

# CEDA

CENTRAL ECONOMIC  
DEVELOPMENT AGENCY



## Half yearly report

Half yearly report to  
31 December 2017

28 February 2018



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# Company Directory

## Central Economic Development Agency Limited Ltd

Level 1, 478 Main Street  
Palmerston North 4410

☎ 06 350 1830  
🖱 [www.ceda.nz](http://www.ceda.nz)

### Chief Executive

Linda Stewart

### Directors

Malcolm Bailey (Chairperson)  
Shamubeel Eaqub  
Susan Foley  
John Fowke  
Lucy Griffiths  
Blair O’Keeffe

### Registered Office

Morrison Creed Advisory  
Cnr Victoria Ave & Main St, Palmerston North

### Bankers

Westpac New Zealand Ltd

### Auditors

Audit New Zealand (on behalf of the Office of the Auditor General)

### Legal Status

Central Economic Development Agency Limited (“CEDA”) was incorporated in New Zealand on 15 October 2015 under the Companies Act 1993 (NZBN 9429042001096). As the shareholders of CEDA are Palmerston North City Council (50%) and Manawatu District Council (50%) CEDA is a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

# Joint Report of Chairman and Chief Executive

CEDA has been travelling well in the first half of the 2017/18 year in terms of our strategic direction, establishing operational excellence, and building an ambitious programme of work that will set the course of action for the coming years.

The year so far has not been without its challenges, however. While we have developed a bolder and stronger vision through our work with McKinsey, we have, like many other entities in Manawatu, struggled to find and secure the talent and capability we need internally. This has impacted the pace at which we have been able to scope and develop key growth projects for our region, resulting in a material underspend year to date. This has been frustrating, but equally, it's vitally important to our long-term success, and that of the region, to find and retain the right people in CEDA.

We have been working hard to deliver to the expectations of our shareholders and our region. This has seen us design, develop, and administer the first major events fund for Manawatu. We have provided support to over 200 businesses across the region, investing over \$500,000 in their capability development and in research and development grants. Substantive progress has been made in collaboration across our international education institutions where we are seeing increased engagement, actions and outcomes through the formation of focused working groups.

Our partnership with Talent Central continues to grow and deliver quality outcomes for one of our priority sectors, distribution and logistics.

As a region we have received increased engagement from media regarding the visitor and tourism market, resulting in high profile coverage in national travel magazines. After much campaigning, the team were pleased to finally secure the Manawatu Scenic Route on the Tourism New Zealand and i-SITE NZ National Touring Map - the only route shown in the lower western North Island. And there is much, much more that continues to be delivered on a daily basis that drives and supports the growth and prosperity of our region.

The second half of the financial year will be busy as our teams advance the design phase of our major growth projects – the Ag Cluster, Capturing a day in a tourist journey, Manawatu Alumni, the identity of our region and a new consumer website, and our Inward Investment strategy. We also look forward to our flagship event, the New Zealand AgriFood Week and our hugely successful Sort It Careers Expo.

Our work with our shareholders and our regional stakeholders such as the BCC, Massey University, FoodHQ, UCOL and Accelerate25 will continue to be of high importance; we cannot achieve alone, and nor should we try.



Malcolm Bailey  
Chairperson



Linda Stewart  
CEO



# About CEDA

The Central Economic Development Agency (CEDA) has been fully operating since 1 September 2016 with the purchase of Vision Manawatu and Destination Manawatu. CEDA is a Council controlled organisation jointly owned by the Palmerston North City Council and the Manawatu District Council.

## CEDA's Purpose

To drive and facilitate the creation and growth of economic wealth for Manawatu and beyond.

## CEDA's Constitution Objectives

- (a) The principal objectives of the Company are to achieve the objectives of the Shareholders, both commercial and non-commercial as specified from time to time in the Statement of Intent and, in particular, to drive and facilitate the creation and growth of economic wealth for Manawatu and beyond;
- (b) be a good employer;
- (c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the Company operates and by endeavouring to accommodate or encourage these when reasonably able to do so.

