



Annual Report 07/08  
**GROW WELLINGTON**  
WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY  
FOR THE FINANCIAL YEAR ENDING 30 JUNE 2008



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# CHAIRMAN'S MESSAGE



**The Wellington region is alive with energy, diversity and stunning potential. That stunning potential resides in our people and in our 50,000 businesses.**

Grow Wellington has been established to implement the economic growth policies that will enable the Wellington region to reach our full potential. This will only be fully realised through comprehensive economic transformation as outlined in the Wellington Regional Strategy. However this transformation will only occur if we take a long term view and capitalise on our unique, world-class, natural competitive advantages.

We cannot and will not do this on our own. So we are actively working in partnership with business, with central and local government, with education and research institutions, with business support organisations such as the Chambers of Commerce and the Employers and Manufacturers Assn, local iwi and other networks to build international connections and grow exports.

The Board has worked very hard to understand the requirements of business and provide support and mentoring for the talented and committed people that run Grow Wellington.

The focus, in our establishment year, has been to deliver a range of core services, to begin to implement a series of new and enhanced programmes that will drive ongoing export growth, and to put in place the right organisational structure to ensure the most efficient and effective delivery of these programmes.

The groundwork for the new initiatives has been centred on the six objectives Grow Wellington has identified to ensure the growth of Wellington business and industry. Three are directly centred on regional business growth and three underpin the infrastructure required to ensure the international competitiveness of these businesses. In every case these initiatives are strongly aligned with the Wellington Regional Strategy.

Development of Centres of Excellence (CoEs), support for priority sectors and growth of individual businesses are all about business growth. Improvement of broadband use and supply, raising the value of our international gateways and adding value to a carbon neutral region are all about the infrastructure required to do this.

The Board believes that Grow Wellington is now staffed and structured in a way which will ensure a focused, coherent and integrated team approach to not only growing the region's economy, but also to making sure the whole region is committed and inspired to build an international reputation and presence.

Recognising its governance responsibilities the Board has established three sub-committees. The Audit Finance and Risk Committee monitors not just financial but project, reputation and organisation risks, ensuring they are appropriately mitigated. The Appointments Committee monitors Grow Wellington's senior management resource and skills requirements. The Communications Committee oversees the profile and public relations needs of Grow Wellington.

The Board is enormously proud to be part of the work Grow Wellington is doing. I would like to acknowledge the special effort and spirit of both my Board colleagues and the staff. Their determination and commitment to tangible commercial outcomes is outstanding.

**MURRAY McCAW**



# CHIEF EXECUTIVE'S OVERVIEW



**Wellington's future depends on sustainable economic growth. This will come from innovative new ideas being developed in the region and ensuring those ideas have a global impact.**

Grow Wellington is here to help Wellington businesses grow. We're here to work for and with businesses in the Greater Wellington region, and to help them to become world-class.

Guided by the Wellington Regional Strategy, our first year of operation has seen us develop a balanced portfolio of activities to help Wellington become a sustainable economic region with significant export activity.

Where existing activities were working well, we have retained them. We have also worked on new initiatives to enhance economic activity. Two that have been implemented in 2007 are Angel HQ and Activate.

Angel HQ helps bridge the gap between a business's ability to fund early growth from its own resources, and the point where the company qualifies for institutional finance from more traditional sources. Grow Wellington's role is to establish the Angel HQ network and support it in the medium term, with the aim for it to become a self-sustaining club in the long term.

Wellington is recognised as an innovative and creative business centre; however a major hurdle facing entrepreneurs is the lack of comprehensive support at the very early stage of a business idea.

That is where Activate comes in. Activate is an intensive four-month programme that gives entrepreneurs the chance to activate the potential of their bright business ideas. Activate courses are being rolled out in Lower Hutt, Porirua and Wellington City and are run by Grow Wellington's business incubator Creative HQ.

The 2007/2008 year has seen Creative HQ operating with a complement of 12 businesses. The approach has been refined to ensure we can support more businesses in the future, both physically and virtually.

The Migrant and Skills attraction programme has continued to attract skilled migrants to the region and match them with employers in need.

We are also working to address skills shortages which restrict company growth.

Education Wellington International has had a busy year, including attending the inaugural Australia New Zealand Agent workshop in Sydney, which helped to raise the profile of the Wellington region as a destination for international students.

Film Wellington provides the infrastructure for filmmakers to access world-class film production crews, services and facilities. A major upcoming project is the hosting of Cineposium 2008 in November 2008.

The Food and Beverage sector is a significant one for the region and we believe it will continue to grow. Grow Wellington has gained the support of an industry advisory panel and an action plan has been created for implementation in 2009.

The activities described above are designed to achieve short and medium term economic growth. The Wellington region must also invest in development of long term economic growth by targeting specific industries. We have started a Centres of Excellence programme which focuses on four areas in the Wellington region that have the potential to be world-leading industries for New Zealand. They are areas that have the real prospect of moving beyond a 'single firm specialisation' to a situation where there is a nucleus of core companies combined with quality investment, research, education and infrastructure – all working collaboratively.

The areas of focus are clear, the team is in place and I am confident that we will see Grow Wellington's portfolio of activities develop and strengthen to ensure that Wellington remains the most dynamic, innovative region to live, work and play.

**NIGEL KIRKPATRICK**



# STRATEGIC ALIGNMENT

## The Wellington Regional Strategy and Grow Wellington

The Strategy (WRS) identifies a number of activities and partnerships which will drive the Wellington region’s success. The following diagram sets out how our organisation will contribute.



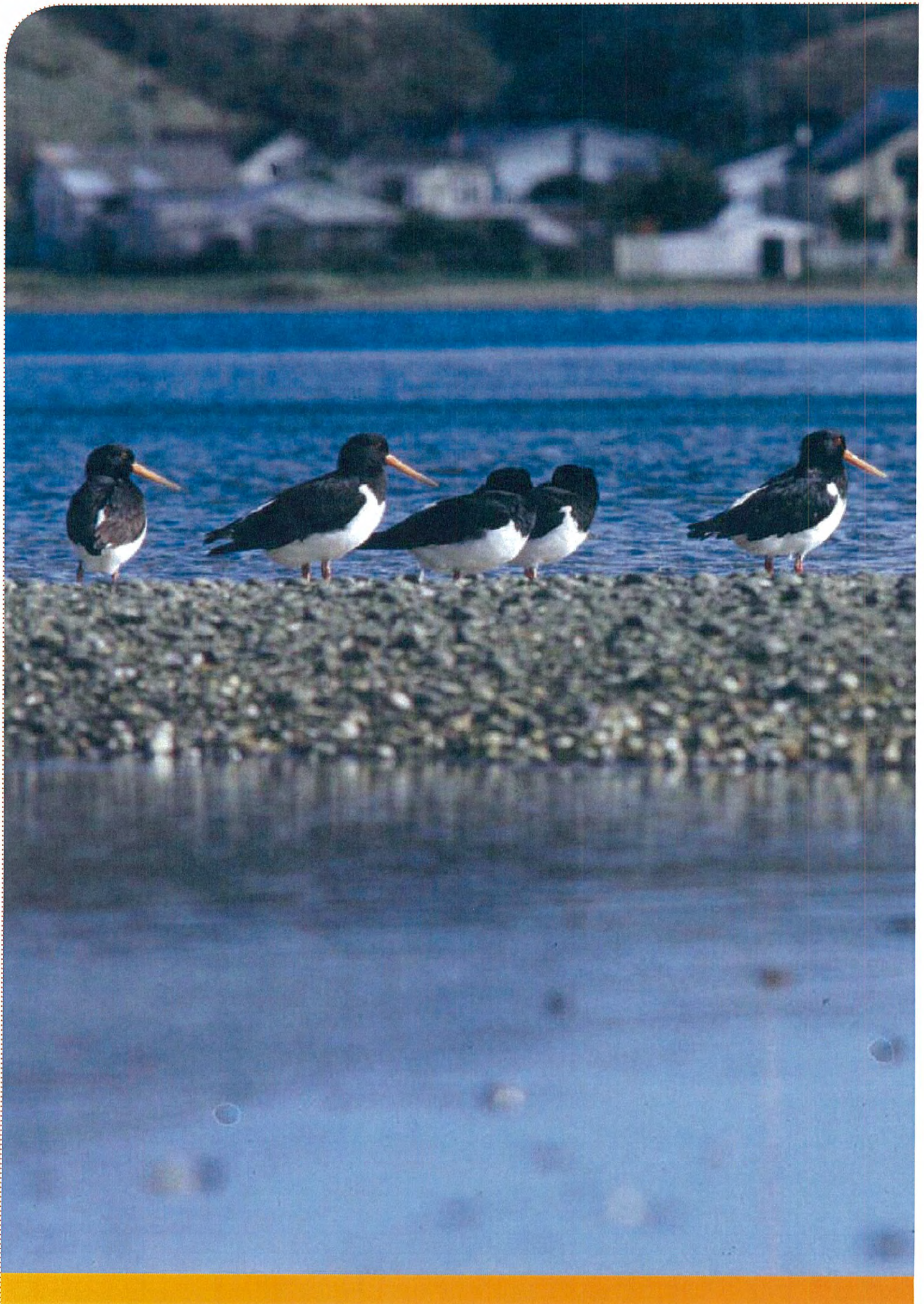
Wellington Regional Strategy Document

<sup>1</sup> pg 51

<sup>2</sup> pg 2

<sup>3</sup> pg 9









# **REPORT ON PROGRAMME OUTCOMES**

IN THE 2007/2008 FINANCIAL YEAR



# CENTRES OF EXCELLENCE

## Grow Wellington has the task of implementing a strategy to grow and develop national Centres of Excellence (CoE) in Wellington.

One of the core platforms of the Wellington Regional Strategy is the Centre of Excellence programme. The aim is to select initial Centres of Excellence, and provide a framework that will lead to truly transformational economic growth for the region. This is a long-term strategy and demands that Grow Wellington take a thoroughly informed approach to selection and support of these Centres.

A successful Centre of Excellence can be defined in many ways. The core is built around world-class institutions, companies, and people working in a specialised field together which demonstrate a global, sustainable, competitive advantage. This creates a critical mass of skills capability and infrastructure, which in turn provides continuous opportunity for employment, research and commercial endeavour in that field.

Grow Wellington has identified four areas where the ingredients for such a Centre of Excellence exist in Wellington.

1. Screen and digital technologies
2. Sustainable and renewable energy
3. Biotechnology and life sciences
4. Natural hazard preparedness.

The four areas are supported by a fulltime general manager and a project manager in addition to each having an advisory panel. The advisory panel members each represent an area of specialisation – from research and education to commercial interests and infrastructure specific to the Centre of Excellence.

Over the next few months each Centre of Excellence will develop its own commercial structures to support and promote the development of its industry in the greater Wellington region. This will range from supporting activities and investment, to pre-commercial feasibility studies and the development of common infrastructure that will benefit research and commercial interests alike. This may include technical equipment, university facilities, common premises, and hosting international conferences.

