	41,250	51,667

TOTAL DIRECTORS’ FEES	249,583	276,667

23. REMUNERATION

Total remuneration includes any non financial benefits provided to employees.

As at 30 June 2020, the Group employed 124 (2019: 128) full time equivalent employees. The Group also employs a similar number of casual employees in its Venues Wellington division.

SEVERANCE PAYMENTS

During the year the Group has made termination payments totalling $48,126 to 6 employees (2019: $205,017 to 11 employees). The Group has made severance payments totalling $9,225 to 1 employee.

KEY MANAGEMENT PERSONNEL

Key management personnel of the Group for 2020 and 2019 were the Chief Executives of WREDA and Creative HQ Limited, the Senior Leadership Team of WREDA and the Boards of both entities.

The total remuneration and the number of individuals, on a full time equivalent basis, considered key management personnel receiving remuneration are:

	GROUP	
	ACTUAL 2020	ACTUAL 2019
Key Management Personnel		
Directors remuneration	249,583	276,667
WREDA Limited director full-time equivalents	7	8
Creative HQ director full-time equivalents	5	5
Key management personnel - non-directors	1,490,438	1,689,289
Management full-time equivalents	6	7

Due to the difficulty in determining full time equivalents for directors, the full time equivalent figures are the number of directors serving on the boards of WREDA Limited and Creative HQ Limited as at 30 June 2020.

Key management personnel did not receive any remuneration or compensation other than in their capacity as key management personnel (2019: nil).

The Group did not provide any compensation at non arm's length terms to close family members of key management personnel during the year (2019: nil).

The Group did not provide any loans to key management personnel or their close family members.

REMUNERATION BANDS

The annual remuneration by band for employees as at 30 June:

	NO: OF CURRENT EMPLOYEES GROUP	
	ACTUAL 2020	ACTUAL 2019
$100,000 - $109,999	1	6
$110,000 - $119,999	3	4
$120,000 - $129,999	4	5
$130,000 - $139,999	3	2
$140,000 - $149,999	-	1
$150,000 - $159,999	-	1
$160,000 - $169,999	-	1
$170,000 - $179,999	2	1
$180,000 - $189,999	1	1
$190,000 - $199,999	-	1
$200,000 - $209,999	1	1
$210,000 - $219,999	1	-
$240,000 - $249,999	1	1
$270,000 - $279,999	1	-
$290,000 - $299,999	-	1
$360,000 - $369,999	1	1
TOTAL EMPLOYEES	19	27

24. EVENTS AFTER THE BALANCE DATE

There were no events occurring subsequent to balance date which require adjustment to or disclosure in the financial statements.

25. OPERATING FUNDS

WREDA is reliant for a large part of its revenue from its shareholders, Wellington City Council and Greater Wellington Regional Council (the Councils).

The Councils have accepted the Group's Statements of Intent, which includes funding for the Group and its activities for the next three years.

26. EXPLANATION OF SIGNIFICANT VARIANCES TO BUDGET

COVID-19 OVERVIEW

On 11 March 2020 the World Health Organisation declared the outbreak of Covid-19, a pandemic, and 2 weeks later the New Zealand declared a state of national emergency. From this time, the country was in lock down at Alert Level 4 for the period from 26th March to 27 April and remained in lock down, at Alert Level 3, until 13th of May.

Our key priorities during the period were to keep our workforce intact, as they held valuable institutional knowledge and concentrate on their overall wellbeing, through a variety of measures during the challenging period. Whilst some staff were able to continue to work from home, our operational staff that manage the Wellington City Council performance venues were not able to along with our i-Site staff. Were possible we reassigned effected staff to other tasks within the organisation and within other Council Controlled Organisations. Due to the restrictions on mass gatherings continuing to operate at Level 2, we were not able to host any events of significance in the Venues during Alert Level 2 and some Major Events for the period were both cancelled and postponed.

Our destination marketing of the City had to pause and a review of where we could have best impact occurred. This resulted in a series of initiatives, including the launch of the Love Local series of campaigns and other similar programmes of work designed to increase spend within the region. Time was also used to plan for future programmes to assist with the economic recovery, for when domestic Tourism was able to return to the region. Additionally, we were able to assist with some Central Government Covid-19 response programmes, such as working with businesses to access professional assistance, such as HR, accounting, marketing through the distribution of Covid-19 Business Recovery Vouchers.

Contracts for revenue were examined and costs associated to reviewed to ensure that costs were kept under control. Some work within Creative HQ was redistributed from contractors to current employees.