## CEDA's Structure and Governance

The Board of up to seven (currently six) independent directors is responsible for the strategic direction and control of CEDA's activities.

The Board guides and monitors the business and affairs of CEDA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Company's Constitution and this Statement of Intent.

The Board's approach to governance is to adopt "good practice" with respect to:

- the operation and performance of the Board
- managing the relationship with the Chief Executive
- being accountable to all shareholders and reporting to the Joint Strategic Planning Committee of Manawatu District Council and Palmerston North City Council

The Chief Executive Officer is responsible for the day-to-day operations of CEDA, engaging and oversight of staff and reporting to the directors on performance against CEDA's objectives.



# Our Vision

## **Manawatu 2025; New Zealand's most progressive region**

Our vision is bold and purposefully so, it encompasses the ambitions of both our shareholder Councils. It requires our region to move from comfortable to aspirational, from reactive to determined, and to move with an increased cadence and sense of resolve. We believe that Manawatu has the leadership and the ingredients to reposition itself on the national stage - a flourishing and evolving region that will be first choice for lifestyle and success.

Four key indicators that we are on our way to achieving this vision are:

- Our regional story is embraced, promoted and stated proudly by residents, businesses and visitors
- We are the renowned central hub for agribusiness
- We are growing sustainably
- Innovation is part of the fabric of our community and culture, and it's celebrated

To achieve this vision CEDA must work in partnership with our shareholders, central government, industry and other regional stakeholders - it cannot be achieved alone.

# Our Strategic Objectives

## Powering our progress; achieving the vision

CEDA works across three strategic pillars of economic development; People, Place and Business. Our key objectives, programmes and activities are all aligned to these pillars, and are designed to create the environment, stimulus, outcomes and impact that will power our economic prosperity and achieve our vision for the region.



These key objectives guide the development of the short and medium-term programmes of work for CEDA.

When considering how to prioritise our efforts, and based on our current resources and functions, CEDA focuses on programmes and activities that offer the greatest opportunities for economic growth. These are identified through research, monitored and reviewed using the latest data, and viewed through a regional, national and international lens.

Our Strategic Objectives are to:

1. Support the growth of business in the region
2. Grow and retain education and talent in the region
3. Enhance the brand and experience



# What We Do





# Support the Growth of Business

Growing, retaining and attracting business to the region is at the core of economic development. Having strong, innovative and thriving businesses here drives job growth and increases regional confidence.

## 204

**Business assisted through a CEDA intervention year to date**  
(2016/17 Annual Report total 297)

## \$136,734

**Business Capability Development vouchers issued**  
(2016/17 Annual report total \$249,231)

## +69

**Net Promotor Score through the Regional Business Partner Programme**  
(2016/17 Annual Report total +44)

## 25

**Businesses matched with a Business Mentor**  
(2016/17 Annual Report total 37)

### Regional Business Partner Programme

CEDA's team of Business Growth Advisors support businesses on their journey through the business lifecycle, enabling growth and development through the Regional Business Partner programme. CEDA works in conjunction with seven councils and holds strong working relationships with businesses throughout the Manawatu-Whanganui region. CEDA champions growth orientated businesses to help them achieve export readiness, be bold enough to explore research and development opportunities, and build their management capability. By partnering with New Zealand Trade and Enterprise, Business Mentors New Zealand and Callaghan Innovation, CEDA delivers an extensive programme of activities and support networks.

### Business Growth and Development

CEDA actively identifies growth opportunities, and implements tailored support programmes, action plans and initiatives that can enable our businesses to develop and scale up. We work to support business growth, focusing on driving a vibrant, connected business community with programmes such as the Westpac Manawatu Business Awards and supporting Accelerate25 projects.