Initially the Centre of Excellence platform will rely on the goodwill of the industry participants to provide both guidance and commercial support in their early stage development.

This is being backed up by Grow Wellington with an initial establishment budget over two years. During the same period, the viability of each Centre of Excellence will be assessed to be sure it offers benefits to both the Wellington region and New Zealand alike.





# PRIMARY SECTOR - IRRIGATION

**In July 2007, the newly formed Wairarapa Regional Irrigation Trust entered into negotiations with Meridian Energy on a Heads of Agreement supported by Grow Wellington.**

These negotiations included the development of an agreed workplan for the next few years as the project moves towards resource consent. A signed agreement was in place by the beginning of 2008.

Grow Wellington has also assisted the Trust to successfully apply to the Ministry of Agriculture and Forestry's Community Irrigation Fund which will assist the project with stakeholder management and community consultation.

In March 2008, the Trust and Meridian Energy jointly commissioned Beca Consulting to undertake a technical review of the proposed scheme, the results of which will determine the future shape of the project.

Evidence from various studies, undertaken in parts of Canterbury and nationally, demonstrate significant and widespread benefits to regions from the uptake of irrigation.

The benefit to the Wellington region of the irrigation project has been estimated at an extra 155 million dollars in GDP on an annual basis.

**“Providing a framework that will lead to truly transformational economic growth for the region.”**





# MANUFACTURING SECTOR

**In the 2007/2008 year the Greater Wellington Industry Development Centre, funded by both New Zealand Trade & Enterprise and the Foundation for Research, Science and Technology, acted as the umbrella for the initiatives below:**

- Completion of a database of manufacturing capability in the region
- Manufacturers' Marketplace and NetworkingNZ website launched in November ([www.manufacturingnz.com](http://www.manufacturingnz.com))
- Six collaborative projects involving 23 companies are in progress, which will produce valuable new products, processes and services for the world
- Seven research projects between companies and Massey and WelTec students started
- Productivity training pilot scoped and funded for a February 2008 start
- More than 100 additional companies provided with a wide range of assistance on areas from pricing to international market development

The funding for the centre ceased in March 2008, however Grow Wellington has continued its activity and the positive impact of the Industry Development Centre projects is ongoing. There has been a re-focus to define a smaller number of more significant projects which are expected to commence in the third quarter of 2008.



## GOING BACK TO BASICS

Wairarapa baker Breadcraft has gone back to basics with their new 'Cottage Lane Artisan Bread' range, based on natural fermentation and traditional recipes that are thousands of years old, including only flour, water, salt and yeast.

The range caters for the growing demand for less additives in food, and for fresh, home-made produce, says General Manager Peter Rewi.

"We have seen these trends developing overseas and particularly in the US and Europe," he says. "In these countries there were many successful companies that were producing par-baked (partially-baked) bread and delivered frozen to point-of-sale, ready for completion of baking and available fresh to the consumer. It was a growing trend, but it wasn't happening in New Zealand."

"We also know increasing numbers of people are taking a good hard look at the additives in their food, and are interested in simpler, less processed foods."

The two trends revealed an opportunity, but needed investment in research and technology. Breadcraft approached the Foundation for Research, Science

and Technology (FORST) to apply for a 'Technology for Business Growth' grant.

Company Director John Cockburn put a great deal of work into the successful application. Peter says although it was time-consuming, its requirements helped the business more widely than just financially.

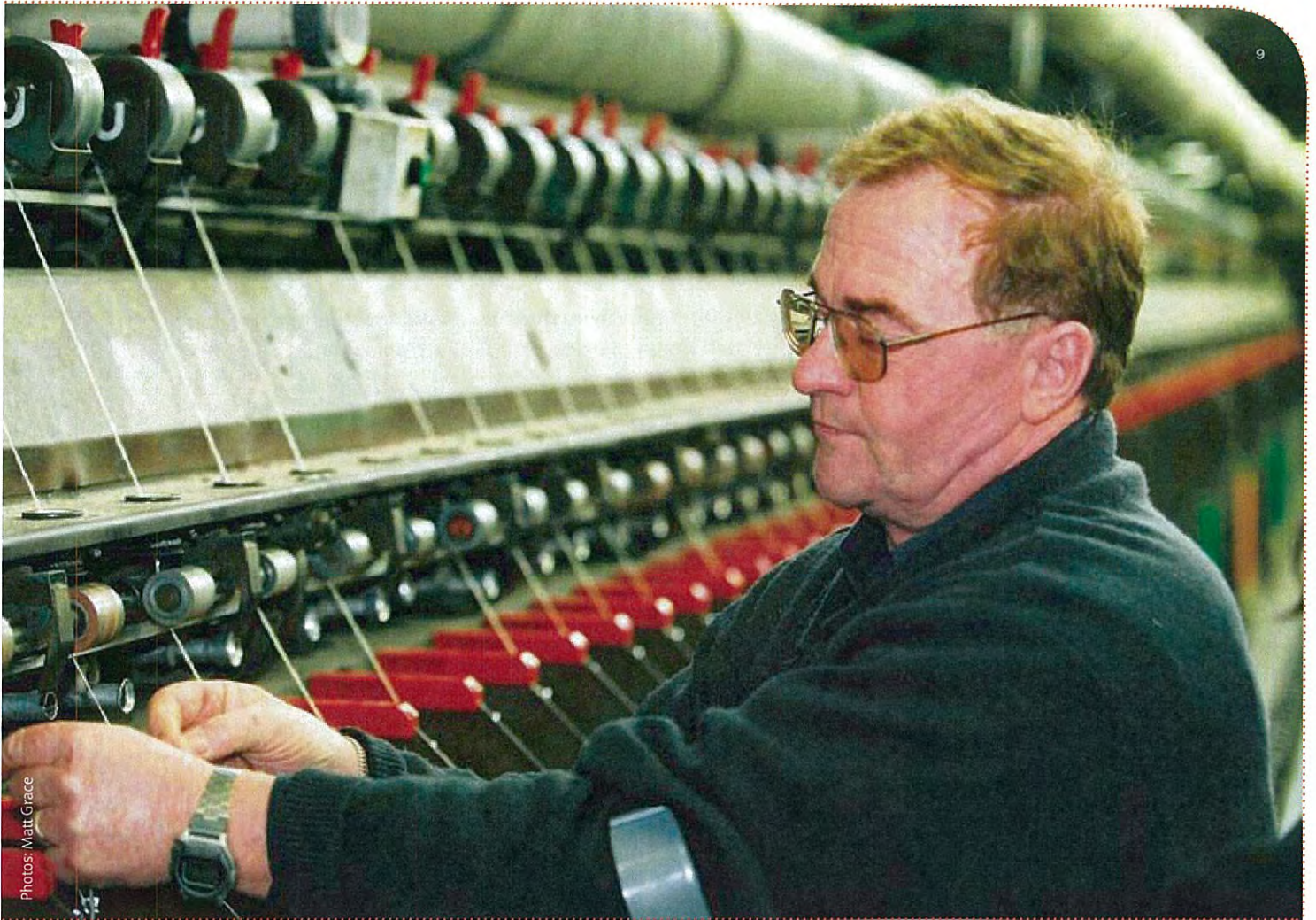
"The discipline of the application enhanced the discipline of our business, and our project planning structure," he says, "for instance setting milestones that helped keep us focussed and on track throughout the project."

It may appear a simple product, but creating the bread on an industrial scale is a major endeavour, requiring a new factory process. But Peter says it is more than worth it.

"The beauty of this product is that you can produce quantities at a factory level, distribute nationally, and still retain the benefits of a fresh, natural product baked 'just down the road' from where you live."

The new high-quality range has been a hit so far, stocked throughout the North Island from Kerikeri to Wellington with expansion to the South Island, and possibly export production, as plant capacity is increased.





This project has also created new employment, with ten new staff taken on initially, bringing Breadcraft's staff numbers to more than 100.

Started in 1942, Breadcraft is now in its third generation of family ownership, but has not been afraid to try new things. Its impressive list of products includes tortilla, pikelets, halal-approved cake, panini, pita, Turkish and other specialty breads as well as a vast range of sliced packaged breads and yeast-raised small goods. The company also produces cakes and puddings under the 'Cockburn's' brand which are sold in New Zealand, Australia, USA, Japan, Singapore, Malaysia and England.

Peter Rewi says that it's diversification that has been the key to Breadcraft's success. "For every ten ideas we've looked at there are nine that we don't pursue, but that's the only way to grow. You need to always look for new opportunities, and never stand still."

  
**IndustryDevelopment**  
 CENTRE





## EDUCATION AND RESEARCH SECTOR

**A manager was appointed to ensure a coordinated approach to increasing international student numbers in the region.**

Another major undertaking of 2007/2008 was the successful integration of Education Wellington International activities with Grow Wellington.

International education brought in more than \$116.7 million in 2007, making it a significant industry for the Wellington regional economy.

Institutes of technology, polytechnics, private training establishments and secondary school sectors all saw slight increases in student numbers in 2007.

Increased global competition and the high New Zealand dollar have resulted in a decline in New Zealand's international education industry and the total number of international students in the Wellington region was consequently down on the previous year. Most of the decline was concentrated in the university sector.

Grow Wellington participated in the inaugural Australia New Zealand Agent workshop in Sydney, an event which brought together approximately 500 agents and educators from six continents and 59 countries. The event marked the beginning of a new era in proactive engagement with agents for Wellington's education sector. In the two months surrounding the event there was significantly more international interest in education opportunities in the Wellington region, with website traffic increasing by 44 percent.





As for research, Grow Wellington produced two 'Regional Outlook' publications. These provided a snapshot of the region's economy and its potential for growth.

Research also supported the Centres of Excellence project through the coordination of four sector stocktakes. A bio-science sector stocktake and assessment was also done in support of a regional project.

Following legacy work of Positively Wellington Business, the education research sector facilitated a visit from officials of the Andhra Pradesh State government in India who were here to study our land management and geospatial capability with a view to purchasing services and expertise.

**“International education brought in more than \$116.7 million in 2007, making it a significant industry for the Wellington regional economy.”**



## THE GIANT KELP GUY

Erasmio Horto is one of thousands of international students who came to Wellington last year to further their education.

Originally from Chile, Erasmio is completing his PhD at Victoria University, where he is studying the genetic connectivity of *Macrocystis*, commonly known as giant kelp.

He is looking at how the different populations around the world are connected using a variety of molecular markers. Kelp reaching lengths of up to 60 meters and possessing the ability to float after detachment, has the potential to travel offshore and connect populations – not only of the alga itself, but also for the variety of organisms living on the alga.

Like the giant kelp he studies, Erasmio is well travelled. His research has taken him around the entire Chilean coast, from Cape Reinga to Stewart Island in New Zealand and to South Australia and Tasmania. Next year he will be travelling to Portugal.