Whilst initial calculations showed that revenue dropped over 30%, future funding streams are now being confirmed and the Board is comfortable that the Group is in a strong position to assist with the economic recovery of the City. Budgets for financial year 2021 have been set with realistic goals for achieving our Statement of Intent targets and actual results remain on track for achieving these at this time.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

REVENUE

Management fee revenue is derived from fees obtained under the agreement we have to run the Wellington City Council's performance venues on behalf. As the Venues were not able to host events under Covid restrictions for a significant length of time, the personnel costs associated with running the Venues fell and this is a key driver in the management fee. This reduction in personnel costs was assisted by the receipt of the Covid-19 wage subsidy.

Creative HQ had lower activity within its enterprise clients and less repeat market business with international Governments which reduced their revenue. Some of this revenue has been deferred to 2021.

The deferral of some Major Events due to the uncertainty around the ban on mass gatherings meant that some anticipated revenue and associated expenditure has been deferred until later periods.

Revenue derived from the i-Site were reduced as the i-Site had to remain closed during Alert Levels 3 and 4 and we then continued this closure until July 2020 to undergo some maintenance on the facility.

The receipt of the Government's Covid-19 wage subsidy for some staff within the group meant that some of the revenue reductions were offset by the receipt of that income.

EXPENSES

Reduction in income has meant that expenses associated with programmes of work that income is being receipted for were in some cases deferred and expenditure was tightly matched to that income that we were certain of receiving. We anticipate an increase in expenditure as revenue streams return and new revenue confirmed.

To assist with personnel costs, we asked staff to consider voluntarily reducing their leave balances. This meant that our annual leave accrual dropped in the period, assisting with a reduction in personnel expenditure.

STATEMENT OF FINANCIAL POSITION

CASH AND CASH EQUIVALENTS

The deferral of expenditure into future financial periods associated with some revenue resulted in higher cash holdings at the end of the year.

RECEIVABLES

Lower sales toward the end of year and the reduction in some anticipated revenue streams resulted in lower receivables at year end.

DEFERRED REVENUE

Due to Covid-19 some expenditure against income did not occur, because it was either deemed inappropriate or had to be postponed until a later date. This increased the levels of deferred revenue that we held at year end. This is anticipated to decrease during the 2021 financial year end.

27. OTHER SIGNIFICANT ACCOUNTING POLICIES

A. PROVISIONS

The Group recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Parent from a contract are lower than the unavoidable cost of meeting its obligation under the contract.

B. GOODS AND SERVICES TAX (GST)

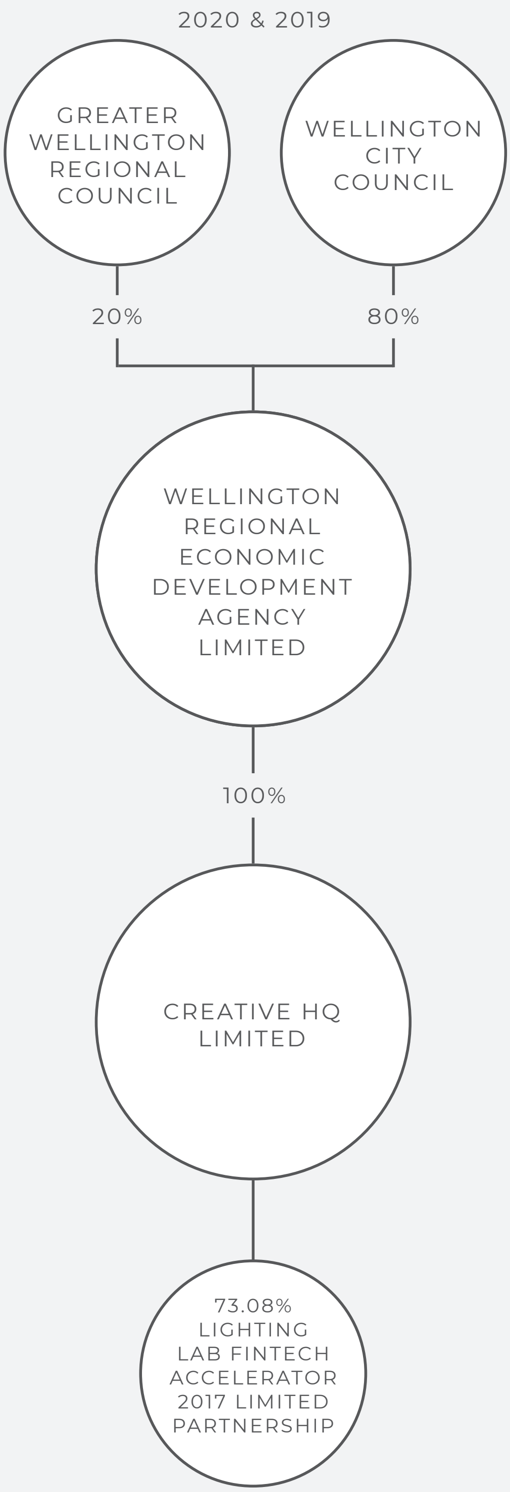
All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Consolidated statement of financial position.