# 6

**Businesses being engaged with for potential relocation to the region**

## \$384,525

**Research & Development Grants issued**  
(2016/17 Annual Report total \$235,108)

## NZ AgriFood Week

Planning well underway for March 2018

# Agriculture Value Chain

**Report completed**

### Business Attraction and Retention

A strategic approach to business attraction and inward investment, aligned to our priority growth sectors - distribution and logistics, agrifood and agritech, education, defence and health - is central to achieving the region's growth aspirations. By partnering with our Councils, Central Government Agencies, BCC and the private sector, we work to ensure that Manawatu is seen as investment ready and deliver compelling reasons for establishment in our region. Post investment or relocation support services to companies or individuals ensures ease of settlement, retention, and the identification of future expansion opportunities.

### Sector Development

CEDA leads the development and growth of our priority sectors; distribution and logistics, agrifood and agritech, and education, defence and health, as identified through our foundation research. Our strategic development and delivery of New Zealand Agrifood Week aims to enhance the growth of Manawatu and New Zealand's market position in the food sector, and stimulate a united conversation led by our region on the future of food. Our relationships with Massey University, UCOL, IPU, as well as the New Zealand Defence Force through our Charing of the Regional Committee enables delivery of initiatives which foster connectivity and collaboration with the business and resident communities.

### Advancing Innovation

Working with Massey University, Crown Research Institutes and businesses, our focus is on building the skills and capabilities of regional businesses to engage and grow in the global digital environment. This ensures we can collectively support and capitalise on innovation opportunities at a national and global level. This is further enhanced by CEDA's collaborative partnership with Callaghan Innovation, FoodHQ and BCC, providing access to global expertise, accelerator programmes such as Innovate, as well as research and development funding avenues.

# Grow and Retain Education and Talent

Key to cultivating a competitive and innovative economy are our people; developing and growing our talent pool with the right skills, knowledge and expertise, and increasing the number of international students and their employability.

## Talent and Skills

Building on our regional talent and skills action plan, we partner with priority sectors, Talent Central and central government to deliver specific programmes to address regional skills shortages. We connect and inspire young people on the career opportunities that lie within our priority sectors through key events such as the Sort It Careers Expo, and through sector specific public relations campaigns. Through our regional partnership agreement with MBIE, we will deliver campaigns in key domestic and international markets to attract sector specific talent and skills.

## International Education Market Development

Through implementation of the Regional International Education Strategy 2016-2020, CEDA supports the region's schools and tertiary providers to increase the number of international students studying here. In partnership with Education New Zealand CEDA will drive collaborative activities in the priority target market of China and identify other potential markets for development. CEDA provides marketing and communications support to help institutions tell the regional story.

## Student Experience

To further enhance the desirability of Manawatu as a study destination, CEDA works alongside education institutions, PNCC and other key stakeholders to identify opportunities to help integrate international students into the local community.

## Student Employability and Pathways to Employment

In partnership with Talent Central, the Manawatu Chamber of Commerce and MBIE, we identify regional skills gaps, help international tertiary students become more employable and identify opportunities for increased pathways into local employment.

## Alumni Programme

Internationally there are many influential and highly successful leaders that were grown right here in Manawatu. From business and academia through to sports and arts, these are highly influential ambassadors for our region. CEDA is working on the development of a global network of these leaders, to establish a strong base of Manawatu ambassadors that we, as a region, can partner with to reignite their connection with Manawatu, identify community initiatives and develop regional investment opportunities for them to engage in.

**39**

**Exhibitor sites booked to date for Sort It 2018**  
(targeted outcome 70)

**Regional Skills Gap Analysis**

**Project completed during the year to date**



# Enhance the Brand and Experience

Enhancing the brand and experience of our region goes far beyond increasing visitor nights and their direct economic impact. A vibrant region that is welcoming to visitors also attracts new residents, businesses and investment, students and major events.