Erasmio came to Wellington thanks to a scholarship programme from the Chilean government and Victoria University of Wellington. “I also had the

opportunity to study in Germany but I was looking for something else”, says Erasmio. “I wanted a lifestyle and somewhere I could speak English. The quality of education was a big drawcard.”

Trying to put his finger on what makes Wellington so appealing he says, “It is a good place to live. It is safe and secure, clean, with a lot of different things to do and very cosmopolitan. All this, without the crowds of Santiago!”

The central location of Wellington is also very appealing. “You can easily go to forests, parks and beaches – all in the same city. It is really easy to get around, and of course it has great dive spots.”

Would he recommend Wellington to others?

“Absolutely, Wellington is a great place!”



**Through Film Wellington, Grow Wellington has continued to facilitate local and international screen production in the Wellington region and worked with the Association of Film Commissioners International (AFCI) on their plans to host the 2008 international professional development conference in our region.**

Over the 2007/2008 year Film Wellington:

- issued 247 film permits
- approved 760 locations
- received 203 national/international enquiries.

Planning for the Cineposium 2008 is going well, registrations have opened and local firm Verve has been contracted to deliver the hosting responsibilities.

Film Wellington continues to work closely with key film industry players such as Hollywood director/producer, Jay Russell and Weta Productions. Proactive engagement with local client companies like Gibson Group and Sticky Pictures continues.

There has been active liaison with other industry organisations such as Film New Zealand (the National Film Office) and the New Zealand Film Commission, and with key 'permission contacts' at Wellington City Council Parks and Gardens and key council film contacts from around the greater Wellington region.

## SENSING MURDER

Wellington-based production company Ninox Television produces the successful reality documentary *Sensing Murder*. Each episode involves a team of clairvoyants who use their powers to shed new light on unsolved New Zealand cases. In order to revisit the scene of these forgotten crimes Ninox TV reconstructs the last hours of the deceased's life as it is revealed by the psychics.

The majority of reconstructions and all the post-production are done in Wellington. Ninox TV attributes much of the series' success to the fact that local Wellington locations can stand-in for crime locations in all sorts of places round the country. David Baldock, Head of Production and Managing Director of Ninox TV, explains that the low cost of filming in Wellington is what makes it affordable and achievable to stay in business.

Ninox TV is the creator of *Sensing Murder* International which is currently licensed in nine countries. They have the creative control of the spin-off versions of the show and are co-producing them. New series are planned for the US and the UK markets. The American producer will soon be paying Wellington a visit to see just how Ninox TV puts the show together.

A recent episode involved a man killed in a suspicious car fire. In many cities the idea of recreating this kind of scene outside a studio set is daunting – but not in Wellington. With the support of the Wellington City Council's Parks and Gardens' rangers and a rural fire officer, Film Wellington were able to assist the location manager to source a suitable location to stage a car wreck blaze just a short drive from the city centre.

Filming took place over two days in a Wellington city reserve in Happy Valley. A special fire permit was issued and a team of volunteer fire fighters





Photo: Bret Saunders

stood by with fire engines, water supply and equipment. Shot at night, the action moved from a small smouldering fire in the boot of an old car, with an actor in the front seat, through to a full-blown explosion. The fire fighters were able to use the experience as part of a professional training exercise. Expertly edited, Ninox TV's final footage is very convincing.

**“The majority of reconstructions and all the post-production are done in Wellington.”**





# FOOD AND BEVERAGE SECTOR

## The food and beverage sector is a new addition to the Wellington region's economic development portfolio.

A key part of the Wellington region's food and beverage sector strategy is the continued development of Wellington's boutique wine industry and establishing an international school of cuisine within the region. These two activities are currently part of a New Zealand Trade and Enterprise-funded Major Regional Initiative (MRI), known as 'Cuisine and Fine Wine'.

The Cuisine and Fine Wine MRI's goal is to promote the fine food and wine of the Wairarapa region by improving the international marketing of the Wairarapa cuisine and wine industries. The MRI has two key initiatives:

- **A School of Cuisine.**

\$1.125m (incl GST) was allocated to support the establishment of a new school of cuisine in the region. This involved securing and developing an association with an established education provider (in this case UCOL) and an international culinary provider (Le Cordon Bleu), developing a curriculum, which includes a bachelor of culinary business studies, marketing to international students and securing an iconic staff and management team. To date, \$0.905m (incl GST) has been paid out to UCOL.

- **A Wine Strategy.**

\$0.675m (incl GST) was allocated to support the regional wine industry (WWPG) to develop and implement a collaborative regional branding and marketing strategy. To date, \$452.5k (incl GST) has been paid out to WWPG.

The school of cuisine section of the initiative hit a stumbling block in mid 2008 with the decision to move away from building a 'greenfields' school in the Wairarapa to an established 'brownfields' building in Wellington city. It is still an integral part of the overall food and beverage strategy for the greater Wellington region and as such Grow Wellington will continue to support this activity in the coming year. The WWPG have experienced some real traction over the last few months – as highlighted in the following example.

In March Cath Hopkin – CEO from Alana Estate in Martinborough attended the 'NZ Wine in a Glass' show in Brisbane, Sydney and Melbourne. Her attendance was directly supported by MRI funding through the Wairarapa Regional Table.

Cath now has two high-end distributors in both New South Wales and Queensland competing for Alana Estate wines, and Melbourne's fine dining restaurant – Ezard, now has Alana Estate premium pinot noir on their wine list. The wine retails in Australia for AUS163 a bottle and AUS300 on a wine list.





# BUSINESS GROWTH BUSINESS DEVELOPMENT

During the 2007 year the Business Development team:

- conducted business advisory sessions with 90 start-up companies throughout the Wellington region
- identified and built strong relationships with 177 new clients
- added 110 new referrals to Grow Wellington's network.

The grants facility was greatly reduced this year following the closure of the Grants for Private Sector Research and Development Grant (funded by the Foundation for Research, Science and Technology (FORST)) and the Market Development Grant (funded by New Zealand Trade and Enterprise (NZTE)) being fully committed. However, small and medium-sized businesses (SMEs) were assisted to obtain \$43,000 worth of investment into research and development from the FORST SmartStart grant.

Grow Wellington ran two *Springboard* programmes for Connect New Zealand. The initial contract was to provide eight *Springboard* programmes. Unfortunately, in early 2008 funding was withdrawn by NZTE, and Grow Wellington was unable to complete the contract.

As part of the Connect contract, two business breakfasts were held with guests Jeffrey Sohl (US Angel Investment Guru) and Melissa Clark-Reynolds (Software Entrepreneur).

In 2007 the Business Development team engaged with the business side of AnimfxNZ. The team negotiated a new contract for AnimfxNZ 2008 with the US-based GAV Trust, to ensure business outcomes with export revenue-generating potential.

Eleven courses/workshops in aspects of business management were delivered to a wide range of clients. Two workshops catering specifically to the film industry were included for the first time.





# INCUBATION - CREATIVE HQ

## Fast-tracking start-up businesses with high-growth potential

Now into its fifth year of operation, Creative HQ is well established as the leading incubator within the Wellington region. Its focus remains on the outcomes derived from driving the accelerated growth of start-up businesses. The incubator's 11 successful graduate companies had annual revenues that grew by 38 percent compared to the previous year. These revenues now exceed \$10m per annum, with more than 40 percent of these revenues export-based.

At year-end Creative HQ was incubating 12 companies, covering a range of sectors including IT, media, publishing, Fast Moving Consumer Goods and sustainability. Creative HQ alumni company SilverStripe, was a finalist in the Wellington Gold Awards and was inducted as a member of Google's Summer of Code programme.

A significant focus for Creative HQ has been to continue to improve the incubator's performance through a best-practice review of our systems and processes. This has led to an improved business model which will support greater sustainability in the future. The incubator is also refining its client management approach in setting new benchmarks for performance and milestone monitoring.

This year has also seen a significant focus on increased investment support for incubator clients. Investment is critical for most high-growth businesses to succeed.

Creative HQ piloted a new programme called Activate in the last half of the year. Activate is the best way to hone entrepreneurial skills and allow a founder to assess a business venture's potential value and likelihood of success. This is a structured programme providing a 'journey' for budding entrepreneurs, building the skills and delivering a roadmap for assessing a new venture and building a quality business plan for success. The success of the pilot programme has led to a wider roll-out within the regions with a total of 64 participants planned to be supported in the coming year.





## THE OH! GROUP

The Oh! Group is one of Wellington's hottest new companies and the first food and beverage company accepted into Grow Wellington's incubation programme Creative HQ.

"The Oh! Group's vision is to develop a leading brand company that is known for its inherent quality, "old school cool", and providing a real, viscerally uplifting consumer experience," says founder Neil Fitzpatrick.

Classier than beer, funkier than wine and more sophisticated than 'Ready to Drinks', the company's first product range, Loud&Lola®, is a collaboration with Dominion Breweries.

Loud&Lola® cocktails are 100% natural, using real fruit juice, premium spirits and liqueurs and absolutely no artificial colours, flavours or preservatives. Containing

9% alcohol, the result is a delicately balanced fusion of flavours that appeal to the sophisticated drinker. The Loud&Lola® cocktail range includes four timeless classics – Cosmopolitan, Margarita, Mai Tai, and Boston Iced Tea.

The launch of Loud&Lola's Margarita cocktail was delayed due to months of diplomatic wrangling with Mexican tequila authorities. The problem is that tequila is a controlled brand, like French Cognac, Champagne and Bordeaux. To be true tequila, it has to come from Mexico, bottled and labelled with quality ensured, thus there is a blanket ban on all bulk export except to the US. The Oh! Group formed a successful partnership in Mexico making them one of the few companies in the world to successfully import tequila in bulk.

## CURIOSLY GOOD STORIES FROM AROUND THE WORLD

Independent children's publisher, Gecko Press has gained a reputation for its range of delightful, quirky and quality publications.

Gecko Press is the publisher of *Donkeys* (a love story), *Selma* (a parable about finding happiness) and most recently *My Village*, featuring songs and nursery rhymes from around the world.

The Gecko Press approach has been to source internationally-acclaimed titles primarily from non-English speaking countries and translate them into English.

Founder Julia Marshall also aims to source original New Zealand work and take that out to the world. Her first attempt has been a home run with the publication of *Snake and Lizard* (authored by Joy Cowley and Illustrated by Gavin Bishop).

*Snake and Lizard* (stories about friendship) took out the supreme award at the NZ Post Book Awards this year. Gecko Press has been named co-publisher of the year by the Booksellers Association.

Gecko Press is a resident member of Creative HQ and has global aspirations including taking on some of the giants in the children's publishing sector.



**“At year-end Creative HQ was incubating 12 companies, covering a range of sectors including IT, media, publishing, Fast Moving Consumer Goods and sustainability.”**



# INVESTMENT - ANGEL HQ

**One of Grow Wellington's most exciting achievements this year has been the establishment of an angel investment network, Angel HQ, for the region's early stage enterprises.**

'Angel' investors are high-net-worth individuals who provide seed capital for start-up businesses, usually in exchange for equity. They also bring business skills, connections and other forms of assistance.