Commitments and contingencies are disclosed exclusive of GST.

28. COMPANY STRUCTURE

WREDA Limited is owned 20% by Greater Wellington Regional Council and 80% by Wellington City Council. WREDA Limited has a 100% owned subsidiary, Creative HQ Limited. Creative HQ Limited owns a 73.08% shareholding in the Lighting Lab Fintech Accelerator 2017 Limited Partnership.



DIRECTORY FOR THE YEAR ENDED 30 JUNE 2020
COMPANY NO. 3237332

SHAREHOLDERS	WELLINGTON CITY COUNCIL - 800 shares (80%) 101 Wakefield Street, Wellington 6011 New Zealand
	GREATER WELLINGTON REGIONAL COUNCIL - 200 shares (20%) Shed 39, 2 Fryatt Quay Pipitea Wellington 6011 New Zealand
REGISTERED OFFICE	111 Wakefield Street, Wellington Central Wellington 6011 New Zealand
AUDITOR	Audit New Zealand on behalf of the Auditor-General Level 1, 100 Molesworth Street Wellington 6140 New Zealand
BANKERS	ANZ Bank New Zealand Ltd 22 Willis Street, Wellington 6011 New Zealand
SOLICITORS	QUIGG PARTNERS Level 7, 36 Brandon Street Wellington 6011 New Zealand
	DLA PIPER 50 64 Customhouse Quay Wellington 6011 New Zealand
TAX ACCOUNTANTS	PWC 10 Waterloo Quay Wellington 6011 New Zealand

KEY GOALS	MEASURE	2019/20 ANNUAL TARGET	2019/20 ACTUAL
WellingtonNZ is delivering direct value/ROI on our shareholders investment	Combined direct economic impact from WREDA's interventions expressed in $	Benchmark	$159.7million
Grow the visita WellingtonNZ is shaping and amplifying the regional destination/brand story or economy	Storytelling content generated (across all sectors)	1,250	1,149[1]
	Total subscribed audience across social media and eDMs (reach)	475,000	516,945
	Unique WellingtonNZ.com sessions	2,900,000	1,865,962[2]
	Total number of events in Venues Wellington	450	325[3]
	Equivalent advertising value from media activity	25,000,000	29,966,684
	Visitor nights contributed to from WREDA activity/interventions	Benchmark	N/A[4]
	ROI of major events invested in	20:01	21:01
	Value of out of region venue and event expenditure	$125,000,000	$91,433,489[5]
	Value of business events secured	$19,000,000	$13,363,960[6]

1 Content dropped due to the impact of Covid-19 on the media landscape from March to June.

2 Traffic on WellingtonNZ and subsites was impacted twice. We launched our new website which corresponded with an expected drop in traffic due to the site being recognised and authenticated by search engines such as Google. Secondly, Covid-19 saw traffic become almost non-existent overnight- except for businesses support enquiries - as the country and world went into lockdown.

3 Impact of Covid-19 related restrictions resulted in no events being held in venues from mid-March to year end.

4 Measure was in our SOI 2019-2022. However, after publication of the SOI, WNZ and the CCO Committee agreed to drop the measure due to a lack of methodology to arrive at an accurate number.

5 Impact of Covid-19 related restrictions resulted in no events being hosted in venues, or Major Events held, from mid-March to year end.

6 Half-way through the 19/20 Financial Year, Business Events Wellington tracked ahead of target. With the lockdown in March, conference bookings were affected which had a negative financial impact.

KEY GOALS	MEASURE	2019/20 ANNUAL TARGET	2019/20 ACTUAL
WellingtonNZ is being an advocate and catalyst for the big projects and developments	Agreed key projects are on track/ agreed deliverables met	TBD	8/9 of the agreed projects were on track and agreed[7] eliverables met.
Grow the visita WellingtonNZ is shaping and amplifying the regional destination/brand story or economy	Number of businesses impacted by a WREDA intervention or programme	Benchmark	2,896[8]
	Number of Wellington region-based businesses incubated or accelerated through CHQ	55	44[9]
	Growth rates of businesses been through a WREDA/CHQ programme (vs national average)	Benchmark	N/A[10]
	No. of investable companies created by Creative HQ	9	12
Internal - Financial Health	Budget on target	On target	On target
	% revenue from commercial/non-council funding (WREDA & CHQ combined)	30%	27.40%[11]

7 The projects on track were: Wellington Convention & Exhibition Centre; Wellington Regional Trails Framework; Major Events Framework; Venues Strategy Framework; WellingtonNZ.com redevelopment; Screen Sound Stage Development; Wellington International Student Growth Programme; Regional Workforce Development Programme; and Destination Strategy Framework. The Destination Strategy Framework was delayed due to a wait for MBIE guidance to be published.