## 57,286

**i-SITE Customer Visits**

(2016/17 Annual Report total 111,414, Sep 16-Jun 17)

## 88%

**i-SITE Net Promoter Score**

(2016/17 Annual Report total 90.5%)

## \$65,000

**Major Event Funding  
allocated to 4 events**

(from total fund of \$65,000)

### Regional Identity Strategy

A cohesive regional identity can act as a springboard for destination marketing while building national and international awareness of who we are as a region, what we offer and what our unique value proposition is. Through extensive research and collaboration with our shareholders, CEDA is taking the lead to deliver a cohesive regional identity that will enable us to showcase the region to visitors, and to potential new residents through our talent attraction work.

### Destination Marketing

In our role as the Regional Tourism Organisation for Manawatu, CEDA works with key national organisations including Tourism New Zealand, NZ Motor Caravan Association, Air New Zealand and more to ensure we're maximising our relationships and opportunities as a region while establishing Manawatu as a desirable destination, and ensuring we're well equipped as a region to offer a welcoming and memorable visitor experience.

With a fast-growing visitor sector in Manawatu, CEDA works with regional tourism operators to provide support, marketing tools and market insights through the CEDA Resource Hub.

CEDA's i-SITE, and close alignment with the Feilding and Districts Information Centre means that we can offer both visitors and residents expert local knowledge, information and national travel booking services.

**110,081**

Sessions on

**ManawatuNZ.co.nz website**

(2016/17 Annual Report total 204,336)

**CEDA.nz**

**Website launched**

**8,570**

**Palmerston North & Manawatu**

**Facebook Page likes**

(up from 8,050 as at 30 June 2017)

## Destination Development

CEDA's role is to entice and attract visitors to our region by promoting Manawatu as a destination for domestic and international travellers, event organisers and international students. Planning is underway for the development of a destination management plan to fully leverage all that our region currently has to offer, to identify and address barriers and product gaps, and to initiate long term, high impact projects that will capture a day in a tourist's journey.

The Country Road experience is managed and developed by CEDA and enables us to connect with operators and communities to offer expertise, support and connections; ensuring our region's visitor experience is exceptional, and that our operators and communities are benefiting from increased, sustainable visitation.

## Leveraging Media and Digital Opportunities

Our work with local, national and international media ensures a strong, consistent regional presence across various channels and mediums, including digital, social, ceda.nz and the regional website ManawatuNZ.co.nz. From our visitor and events sectors, through to international education and business support services, telling our region's story and building increased awareness of the breadth of what Manawatu has to offer is a crucial role that we manage. Targeted collaboration with third party websites and publications enables CEDA to showcase the region and highlight the breadth of work that CEDA does.

## Regional Events

Events make a positive contribution to our region by building vibrancy, enhancing the visitor experience and growing economic value. CEDA is leading the development of a regional events strategy, and working in partnership with key regional stakeholders and national organisations such as NZEA, CINZ, Westpac and ASB to attract and retain a portfolio of business, sports, and major events which align to the strategic priorities of our shareholders and CEDA. These include three CEDA managed events, Sort It Careers Expo, New Zealand Agrifood Week, and the Westpac Manawatu Business Awards.

## Major Events Fund

Event attraction, retention and growth requires investment, and CEDA is responsible for the management and administration of the regional Major Events Fund. The application and selection process ensures that this investment positively contributes to our regional economy through increased visitor nights or day trips, positively enhances the profile and vibrancy of our region, or supports the growth of the great events we already have. We also ensure that events deliver what they promise; working alongside organisers to monitor, evaluate and report against the key outcomes that their funding agreement was based upon.



# How We Work

## Insights and Analysis

CEDA strives to be the go-to experts for insights and data on the local economy and national trends across priority sectors including the visitor economy. We keep our finger on the pulse through research and partnerships that enable us to better understand the strengths our region can build on, the weaknesses we can improve on and barriers we can bring down.