Angel HQ has held two investment evenings since its launch in November last year at the New Zealand Stock Exchange. The idea behind the NZX launch venue was that companies being supported by angel investment would aspire to a stock exchange listing as they grew.

Supporting Angel HQ is a high-powered establishment board of passionate Wellingtonians: Sam Knowles, CEO at Kiwibank; Andrew Simmonds, from Simmonds Stewart law firm; Simon Holdsworth from Datacom; and Dion Mortensen from MOVAC. We have also been delighted to secure sponsorship from the BNZ, Deloitte, PricewaterhouseCoopers and Gibson Sheat law firm.

Five globally-focused opportunities have been presented to the region's angels. We are pleased to say that Wellington's angels have completed their first deal. Trinity Bioactives are doing exciting early work developing tests for medical diagnostic services and products (see story). The Wellington region has offered wide breadth and quality of opportunities to angel investors – with possible deals in the software, tourism, food and beverage, infrastructure support and manufacturing sectors.



## TAKING BUSINESS TO THE NEXT LEVEL

Investing in business is all about future-thinking, says one of Wellington's investment 'Angels'.

Wellington property developer and businessman Ian Cassels is part of Angel HQ's group of business investors.

"It's not about today, it's about being able to judge where the market will be in two or three years," he says.

"All ideas are different. We are very keen on Wellington businesses and ideas, and anything that has a clever or interesting angle on technology.

Ian had been involved in business investment before Angel HQ, but with Angel HQ doing much of the filtering and information gathering, the process is more streamlined, making it quicker and easier to assess which opportunities he wants to pursue.

"It's not just about financial investment, many businesses are looking for help with contacts, networking, making connections. The Angel process is a way of them being able to expand and take their business further."

He says the Internet, with its low expansion costs, is a key theme in many of the businesses applying for assistance, and that there is room for more smart energy companies.

"These are companies that can analyse smart generating, metering and energy savings. There are a few businesses with this type of thinking coming through, but there's room for more. Wellington could be a world-leader in providing this advice to the world."

He says the benefits of being an Angel definitely outweigh the risk.

"We have been exposed to some really interesting ideas, and are able to be effective in getting another business up and running. That is very satisfying. The work is challenging and interesting and at an hour or two a week not too time-consuming."

"Angel HQ is a welcome addition to the Wellington environment – it's very good for companies, for investors, and for Wellington."



## INVESTING IN THE FUTURE

Geoff Todd's new company has the potential to change the face of medical diagnosis, and he's unashamedly bursting with enthusiasm about the prospect.

His company, Trinity Bioactive, has bought a business unit from Otago University and is licensing new molecular diagnostics technology from a company in Texas. Initially Trinity will focus on providing bioassays (biological tests) that quickly assess potential pharmaceutical or health products for actual health benefits.

In the longer term Trinity will develop a diagnostic product range that uses fragments of DNA to conclusively identify disease conditions. The clincher is that this can be done, not in two days, or even two hours, but only a few minutes.

"It's almost instantaneous," says Geoff. "The way it is done will be better than any other process currently, and will have many potential applications."

Geoff has led two start-ups to date, but this is the first time that he has been able to be a shareholder and investor in a start up company.

But he denies it is nervewracking, instead saying he and his partners in the business – Paul Davis,

who was the head of the Otago University business unit and Allen Goldenthal – find it incredibly exciting.

"We're a bunch of enthusiasts, who can see the potential for something big in this. We have grand plans!"

Their enthusiasm has been infectious, wearing off on a group of investors from Angel HQ, three of whom have decided to support the growth of the company.

He says Angel HQ is an important development for Wellington and has been integral in helping get their company off the ground.

"Wellington has a low proportion of non-service companies. We must look at companies that grow and thrive despite the exchange rate. Grow Wellington has done this by helping a business to emerge out of academia."

Geoff says the help of Angel HQ has been invaluable, not just from a financial perspective, but to help focus on the key objectives of the business.

"Angel HQ encouraged me to be more natural and encouraged me to express my passion for my business. This is really important – for investors to believe in your product, you need to show them that you believe in it first."





# MIGRANT ATTRACTION

**The major undertaking of the 2007 year was building on the promotion of the Wellington region and its employers to the 8700 visitors to job expos in the United Kingdom in October.**

The Expo took place in London and Manchester, with presentations at seminars in Leeds, Birmingham and Glasgow.

Marketing material from 26 participating Wellington organisations was distributed to over 1000 skilled people considering migration to Wellington.

This year we have assisted 135 migrants move to Wellington. Over half of these were skilled IT professionals with the remainder being representatives of other occupational groups.

We have also assisted 83 employers and recruitment companies with referrals of skilled migrants, and 3199 migrants have registered on Grow Wellington's job database.



## RECRUITING A WARM WELCOME

In October 2007, Nicki Moakes locked the front door of her house in Guernsey, got on a plane to New Zealand and walked straight into a new job, and life, in Wellington.

She came here on a six-month tourist visa, with a view to looking for work. What she wasn't expecting was that within a month, with the assistance of organisations like Grow Wellington and Settlement Support, she would have her dream job as a recruitment consultant at Wellington company Wheeler Campbell.

"It all happened so quickly," she says. "I approached Settlement Support, who gave me a contact at Grow Wellington and they passed my CV onto some agencies. Within a few days I got a call from Wheeler Campbell to come in and see them. I had an interview. They made me a job offer straight away, we put in an application to Immigration for a work visa for me, and that came through three days later!"

Originally from Derbyshire in England, 34-year old Nicki had been living on the island of Guernsey (part of the Channel Islands between Britain and France). She studied psychology at university and then set about looking for work. As a tax haven, options were limited, so she headed into the financial sector. She quickly realised she was more interested in something that was more people-focused.

"I considered recruitment, but with only 60,000 residents it's a very small market."

She ended up working as a customs officer; a role she says was ideal to give her the skills she needs today.

"It involved interviewing, assessment of the honesty of individuals and writing reports on people," she explains, "all transferable skills for recruitment!"

A psychology qualification was already something that Wheeler Campbell looked for in its consultants, and Nicki's additional financial experience and people skills made her a perfect match.

The decision to move to New Zealand was influenced by family, with her sister having lived here since 2001 and her parents spending six months a year here. After two visits as a tourist, Nicki decided to make the move, and has no regrets.

"New Zealand is a very welcoming nation. The people are friendly and everything is more personal. You are really prepared to give a newcomer a chance and processes are far less bureaucratic than in Europe."

She says the biggest thing about moving to another country is making contacts, and being recommended to the right people.

"This is what really impressed me. I'm only one new person in this city, but I wasn't just put into a queue. People took the time to help me make those contacts."

"I have had friends move to Europe, the Caribbean, Asia and Australia, and I think the structure that is set up here for newcomers is world-leading. The process of immigration was smooth, quick, and there were so many organisations that put in time and effort on my behalf."





## HAPPY ENDING IN NEW ZEALAND

They'd hardly left New Zealand, but Felicien Houet and Vera Padilha were already plotting how to come back.

Here for two months as part of a round-the-world honeymoon, Felicien, from France, and Brazilian Vera had fallen in love with New Zealand, and were determined to return to live.

Two years later, after a chance meeting in Tahiti, a trip to an Expo in London, and some help from Grow Wellington and Migrant Services, they are very happily living in Wellington.

The planets started to align towards their move when they were still on honeymoon, when they met a retired couple in Tahiti who offered them the use of their Wellington home while they themselves were overseas.

Back home in Paris, Felicien made the trip to a New Zealand Expo in London. He talked to recruitment consultants, found out about the employment and immigration process and whether his skills in IT would be needed in New Zealand (they are!). Despite having a four-month old daughter they packed their bags and arrived in August last year.

Landing without jobs or work visas, they say the process of settling has been far easier than they were expecting.

"We went to see Grow Wellington and they gave us some good practical advice," says Felicien, "they gave us an orientation, help with my CV and advice on how the employment process works in New Zealand. We came

here knowing no-one, and just talking to a local who could help you figure things out was very useful."

He says it was the friendliness that surprised him. "I was expecting a formal interview, and was quite nervous, but the process is very relaxed. That made it much easier."

From an IT background, Felicien was quickly snapped up by Davanti Consulting (a division of Gen-i) as a business analyst. "By coming here and then looking for work, you get to meet people, get a feel for a place, know where and who you want to work for."

Allowing Vera to go back to her career as a graphic designer has proved more difficult, on hold until their now 15-month-old daughter Flora makes it through a waiting list for childcare. But still Vera is positive about her experience so far.

"New Zealand is a very baby-friendly place, and there are lots of facilities and activities for mums who are at home."

"It's the quality of life in New Zealand that we love," she says. "Just even spending less time on public transport gives you more hours in your own life. The work/life balance is much better."

They say the move, despite taking them halfway across the world has been worth it. "One of the secrets of life is that happiness is about taking risks," says Vera, "and this has been one with a positive outcome for us."



# STATEMENT OF INTENT MEASURES

GROW WELLINGTON ACTIVITY 2007/2008	PERFORMANCE MEASURES 2007/2008	STATUS OF PERFORMANCE MEASURES AS AT 30 JUNE 2008
Launched Angel HQ, an angel investment club giving start up and early stage businesses access to capital.	30 members. 2 affiliate members. 40 deal enquiries. 15 pre-screened deals. 8 deals presented. 2 due diligences completed.	18 members. 5 affiliate members. 38 deal enquiries. 9 pre-screened deals. 8 deals presented. 1 due diligence complete.
Continued to support high-growth businesses through our business development programme.	150 start up companies facilitated. 120 new clients. 20 Foundation of Research, Science and Technology (FORST) grants. 15 New Zealand Trade and Enterprise grants. 50 contacts on referral network.	112 start up companies facilitated. 213 new clients. 11 FORST grants. 11 New Zealand Trade and Enterprise grants. 117 contacts on referral network.
Established ConnectNZ, a fast track process for technology businesses.	8 Roundtables. 4 technology briefings. Entrepreneur Breakfast.	2 Roundtables. 1 technology briefing. 2 Entrepreneur Breakfasts.
Established Activate, a new pre-incubation programme at Creative HQ.	8 participants.	7 companies attended the first <i>Activate</i> programme on 11 February. Launched in Lower Hutt on 19 May, with 8 companies and Porirua on 19 June.
Continued to run Creative HQ, our business incubator.	15 high-growth companies resident. 60% of residents on target to meet \$500,000 turnover at 18 month review.	12 high-growth companies resident. On target (average revenue per client of \$375k).
Supported the recent AnimfxNZ international forum putting regional businesses in touch with offshore opportunities in the gaming, animation & digital content industries.	4 business outcomes as a result of forum introductions.	33 business meetings organised in 2007 – tracking underway. Sponsorship agreement with NZ GAV Trust to manage AnimfxNZ 2008 has been signed.
Further develop impact of Greater Wellington Industry Development Centre through web-based Manufacturers' Marketplace to help NZ manufacturers connect with each other and the rest of the world, showcase their products, people and services in order to link up with buyers, suppliers and project partners.	Facilitate the population of the marketplace with a minimum of 50 companies as a control group. Facilitate two collaborative projects via online community.	Soft launch achieved and promotion underway. 13 companies signed up and information sent to a mailing list of more than 200. Planning work continues. Rationalisation of websites being considered. Commissioned Strategia Ltd to develop full concept of graduate management programme. Visits to manufacturers to test two project concepts indicates strong interest. Projects being developed into work plans.
Workplace Productivity Project (part of the Wellington Regional Labour and Market Strategy productivity initiative) aims to better integrate services and support to businesses in the Wellington region to increase productivity and skill levels.	Industry Development Center to deliver project management of initiative and meet contractual conditions with Employment and Manufacturers Association/Department of Labour. Project runs for calendar year 2008. First phase is to identify a suitable project team, participating companies and frame a programme for the year.	Programme developed and underway with Employment and Manufacturers Association taking the lead role. Industry Development Center playing no role in this work.