8 Includes 1016 businesses we engaged with through our Covid-19 Business Response team and through Business Mentors NZ.

9 The accelerator programmes attracted high quality teams from around the country, resulting in fewer Wellington teams taking part. The scheduled Tourism accelerator was postponed until 20/21 because of Covid-19. This would have made up the balance of the Wellington teams had it proceeded.

10 Methodology that was going to be used was to capture the number of jobs filled within the businesses we actively engage via the Regional Business Growth Programme and CreativeHQ programmes at the beginning and end of the financial year. The percentage change is compared to the national average using StatisticsNZ figures. Given the impact of Covid-19 on jobs, the benchmark would no longer produce a feasible figure for realistic comparison in the future. Therefore, we have not established a benchmark this financial year.

11 Covid-19 restrictions saw external revenue decline compared to budget. This is due to lower activity within Creative HQ and external partner revenue reductions within the parent. Additionally, due to the required closure of the i-Site during Alert Levels 4 and 3, sales revenue declined during the period. It is anticipated commercial revenue will increase as economic conditions improve during the recovery.

Internal – Employee Health	Staff engagement	60%	66%[12]
	Lost time injuries	0	3[13]
Internal – Stakeholder Relation Health	Stakeholder satisfaction	85%	91%[14]

12 A number of initiatives contributed to an increase in staff engagement through a WellingtonNZ-wide effort from the Senior Leadership Team, People & Culture, People Leaders and team members. Specific action planning after the previous year's engagement survey focused on increasing communication and collaboration, developing People Leaders and a targeted focus on inclusion, flexibility and wellbeing in the workplace.

13 Our LTI target is zero as we have strong aspirations that all our workers stay safe in the workplace. The three LTIs involved team members being off work for a few days with minor injuries. There were no serious harm injuries.

14 Of 340 survey requests sent, only 94 responses were received

WELLINGTONNZ 2019/20 INDIRECT MEASURES OF IMPACT

MEASURE	2019/20 TARGET	2019/20 ACTUAL
Visitor Numbers International	824,382	583,132[15]
Visitor Numbers Australia	277,440	201,872[16]
Visitor Spend	$2,755 Million	$2,388 Million[17]
Australian Visitor Arrivals through Wellington Airport	153,000	114,336[18]
Commercial Guest Nights	3.19 Million	N/A[19]
Share of Multi-Day Conferences	19%	N/A[20]
Net Permanent and Long Term Arrivals	2,605	3,200[21]
International Student Market Share	7%	N/A[22]

15 This figure is Year Ending March 2020 - The figures are only published quarterly and as an annual figure only. Furthermore, there will be no Year Ending June 2020 figure due to the lack of 'International' visitors in the country since March 2020 which has impacted the data source and methodology.

16 This figure is Year Ending March 2020 - The figures are only published quarterly and as an annual figure only. Furthermore, there will be no YE June 2020 figure due to the lack of 'International' visitors in the country since March 2020 which has impacted the data source and methodology.

17 Year Ending June 2020 figure – The target was not achieved, and this was due to visitor spend and visitor numbers being impacted by COVID-19. Closure of borders in second half of March and cancellation of events during peak season.

18 Year Ending June 2020 figure – The target was not achieved, and this was due to visitor spend and visitor numbers being impacted by COVID-19. Closure of borders in second half of March and cancellation of events during peak season.

19 This figure is only for the period of July 2019 to September 2019 - The Accommodation Survey Dataset was dismissed after September 19; thus, we have no figures for Oct 19 to Jun 20 to report on.

20 Ministry of Business Innovation and Employment's Business Events Activity Survey (BEAS) was the original source of this reported figure. The BEAS was dismissed during 2019 and MBIE announced a new survey will take its place from December 2020.

21 Methodology changed during FY19/20. When the target was set, the source was StatisticsNZ's Net Migration dataset collated from departure and arrival cards. Departure cards were disestablished during the year and the figure is now based on Infometrics which includes Domestic Migration to Wellington.

22 Not available until later in 2020, there are delays due to data publishing issues within Ministry of Education and Education NZ.