We have a crucial role in enabling the coordination, connection and delivery of outcomes by striving for the transparency and alignment of the many economic development projects and initiatives that are occurring or are planned across our region. Over 130 projects that are drivers or enablers of economic growth have been identified. With this knowledge CEDA can ensure smart investment of resources, funds and expertise, and is able to achieve high impact results for our region.

## Our Partners

Connect, Enable and Create – CEDA brings our diverse stakeholders into one conversation, steering others in the same direction, and co-ordinating our region's collective capability towards achieving great things together.

We're here to ask the hard questions about economic growth and challenge stakeholders to deliver on a broader sense of economic, social, cultural and environmental wealth.

While responsible for the prosperity of Manawatu, CEDA is already working further afield and partnering with other regions, as to achieve success in a national and global market, partnerships are something we're going to need more of.

As part of our drive towards greater collaboration across entities involved in economic development throughout the wider region, we are leading the development of a commercial business hub and co-working space. This venture will become a reality in 2018; a social place where community, businesses, and individuals can meet, connect and grow together.

## Our Funding

CEDA receives funding from Palmerston North City Council and Manawatu District Council, its shareholders, in the form of contributions to operations as well as funds for specific contractual services or projects.

CEDA also receives funding from institutions and government partners for initiatives that bring benefit to the wider region and nationally. This additional funding enables CEDA to have additional resource, the ability to invest in local businesses, and engage in specific sector work important to the region and beyond.

Specific funding is received from commercial organisations for sponsorship of programmes and joint projects as identified.

## How We Operate

In keeping with best management practice, CEDA aims to operate efficiently and effectively. As a future-focused organisation we are committed to supporting initiatives that enhance and protect our natural and built environment.

CEDA is working to optimise existing funding and generate savings from within the current funding arrangements in its early stages of operation in order to deliver value for money to the shareholders and the rate payer.

CEDA will regularly review its internal processes, improving practices, removing duplication, and finding efficiencies. Continual review of processes will ensure CEDA has enough working capital to fulfil any project or service commitments and contribute to delivery on regional growth opportunities identified.

As a Council Controlled Organisation (CCO) CEDA is also aware that much of its funding is derived from public monies and therefore all expenditure should be subject to a standard of probity and financial prudence that is to be expected of a CCO and be able to withstand public scrutiny.

## Health and Safety

CEDA regards the promotion and maintenance of health and safety as a mutual objective for everyone who works, visits, or has business with CEDA. CEDA is committed to the health and safety of all workers, visitors and the public across all business premises and work sites by undertaking all measures reasonably practicable to provide a safe working environment. CEDA believes that creating and maintaining a healthy work environment is a shared, co-operative venture, where both employees and employers have roles and responsibilities, including the maintenance of a balance between work and non-work activities.

As such, CEDA will ensure it meets its obligations with respect to New Zealand laws and regulations and will undertake annual reviews based on established best practice guidelines.

As the region's Regional Tourism Organisation, CEDA will ensure that its consumer communications and channels convey the appropriate health and safety messaging.

## Our People

We are a team of thought leaders and enablers working together with a united purpose – prosperity for all our communities.

The team at CEDA are a passionate group of people driven to grow and develop the wider region. With expertise in marketing, communications, events, national travel, business advice and development, collectively they are an effective support team, all connecting with the community to foster regional and economic development.

CEDA's focus is on building an organisation that has a culture, capacity and capability to deliver on expectations.

CEDA's success is underpinned by its people, connections and networks both locally and globally. Investment in this resource is critical to creating value and outcomes.

Our values when demonstrated every day, help to change individual and collective mindsets so that we can all deliver great outcomes and create a workplace in which people feel valued for delivering results.