GROW WELLINGTON ACTIVITY 2007/2008	PERFORMANCE MEASURES 2007/2008	STATUS OF PERFORMANCE MEASURES AS AT 30 JUNE 2008
Education Wellington International markets Wellington to international students and has hosted a range of international government and business visitors to grow international student numbers.	<p>Membership to include 95% of institutions involved in export education.</p> <p>Delivery of 8 professional development workshops a year.</p> <p>Average of 2,500 website visits/month.</p>	<p>Membership includes 80% of publicly funded institutions and English language schools.</p> <p>5 workshops held.</p> <p>Average of 2,555 website visits/month.</p>
Through Film Wellington, Grow Wellington has continued to facilitate local and international screen production in the Wellington region and worked with the Association of Film Commissioners International (AFCI) on their plans to host the 2008 international professional development conference (Cineposium 08) in our region.	<p>Issue 240 film permits.</p> <p>Issue 760 location approvals.</p> <p>Achieve Cineposium 2008 planning milestones.</p> <p>Receive 240 national/international enquiries (20 per month).</p>	<p>247 film permits issued.</p> <p>643 location approvals issued.</p> <p>Registrations opened. Contracted Verve to deliver hosting responsibilities.</p> <p>203 enquiries received. Average of 18 per month. 72 enquiries in June alone.</p>
Further develop the Wairarapa Food and Wine Major Regional Initiative.		<p>Universal College of Learning (UCOL) have signalled that they will no longer be building Le Cordon Bleu (LCB) in the Wairarapa.</p> <p>UCOL are keen to establish the School in Wellington. In order for this to happen, UCOL and Weltec will need to find a way that they can work collaboratively with LCB.</p> <p>NZTE will not make a final decision on the remainder of the funding allocated to UCOL until a site for the school has been selected formally.</p> <p>Funding for wine and tourism promotion for Wairarapa wine and food is still available from the MRI fund.</p>
Support the region's primary sector to improve productivity.	<p>Secured Central Government support for irrigation development in the region.</p> <p>Formal agreement reached with commercial partner in irrigation project.</p>	<p>Agreement brokered by Grow Wellington between the Irrigation Trust and Meridian. Working on action plan.</p> <p>Consultants appointed. Community Irrigation Fund application submitted. Presentation made to Community Irrigation Fund Assessment Panel. Full Trust meeting held with Technical Review Consultants and Grow Wellington senior management.</p> <p>Successfully received Community Irrigation Fund funding of \$135,000 over 4 years to be matched by Grow Wellington.</p>
Grow Wellington's migrant attraction manager attended the London Expo to support the region's employers to fill skills shortages.	<p>1,500 new registrations on database.</p> <p>110 migrants assisted into employment and/or assisted with settlement.</p>	<p>3246 new registrations on database.</p> <p>135 migrants assisted into employment and/or assisted with settlement.</p>



# STATEMENT OF INTENT MEASURES

DEVELOPING CENTRES OF EXCELLENCE	GROW WELLINGTON APPROACH	ACTIVITY IN 2007/2008	ACTIVITIES AS AT 30 JUNE 2008
Grow Centres of Excellence.	Lead the establishment of Centres of Excellence for the region's economic growth.	<p>Appoint a project director.</p> <p>Define criteria for proceeding with a Centre of Excellence &amp; what it will do.</p> <p>Develop success measures for a Centre of Excellence.</p> <p>Scope and commence establishment of a pilot Centre of Excellence.</p>	<p>Laurence Greig has been appointed as General Manager, Centres of Excellence.</p> <p>Refining long-list selection criteria for testing shortlist; map Centre of Excellence value lifecycle.</p> <p>Define narrow scope of Centre of Excellence project focus.</p> <p>Select shortlist initial Advisory Board members.</p> <p>US and Europe visits to evaluate best practice and seek collaborations in areas selected completed.</p> <p>All panel meetings completed.</p> <p>Establish funding sources for next stages of 12 months growth.</p> <p>Centre of Excellence Build Plan completed. Time plans to achieve best early wins while maintaining long term plan.</p>
Grow and retain existing businesses.	Facilitate as part of CoE programmes.	Scope existing businesses that will form initial Centre of Excellence.	<p>Wide interviews with key participants undertaken in the following sectors:</p> <ol style="list-style-type: none"> <li>1. Screen technologies</li> <li>2. Biotechnology</li> <li>3. Sustainable Energy</li> <li>4. Natural Hazards.</li> </ol> <p>Letter of support for participant review drafted.</p>
Attract high-value individuals to the region.	Facilitate as required to support Centre of Excellence.		Signed Memorandum of Understanding with Suzhou Sispark.
Attract export businesses.	Lead to support Centre of Excellence.		Agreed with Mayo Clinic to early participation in Biotech innovation etc planning.
Provide market access and support.	Facilitate as required to support Centre of Excellence.		Visits arranged to Suzhou, Shanghai and Jakarta to develop market values.
Tell Wellington's story internationally.	Facilitate as required to support Centre of Excellence.	Define Centre of Excellence's role in the region's international story.	



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# **GROW WELLINGTON LIMITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2008



# ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2008

The Board of Directors present their Annual Report including Financial Statements of the company for the year ended 30 June 2008.

## Trading Results

	2008 \$
Net Surplus/(Deficit)	75,660
Retained Earnings at 1 July 2008	-
<b>NET RETAINED EARNINGS</b>	<b>75,660</b>

## Dividends

The directors recommend that no dividend be paid for the year.

## Transfers

It is not proposed to make any transfer to reserves.

## State of Affairs

The state of the company's affairs at 30 June 2008 were:

	2008 \$
Assets Totalled	853,332
<i>Financed By:</i>	
Shareholders Funds	75,660
Liabilities	777,672
	<b>853,332</b>

As required by section 211 of the Companies Act 1993, we disclose the following information:

## Nature of Business

The business of the company is economic development of the Wellington region. The nature of the company's business has not changed during the year under review.

## Directors' Interests

Directors had interests in transactions or proposed transactions of the company as detailed in note 21 of the financial statements.

## Use of Company Information

The Board received no notices during the year from directors requesting to use company information received in their capacity as directors which would not have been otherwise available to them.

## Share Dealings

No director acquired or disposed of any interest in shares in the company during the year.

## Indemnities

The company has not entered into any indemnity or insurance in respect of any liability that the directors may incur in their capacity as directors.



### Directors' Remuneration

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

DIRECTOR	2008 \$
Murray McCaw (Chairman)	20,000
Brent Albiston	15,000
Murray Bain	15,000
Viv Beck	15,000
Glenys Coughlan	12,500
John Lumsden	15,000
John McFadzean	15,000
Luong Pham	15,000
<b>TOTAL DIRECTORS' REMUNERATION</b>	<b>122,500</b>

### Donations

No donations were made during the year 30 June 2008.

### Directors' Remuneration

All directors held office for the period noted below. No other person held office as director at any other time during the period.

DIRECTOR	2008 \$
Murray McCaw (Chairman)	05-April-07
Brent Albiston	23-May-07
Murray Bain	23-May-07
Viv Beck	23-May-07
Glenys Coughlan	23-May-07
John Lumsden	05-April-07
John McFadzean	23-May-07
Luong Pham	23-May-07

### Employee Remuneration

Remuneration paid to employees over \$100,000 during the 2008 financial year is grouped as follows:

SALARY BAND	NUMBER OF EMPLOYEES
\$160,000 to 169,000	1

### Auditors

Audit New Zealand Limited is the auditor of the 2008 financial statements. Audit fees of \$26,800 were paid/payable during the 2008 financial year.

### General

In the directors' opinion, the current financial position of the company is considered to be satisfactory.

For and on behalf of the Board:



**MURRAY McCAW**  
Date



**MURRAY BAIN**  
Date



# INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	NOTES	2008 \$
<b>Revenue</b>		
Council Contributions		3,736,650
Council Regional Outlook Funding		50,000
Other Revenue	4	1,257,733
Interest Revenue		7,240
<b>Total Revenue</b>		<b>5,051,623</b>
<b>Expenditure</b>		
Audit Fees		26,800
Communication		85,111
Computer Services		67,402
Directors' Fees and Expenses	19	129,562
Grants and Sponsorship		269,567
Interest Expense		2,882
Marketing		500,726
Occupancy		69,281
Office Expenses		117,358
Other Operating Expenses		476,493
Personnel Expenses		2,217,111
Premises and Equipment Rental		305,135
Professional Services		106,538
Project Expenses		409,598
Travel		141,840
Loss on Disposal of Fixed Assets		8,971
Depreciation	22	18,849
Amortisation of Computer Software	10	22,739
<b>Total Expenditure</b>		<b>4,975,963</b>
<b>Profit before Income Tax</b>		<b>75,660</b>
Income Tax Expense	6	-
<b>PROFIT</b>		<b>75,660</b>



# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008

	<b>RETAINED EARNINGS 2008 \$</b>
<b>Total Equity at Start of the Year</b>	
Profit	75,660
<b>TOTAL EQUITY AT END OF THE YEAR</b>	<b>75,660</b>



# BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2008

	NOTES	2008 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and Cash Equivalents	7	111,101
Trade and Other Receivables	9	117,258
Prepayments		46,217
Grant Income Due	5	424,428
<b>Total Current Assets</b>		<b>699,004</b>
<b>Non-Current</b>		
Property, Plant and Equipment	22	115,945
Intangible Assets	10	38,383
<b>Total Non-Current Assets</b>		<b>154,328</b>
<b>TOTAL ASSETS</b>		<b>853,332</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Trade and Other Payables	11	482,008
GST Payment Due		4,810
Creative HQ Bonds		7,200
Employee Benefits	12	130,258
Revenue In Advance		153,396
<b>Total Current Liabilities</b>		<b>777,672</b>
<b>TOTAL LIABILITIES</b>		<b>777,672</b>
<b>NET ASSETS</b>		<b>75,660</b>
<b>EQUITY</b>		
Retained Earnings		75,660
<b>TOTAL EQUITY</b>		<b>75,660</b>



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2008

	NOTES	2008 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Inflows</b>		
Council Contributions		3,312,222
Regional Outlook Funding		50,000
Grant Revenue		1,100,998
Other Revenue		200,073
Interest Revenue		7,240
GST Net		4,810
<b>Cash Inflows from Operating Activities</b>		<b>4,675,343</b>
<b>Outflows</b>		
Payments to Suppliers		2,225,177
Payments to Employees		2,216,415
Interest Paid		2,882
<b>Cash Outflows from Operating Activities</b>		<b>4,444,474</b>
<b>Net Cash Flow from Operating Activities</b>		<b>230,869</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Outflows</b>		
Purchase of Property, Plant and Equipment		58,646
Purchase of Intangible Assets		61,122
<b>Net Cash Flows (used in) Investing Activities</b>		<b>(119,768)</b>
Net Increase in Cash Held		111,101
Operating Cash Brought Forward		-
<b>ENDING CASH CARRIED FORWARD</b>	<b>7</b>	<b>111,101</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

## 1. REPORTING ENTITY

The financial statements for Grow Wellington Limited (the "Entity") are presented.

The Entity was incorporated as Regional EDA Limited on 5 April 2007. The Entity changed its name to Grow Wellington on 25 February 2008.

The Entity is a company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand and operates from Wellington. The Entity is wholly owned by the Greater Wellington Regional Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Directors.

The registered office of the Entity is 142 Wakefield Street, Wellington, New Zealand.

The primary objective of the Entity is to encourage, promote and support the establishment and growth of business investment and employment opportunities within the region, rather than make a financial return.

The financial statements of the Entity are for the year ended 30 June 2008. The financial statements were authorised for issue by the Board on 22nd August 2008.

## 2. BASIS OF PREPARATION

### a. Statement of Compliance

The financial statements are prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate to public benefit entities.

Grow Wellington Limited qualifies for Public Benefit Entity reporting exemptions as its primary objective is to provide services for the community or social benefit and the entity has been established with a view to supporting that primary objective rather than financial return. All appropriate Public Benefit reporting exemptions have been adopted.

The Entity qualifies for Differential Reporting exemptions as it has no public accountability, and is not large. All available reporting exemptions allowed under the Framework for Differential Reporting have been adopted. The Entity has elected to take exemption of the following:

NZ IAS 12 – 'Income Tax' – tax is accounted for using the taxes payable method as opposed to calculating deferred tax.

NZ IAS 24 – 'Related Party Disclosure' – non-disclosure of key management personal compensation.

NZ IAS 16 – 'Property, Plant and Equipment' – exempt from disclosure requirements in paragraph 51, 61 and 73.

NZ IAS 38 – 'Intangible Assets' – exempt from disclosure requirements in paragraph 118(e).

NZ IFRS 7 – 'Financial Instrument Disclosure' – no disclosure required.

The Entity is not taking advantage of the Differential Reporting exemptions from NZ IAS 7 related to the cash flow statements.

### b. Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for financial assets and liabilities that have been measured at fair value. The accounts have been prepared on a going concern basis.

### c. Presentation Currency

The financial statements are presented in New Zealand dollars (\$). This is the functional currency.

### d. Use of Estimates and Judgements

The preparation of 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 these estimates.

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

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the notes 3(d), 3(e), 3(f), 3(h) and 3(l).

## 3 SIGNIFICANT ACCOUNTING POLICIES

As these are the first financial statements prepared for Grow Wellington Limited, there are no comparatives for the previous year and no accounting policies previously employed which could have changed.

### a. Foreign Currency Transactions

Transactions in foreign currencies that are settled in the accounting period are translated at the settlement rate. Transactions in foreign currency that are not settled in the accounting period, resulting in monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are translated to New Zealand dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Income Statement.



## **b. Financial Instruments**

### *(i) Non-Derivative Financial Instruments*

Non-derivative financial instruments comprise investments in equity, trade and other receivables, cash and cash equivalent, and trade and other payables.

## **c. Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

## **d. Plant and Equipment**

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

### *(i) Additions*

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

### *(ii) Disposals*

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in Income Statement.

### *(iii) Depreciation*

Depreciation is charged on a straight-line basis on all property, plant and equipment other than land over the estimated useful life. Depreciation is charged to the Income Statement. The useful lives and associated depreciation rates have been estimated as follows:

Computer Hardware	3 years (33%)
Equipment	8 years (12.5%)
Furniture	10 years (10%)
Motor Vehicles	5.5 years (18.18%)

### *(iv) Subsequent Costs*

Subsequent costs for property, plant and equipment are capitalised only when future economic benefits or service potential will flow to the Entity.

## **e. 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 (33%)
-------------------	---------------

### *(i) Amortisation*

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

### *(ii) Computer Software*

Acquired software licenses are capitalised on the basis of 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.

### *(iii) Website Maintenance*

Costs associated with developing and maintaining the Entity's website is recognised as an expense when incurred.

## **f. Trade and Other Receivables**

Trade and other receivables are treated at their cost less impairment losses.

A provision for impairment is established where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable.

### *(i) Impairment*

The carrying amounts of assets are reviewed at each balance date to determine whether there is any objective evidence of impairment. If any such indication exists, the assets recoverable amount is estimated. The recoverable amount is calculated as the present value of estimated future cash flows discounted at their original effective interest rate.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying value of assets and are recognised in the Income Statement.

Receivables with a short duration are not discounted.

There were no impairments made during the year ended 30 June 2008.

## **g. Trade and Other Payables**

Trade and other payables are stated at amortised cost.



# NOTES TO THE FINANCIAL STATEMENTS CONTINUED...

FOR THE YEAR ENDED 30 JUNE 2008

## **h. Employee Benefits**

### *(i) Short-term benefits*

Employee benefits that the Entity expects to be settled within 12 months of balance date are measured at nominal value based on accrued entitlements at current rate of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, expected to be settled within 12 months, and sick leave.

The Entity recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent the Entity anticipates it will be used by staff to cover those future absences.

The Entity recognises a liability and an expense for bonuses where they are contractually obliged or where there is a past practice that has created a constructive obligation.

## **i. Provisions**

### *(i) Grant Revenue*

The Entity 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 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 Entity from a contract are lower than the unavoidable cost of meeting its obligation under the contract.

## **j. Revenue**

### *(i) Grant Revenue*

Grant revenue is drawn down from the Greater Wellington Regional Council as required to fund both capital and revenue expenditure flows. From time to time this process may result in either a surplus or a loss for tax purposes.

In compliance with IAS 20 council contributions are recognised when:

- The conditions attached to the grants have been met
- There is reasonable assurance that the grants will be received

### *(ii) Sponsorship*

Revenue received from third parties to partly cover the costs of running the Entity's programmes and projects. Sponsors were linked to the programme and recognised in all promotions associated with the activity they sponsored.

### *(iii) Fee Revenue*

Revenue received from the incubator residents which partly offsets the costs of running the incubator.

### *(iv) Rental Revenue*

Revenue received from non-residents of the incubator which covered the costs of their occupancy at the incubator.

### *(v) Interest Revenue*

Revenue is recognised as the interest accrued to the net carrying amount of the financial asset.

### *(vi) Other Revenue*

All other revenue received from third parties to cover contracted and other services the entity provided for the third party. Training courses, services provided to the Foundation for Science Research and Technology and services provided to Education Wellington International.

### *(vii) Revenue in Advance*

The percentage of completion basis has been adopted to recognise this income.



## k. Expenses

### (i) Operating Lease Payments

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 Income Statement on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

### (ii) Finance Income and Expenses

Finance income comprises interest income that is recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method.

## l. Income Tax

The income tax expense recognised in the Income Statement is the estimated income tax payable in the current year, adjusted to any difference between the estimated and actual income tax payable in prior periods.

## m. GST

All amounts are shown exclusive of Goods and Service Tax (GST), except for receivables and payables that are stated inclusive of GST. When GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

Cash flows are included in the Cash Flow Statement on a net basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

## 4. OTHER REVENUE

	2008 \$
Grant Revenue – NZTE	880,976
Grant Revenue – FORST	66,626
Other Revenue	132,930
Sponsorship	70,972
Fee Revenue	79,955
Rental Revenue	26,274
<b>TOTAL OTHER REVENUE</b>	<b>1,257,733</b>

## 5. GRANT REVENUE DUE

At balance date the entity was owed \$424,428 from the Greater Wellington Regional Council. This amount relates to grant revenue which Grow Wellington Limited was entitled to, but had not been paid at balance date.

## 6. INCOME TAX EXPENSE

	2008 \$
Net Surplus Before Tax	75,660
Tax at 33%	24,968
<b>Plus (Less) Tax Effect of:</b>	
Non-deductible Expenditure	37,914
Grant for Fixed Assets	(67,613)
Tax Loss not recognised	4,731
<b>TAX EXPENSE</b>	<b>-</b>

The Entity has made a taxable loss in 2008 therefore there is no tax charge under the income tax payable method.

As at 30 June 2008, the Entity has tax losses of \$14,336 available to be carried forward to be offset against taxable income in future periods, subject to Inland Revenue confirmation and the requirements of the Income Tax Act 2004 being met.



# NOTES TO THE FINANCIAL STATEMENTS CONTINUED...

FOR THE YEAR ENDED 30 JUNE 2008

<b>CALCULATION OF TAXABLE INCOME</b>		<b>2008</b>
		<b>\$</b>
<b>Net Surplus Before Tax</b>		<b>75,660</b>
<i>Permanent Differences:</i>		
<i>Less non-assessable revenues:</i>		
Council Contributions	3,736,650	
Council Regional Outlook Funding	50,000	
Grant Revenue – NZTE	880,976	
Grant Revenue – FORST	66,626	
		<b>(4,734,252)</b>
<i>Plus non-deductible expenditure:</i>		
Operating expenditure relating to grant income	4,529,365	
Depreciation, amortisation, and loss on disposal of assets	50,559	
Non-deductible Entertainment	20,164	
		<b>4,600,088</b>
		<b>(134,164)</b>
<i>Timing adjustments:</i>		
Holiday Pay Accrual	52,920	
Less: Holidays taken within 63 days of balance date	(21,440)	
Income in Advance	12,688	
		<b>44,168</b>

<b>TAXABLE INCOME (LOSS)</b>	<b>(14,336)</b>
------------------------------	-----------------

## 7. CASH AND CASH EQUIVALENTS

		<b>2008</b>
		<b>\$</b>
Cash at bank and in hand		111,101
Short term deposits		-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>		<b>111,101</b>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between 30 and 90 days depending on immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.



### 8. RECONCILIATION FROM THE NET PROFIT AFTER TAX TO THE NET CASH FLOW FROM OPERATIONS

	2008 \$
<b>Net Profit after Tax</b>	<b>75,660</b>
<i>Adjustments for</i>	
Loss on Disposal of Assets	8,971
Depreciation	18,849
Amortisation	22,739
Impairment Losses	-
Net (Profit)/Loss on disposal of Property, Plant and Equipment	-
Movement in Deferred Tax	-
Share of Profit of Equity Accounted Investee	-
<i>Changes in Assets and Liabilities</i>	
(Increase)/Decrease in Inventories and Work in Progress	-
(Increase)/Decrease in Trade and Other Receivables	(163,475)
(Increase)/Decrease in Prepayments	-
(Decrease)/Increase in Trade and Other Payables	401,699
(Decrease)/Increase in Provisions	-
(Decrease)/Increase in Employee Entitlements	130,258
(Increase)/Decrease in Grant Revenue Due	(424,428)
(Decrease)/Increase in Income in Advance	160,596
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>230,869</b>

### 9. TRADE AND OTHER RECEIVABLES

	2008 \$
Trade Receivables	117,258
Other Receivables	-
	<b>117,258</b>

Trade receivables are usually due within 30-45 days and do not bear an effective interest rate. All trade receivables are subject to credit risk exposure. There is no concentration of credit risk with respect to receivables outside the entity, as the entity has a large

### 10. INTANGIBLE ASSETS

	2008 \$
Cost	61,122
Impairment	-
Balance carried forward amortisation	-
Current year amortisation	(22,739)
Total accumulated amortisation	(22,739)
<b>CARRYING VALUE</b>	<b>38,383</b>

Software is amortised using the straight-line method over the expected useful life.



# NOTES TO THE FINANCIAL STATEMENTS CONTINUED...

FOR THE YEAR ENDED 30 JUNE 2008

## 11. TRADE AND OTHER PAYMENTS

	2008 \$
Trade Payables	399,167
Non-Trade Payables and Accrued Expenses	82,841
	<b>482,008</b>

Trade and Other Payables are non-interest bearing and are normally settled on a 30-day term, therefore the carrying value of Trade and Other Payables approximates their fair value.

## 12. EMPLOYEE BENEFIT LIABILITIES

	2008 \$
Annual Leave/Holiday Pay	52,920
Sick Leave	-
Long Service Leave	-
Accrued Salary and Wages	77,338
<b>TOTAL EMPLOYEE BENEFITS</b>	<b>130,258</b>

## 13. CAPITAL COMMITMENTS

There were no capital commitments at balance date.

## 14. OPERATING LEASES

Non-cancellable operating lease rentals are payable as follows:

	2008 \$
Less than one year	253,115
Between one and five years	938,390
More than five years	213,816
	<b>1,405,321</b>

## 15. CONTINGENT LIABILITIES

There were no contingent liabilities at balance date.

## 16. INCOME IN ADVANCE

Income in advance represents funds received for which the contracted work was incomplete at balance date. The percentage of completion basis has been adopted to recognise this income.

## 17. CAPITAL MANAGEMENT

The Entity's capital is its equity, which comprises share capital and retained surpluses. Equity is represented by net assets.

The company's constitution requires the Board of Directors to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently. The Entity's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing the Entity's equity is to ensure the Trust effectively achieves its objectives and purpose, while remaining a going concern.

## 18. SUBSEQUENT EVENTS

There were no significant events after balance date.



**19. DIRECTORS' FEES AND EXPENSES**

	2008 \$
Murray McCaw (Chairman)	20,000
Brent Albiston	15,000
Murray Bain	15,000
Viv Beck	15,000
Glenys Coughlan	12,500
John Lumsden	15,000
John McFadzean	15,000
Luong Pham	15,000
Total Directors' Fees	122,500
Directors' Expenses	7,062
<b>TOTAL DIRECTORS' FEES AND EXPENSES</b>	<b>129,562</b>

**20. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES**

	2008 \$
<i>Loans and Receivables</i>	
Cash and Cash Equivalents (Note 7)	111,101
Trade and Other Receivables (Note 9)	117,258
Grant Revenue due (Note 5)	424,428
<b>TOTAL LOANS AND RECEIVABLES</b>	<b>652,767</b>
<i>Financial Liabilities measured at amortised cost</i>	
Trade and Other Payables (Note 11)	482,008
<b>TOTAL FINANCIAL LIABILITIES MEASURED AT AMORTISED COST</b>	<b>482,008</b>

**21. RELATED PARTIES**

Grow Wellington Limited had the following transactions with entities related to board members:

**Services purchased from Related Parties**

RELATED PARTY	BOARD MEMBER	RELATIONSHIP	DESCRIPTION	AMOUNT 2008 \$
Infinity Solutions*	Murray McCaw	Director	Purchase of IT Support services	36,132
Positively Wellington Business	Murray Bain	Trustee	Purchase of assets	155,480
Positively Wellington Tourism	Glenys Coughlan	Chair	Purchase of media course	267
Wellington Regional Chamber of Commerce	John Lumsden	President	Purchase of membership services	1,842
Moxie Design	John Lumsden	Director	Purchase of mentoring services	1,200
<b>TOTAL SERVICES PURCHASED FROM RELATED PARTIES</b>				<b>194,921</b>



# NOTES TO THE FINANCIAL STATEMENTS CONTINUED...

FOR THE YEAR ENDED 30 JUNE 2008

## Services to Related Parties

RELATED PARTY	BOARD MEMBER	RELATIONSHIP	DESCRIPTION	AMOUNT 2008 \$
Foundation for Science, Research and Technology	Murray Bain	CEO	Sale of support services for Industry development centre and follow-up services to grant recipients	78,177
Positively Wellington Business	Murray Bain	Trustee	Settlement of PWB	324,161
<b>TOTAL SERVICES SOLD TO RELATED PARTIES</b>				<b>402,338</b>

## Year-end Accounts Receivable from Related Parties

RELATED PARTY	BOARD MEMBER	RELATIONSHIP	DESCRIPTION	AMOUNT 2008 \$
Foundation for Science, Research and Technology	Murray Bain	CEO	Sale of follow-up services to grant recipients	16,621
<b>TOTAL YEAR-END ACCOUNTS RECEIVABLE FROM RELATED PARTIES</b>				<b>16,621</b>

\* The Grow Wellington Limited service level agreement with Infinity Solutions Limited was novated from Positively Wellington Business and was in place prior to Murray McCaw being appointed to the board of Grow Wellington Limited. Murray McCaw resigned from his directorship of Infinity Solutions Limited on 16th October 2007. Related party transactions up to that date were \$12,480.

With the exception of paying board Fees, expenses for board members, and expenses of senior management there have been no other related party transactions with the board members, their organisations or with senior staff.

With the exception of council contributions (\$3,736,650) and regional outlook funding (\$50,000) there were no other related party transactions between Grow Wellington Limited and their owner the Greater Wellington Regional Council.

As a matter of practice, where there is a real or perceived conflict of interest for any Board decision the Director notes the conflict and withdraws from any involvement in the decision making.

The settlement with Positively Wellington Business was carried out in accordance with the Deed relating to the winding up of the Wellington Regional Economic Development Trust. The parties to the Deed were Wellington Regional Economic Development Trust trading as Positively Wellington Business (PWB), Regional EDA Limited (now Grow Wellington Limited) and The Wellington City Council.

## 22. PROPERTY PLANT AND EQUIPMENT

30 JUNE 2008	COST OR DEEMED COST 01 JULY 2007	CURRENT YEAR DEPRECIATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT CHARGES 30 JUNE 2008	CARRYING AMOUNT 30 JUNE 2008
Motor Vehicles	4,586	2,814	2,814	1,772
Equipment	18,095	2,820	2,820	15,275
Computer Hardware	14,710	8,475	8,475	6,235
Furniture	97,403	4,740	4,740	92,663
<b>TOTAL ASSETS</b>	<b>134,794</b>	<b>18,849</b>	<b>18,849</b>	<b>115,945</b>



# AUDITOR'S REPORT

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

FOR THE YEAR ENDED 30 JUNE 2008

## TO THE READERS OF GROW WELLINGTON LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION

The Auditor-General is the auditor of Grow Wellington Limited (the company). The Auditor-General has appointed me, A P Burns, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company, on his behalf, for the year ended 30 June 2008.

### Unqualified Opinion

In our opinion:

- The financial statements of the company on pages 26 to 40:
  - comply with generally accepted accounting practice in New Zealand;
  - give a true and fair view of:
    - the company's financial position as at 30 June 2008; and
    - the results of its operations and cash flows for the year ended on that date.
- The performance information of the company on pages xx to xx gives a true and fair view of the achievements measured against the performance targets adopted for the year ended 30 June 2008.
- Based on our examination the company kept proper accounting records.

The audit was completed on 22 August 2008, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and the Auditor, and explain our independence.

### Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and performance information did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and performance information. We assessed the results of those procedures in forming our opinion.



# AUDITOR'S REPORT CONTINUED...

FOR THE YEAR ENDED 30 JUNE 2008

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board of Directors;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information.

We evaluated the overall adequacy of the presentation of information in the financial statements and performance information. We obtained all the information and explanations we required to support our opinion above.

## **Responsibilities of the Board of Directors and the Auditor**

The Board of Directors is responsible for preparing the financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must give a true and fair view of the financial position of the company as at 30 June 2008 and the results of its operations and cash flows for the year ended on that date. The Board of Directors is also responsible for preparing performance information that gives a true and fair view of service performance achievements for the year ended 30 June 2008. The Board of Directors' responsibilities arise from the Financial Reporting Act 1993 and the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

## **Independence**

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

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

**A P BURNS**, Audit New Zealand  
On behalf of the Auditor-General, Wellington, New Zealand



# GROW WELLINGTON BOARD MEMBERS

## GROW WELLINGTON – BOARD MEMBERS



MURRAY MCCAW

### **MURRAY MCCAW (CHAIRMAN)**

Murray McCaw is a director of Cormilligan Group – a privately owned consulting company established in 1998 to provide governance skills and strategy advice to New Zealand and Pacific-based businesses. Prior to taking up the role as Chair of Grow Wellington, Murray chaired the Wellington Regional Strategy Forum for three years the Forum developed the Wellington Regional Strategy. He is a graduate of Harvard Business School and is also a Director of IGL Ltd and Mitsubishi Motors NZ Ltd and a Trustee of Sport Wellington Region.



BRENT ALBISTON

### **BRENT ALBISTON**

Brent Albiston is Chairman and Managing Director of Radiola Aerospace Ltd, an aviation services company which sells aeronautical navigation aids and flight inspection services in New Zealand and internationally. Brent was a board member of Business Porirua from 1995, resigning as Deputy Chairman in 2007. He is a Chartered Accountant and a Fellow of the New Zealand Institute of Management. He is also an NZIM Mentor, and Chairman of Sticky Pictures Ltd.



MURRAY BAIN

### **MURRAY BAIN**

Murray Bain is CEO of the Foundation for Research Science and Technology, having previously been Assistant Governor of the Reserve Bank. He has a strong IT background and held a variety of senior positions in the Trust Bank Group over a number of years. He has also been director of a number of companies, including the Institute for Environmental Science and Research. Murray was a Trustee of Positively Wellington Business.



VIV BECK

### **VIV BECK**

Viv Beck trained as a journalist and completed a degree in economics at Victoria University. She's had a varied career and now works in her own business after co-writing and successfully launching a leadership book for women starting out in their careers. She was Chief Executive of design and print agency Communication Arts for five years and prior to that, GM Communications, GM Stamps and a member of New Zealand Post's leadership team. Viv is chair of the Wellington Museums Trust, which operates the largest grouping of visitor attractions for domestic and international travellers to Wellington.



GLENYS COUGHLAN

### **GLENYS COUGHLAN**

Glenys is Managing Director of the Republic of Acumen – an integrated communications consultancy. Glenys has extensive experience in both the public and private sectors – in corporate relations, business and industry strategy, branding, marketing, government relations and event management. Glenys's career began at Air New Zealand, where she was manager of strategic planning. She then moved to Saatchi and Saatchi as group account director for Telecom New Zealand, before taking up the position of CEO for the Tourism Industry Association of New Zealand. After nine years as a director of Te Papa Glenys has recently retired. Glenys is a director of Tourism New Zealand and Chair of Positively Wellington Tourism.



## GROW WELLINGTON – BOARD MEMBERS



JOHN LUMSDEN

### JOHN LUMSDEN

John Lumsden is serving his second year as President of the Wellington Regional Chamber of Commerce. Since 2005 he has been a Director of Cuthbert Stewart Limited, an electrical components distributor, and Moxie Design Group Limited, a communications design and sustainability practice. In 2007 he was appointed to the Board of Refugee Services Aotearoa New Zealand, and this year became an independent director on the Board of Windsor Engineering Group Limited, known internationally for its lumber drying kilns. He was Chief Executive of the successful Meteorological Service of New Zealand Limited (MetService) from 1992 -2007. MetService's subsidiary Metra won the 2006 Wellington Region Export Award.



JOHN MCFADZEAN

### JOHN MCFADZEAN

John McFadzean was born and educated in the Wairarapa, and has been involved with agriculture all of his life. John owns and operates three sheep and cattle properties in the Wairarapa and he won the 1993 Wairarapa Farmer of the Year Award. He set up and continues to manage three forestry partnerships involving 100 partners. These forests are recognised as high-growth and high-quality plantations. He has been a member of various local body subcommittees and is active in community service.



TAN PHAM

### TAN PHAM

Tan Pham is a consulting engineer and Chief Executive and Chairman of AC Consulting Group, a company that he co-founded in 1990. Most of his recent work has been in the Pacific, Southeast Asia and Europe, in the areas of seismic engineering, rural water supply, electrification and natural hazards. Originally from Vietnam, Tan's engineering degree is from the University of Auckland, and his finance and economics qualifications are from Victoria and Massey universities. He initiated the Natural Hazards Business Cluster and is a trustee of Multicultural Learning and Support Services, and a member of the Asian Studies Institute Council.



## **ADDRESS**

Level 5  
50 Manners Street  
Wellington  
New Zealand

### *Postal Address*

PO Box 10-347, Wellington 6143, New Zealand

Tel: +64 4 382 0099

Fax: +64 4 382 0098

Email: [info@growwellington.co.nz](mailto:info@growwellington.co.nz)

## **INCORPORATION**

Incorporated under the Companies Act 1993  
on 5 April 2007 at Wellington, New Zealand  
and changed its name to Grow Wellington  
Limited on 25 February 2008.

Incorporation Number: 1921097

IRD Number: 97-012-067

The Entity is wholly owned by the Greater Wellington  
Regional Council and is a Council Controlled Organisation  
as defined under section 6 of the Local Government  
Act 2002, by virtue of the Council's right to appoint  
the Board of Directors.

The registered office of the Entity is 142 Wakefield Street,  
Wellington 6011, New Zealand.

## **ACCOUNTANTS**

Grant Thornton, Chartered Accountants, Wellington

## **SOLICITORS**

DLA Phillips Fox, Barristers & Solicitors, Wellington

## **AUDITORS**

Audit New Zealand, Wellington

On behalf of the Auditor-General

## **BANKERS**

The National Bank of New Zealand,  
1 Victoria Street, Wellington 6011  
part of ANZ National Bank Limited

## **INSURANCE BROKER**

AON New Zealand Limited, Wellington





**Sponsorship Details**

Sponsor	Grow Wellington Limited	Sponsorship Conditions		
Sponsorship Amount	\$ (Plus GST if any)	GST registered?	YES/NO	
Event/Relationship	(Describe the Event or relationship to be sponsored)			
Timing of payments	<p>In one lump sum on _____</p> <p>OR in the following instalments on the following dates:</p> <p>\$ on _____</p> <p>\$ on _____</p> <p>\$ on _____</p> <p>\$ on _____</p> <p>(insert relevant amounts and dates or timing as agreed eg on stated dates or on signing this agreement or within 5 working days after signing this agreement or after stated dates/milestone events etc)</p>			
Reporting Obligations	<p>Report required from sponsorship recipient, dealing with:</p> <p>(Insert relevant agreed reporting obligation as agreed with sponsorship recipient.)</p> <p>on _____</p> <p>(insert relevant reporting or timing as agreed eg on stated date or on signing this agreement or within 5 working days after signing this agreement or after stated date/milestone event etc)</p>			
Sponsorship Aims	(State Grow Wellington's sponsorship aims for this relationship. Continue on attached sheet where necessary.)			
Signed	For Grow Wellington Limited		For Sponsorship Recipient	



## Sponsorship Agreement Standard Terms and Conditions

### Parties

1. Grow Wellington Limited ("Grow Wellington")  
\_\_\_\_\_ ("the Sponsorship Recipient")

### Agreement

2. The parties agree that these standard terms and conditions govern their sponsorship relationship as further detailed in the sponsorship cover sheet.

### Sponsorship

3. The sponsorship recipient acknowledges that Grow Wellington will provide sponsorship in the amount set out in the sponsorship cover sheet.
4. In return for the sponsorship the sponsorship recipient agrees:
  - (a) To work in good faith towards:
    - (i) conducting any event stated in the sponsorship cover sheet; and/or
    - (ii) meeting any milestones stated in the sponsorship cover sheet; and/or
    - (iii) carrying on the relationship described in the sponsorship cover sheet; and
  - (b) To invoice Grow Wellington for all sponsorship instalments payable, plus GST where appropriate; and
  - (c) To keep proper accounting records, including invoices and receipts, so as to be able to demonstrate how the sponsorship has been spent, if called upon to do so; and
  - (d) To refrain from any conduct that is unlawful or disreputable or otherwise brings or threatens to create adverse publicity relating to Grow Wellington; and
  - (e) To support Grow Wellington's aims as noted in the sponsorship cover sheet in the event or relationship noted in the sponsorship cover sheet to the fullest extent reasonably possible;
  - (f) That Grow Wellington is entitled to cancel this sponsorship, and end its association with the sponsored event or relationship, if in Grow Wellington's reasonable view the sponsorship recipient has breached any of its obligations contained in this clause.
  - (g) That, in the event that the sponsorship is cancelled by Grow Wellington under 4(e) above, sponsorship actually paid to the sponsorship recipient shall not be refunded, but any further sponsorship yet to be actually paid shall not be payable.
5. The sponsorship recipient acknowledges that Grow Wellington is accountable to the public for how it has spent the sponsorship funds and that Grow Wellington needs to collect relevant data to show how its sponsorship spending has supported its own goals, and agrees that it will report to Grow Wellington at the times and on the matters noted in the sponsorship cover sheet.
6. The sponsorship recipient agrees that, where the sponsorship is given for an event, and the sponsored event does not proceed, the sponsorship recipient will refund the amount of the sponsorship to Grow Wellington.

### Media, Publicity and Intellectual Property

7. The sponsorship recipient agrees to
  - (a) acknowledge the Grow Wellington sponsorship at the event (if any) and in any media releases related to the event or relationship; and
  - (b) to use the Grow Wellington logo where appropriate.
8. Grow Wellington and the sponsorship recipient agree that:
  - (a) either party may make accurate use of each other's trade marks, service marks, trade names and other intellectual property in connection with the performance of this agreement including reference in promotional materials, notices, advertisements signage, and reports; and
  - (b) no use shall be made of any intellectual property of the other party except for the purposes of this sponsorship; and



- (c) any use made of intellectual property for the purposes of this sponsorship does not affect the ownership of any such intellectual property, and does not either create or impinge on any other rights of use of any such intellectual property.

#### **No Warranty as to success**

- 9. The Sponsorship recipient acknowledges that Grow Wellington's sponsorship does not warrant any particular outcomes and especially that Grow Wellington provides no warranties as to anticipated attendance at any event or as to the success of any event.

#### **Commercial confidentiality**

- 10. The parties agree that each will respect the confidentiality of all commercial details provided by the other in the course of their sponsorship relationship and will not disclose any such details to other parties except for the purposes of carrying out their respective responsibilities with regards the event to be sponsored.

#### **Grow Wellington's sponsorship powers and responsibilities**

- 11. The sponsorship recipient acknowledges that Grow Wellington is a company wholly owned by the Greater Wellington Regional Council, created to assist in implementing the Wellington regional strategy, among other things by:
  - (a) Investing in growing the Wellington region's economy, especially the Wellington region's exports;
  - (b) Developing centres of excellence;
  - (c) Supporting priority sectors;
  - (d) Growing individual businesses;
  - (e) Improving broadband use and supply;
  - (f) Raising the value of the Wellington Region's international gateways; and
  - (g) Creating value from a carbon neutral Wellington region.
- 12. The sponsorship recipient acknowledges Grow Wellington has a commitment to help businesspeople make the right commercial contacts and promises to facilitate the making of beneficial commercial contacts among participants in its events.
- 13. Grow Wellington is not permitted under its statement of intent to provide operational or capital expenditure support for "community events" or "community facilities" where:
  - (a) "community facilities" are activities that provide services, entertainment or education to the public generally; and
  - (b) "community events" are activities operated for the purposes of entertainment, sport, tourist attraction and/or cultural/community celebration and are open to the public generally.
- 14. Under its statement of intent, Grow Wellington may facilitate activities that are not a community event or a community facility, provided that the event, facility or activity has been assessed by Grow Wellington as meeting at least two of the criteria stated in the following list:
  - (a) Create or facilitate the success of the region's centres of excellence programme;
  - (b) Assist to attract and retain high value individuals in the region;
  - (c) Facilitate access to international markets for businesses in the region;
  - (d) Boost the innovative and competitive image of the region internationally;
  - (e) Assist to attract investment into the region;
  - (f) Provide an opportunity to grow the skills base in the region.
- 15. The sponsorship recipient acknowledges that the event to be promoted and encouraged with the sponsorship provided by Grow Wellington is not a community event or community facility as defined in 13 above.
- 16. Grow Wellington warrants that it has made an assessment of the event or relationship to be sponsored in this agreement and formed the view in good faith that it meets at least two of the criteria in 14 above.