Our Values:



### Work Together

Actively work together to deliver exceptional outcomes for all our stakeholders



### Be Bold

Back ourselves so that we make individual and collective decisions that take the region to a new level



### Own It

Take ownership of our work and make great things happen

**He aha te mea nui o  
te ao? He tangata, he  
tangata, he tangata.**

**What is the most  
important thing in the  
world? It is people, it  
is people, it is people.**

# Statement of Service Performance

Performance measures and outcomes to December 2017:

## 1. Support the Growth of Business in the Region

Service Level Statement	Measure	2017/18	Activities	Outcomes Jul – Dec 17
Business Development and Support - Deliver information, advice, programmes and initiatives to assist businesses to grow bigger, better, faster, to attract inward investment and new business establishment, and to develop a skilled workforce	Number of businesses that have been assisted through a CEDA intervention	400 Result YTD: 204	<b>Work with business and Councils to reduce barriers to business investment and development*</b>	Draft engagement document in process with Tararua District Council. Horowhenua District Council Launchpad program being established with planned start of the program 1 April 18. Attendance at MDC Developers Meetings. Regular meetings with PNCC Economic Development Committee Chair.
			Callaghan Innovation R&D Grants through Regional Business Partner Network	R&D Grants totalling \$384,525 have been awarded to businesses in the region over the period
			Capability Development co-funding issued to businesses	\$136,734 in capability development vouchers have been issued to businesses for the year to date
			Business Mentor programme matches	25 Mentor Matches have been made for the period. A Mentor accreditation day held in October. Mentors have access to online development training videos and LinkedIn page for discussions/shared learnings. Activity towards enlarging the pool of Mentors through Growth Advisors referrals and events.
			Attract investment expansion and new businesses to the Region in collaboration with Spearhead Manawatu	Assistance with the retention of 1 significant business in the region, and expansion 1 local business. Assisted with the attraction of 1 new business to the region. Engaged/continued to engage with 6 businesses around potential relocation to the region. McKinsey First Choice for Business project identified as a priority opportunity for Manawatu. Support of Goodman Fielder and AgResearch staff relocation

## Support the Growth of Business in the Region

Service Level Statement	Measure	2017/18	Activities	Outcomes Jul – Dec 17
			Maori business engagements	The CEDA business team have engaged with four businesses identifying as Maori in the wider region, supporting business development and connection to iwi.  Ongoing engagement with TPK, Reureu Kotahitanga Ltd, Poutama trust and Te Au Pakihi. Attendance at the Innovation Quarter (Te manu Atatu) opening in Whanganui and the Te Pae Tata business hub opening in Ohakune.
			Business hub establishment strategy	A proposal for the establishment of a regional business hub is underway with a commercial provider enabling the hub to be established without the commercial risk attached. Planned date for commencement is September 2018.
	Satisfaction – Net Promoter Score for Regional Engagement under the Regional Business Partners programme	>50  Result YTD: +69	Actively manage businesses through Regional Business Partner programme	204 businesses engaged through the Regional Business Partners programme and provided with support, connections, capability development and R&D opportunities. 5 Business referrals to Massey University  Planning completed for Palmerston North business start-up clinic launch in Feb 2018, to be expanded to wider region moving forward.
Facilitate collaboration, innovation and entrepreneurship in key sectors. Scale up the commercialisation of innovative start-ups	% satisfaction with BCC support /services provided (through customer survey)	increase on baseline  Result YTD: N/A	Engage mentors to assist emerging entrepreneurs	CEDA provided the service of one of it's Business Growth Advisors as a mentor in this year's Innovate competition.  Agreement for services with BCC not entered into until December 2017.
			Provide Start-ups 1:1 incubation	Agreement for services with BCC not entered into until December 2017.

\* High priority to address barriers to growth as identified by research

† Priority growth sectors as identified by research

^ Region is defined as Manawatu region consisting of Palmerston North City and Manawatu District.

## 2. Grow & Retain Education and Talent

Service Level Statement	Measure	2017/18	Activities	Outcomes Jul – Dec 17
Deliver information, advice, programmes and initiatives to attract more international students to the region by implementation of the Regional International Education Strategy	Increase the value of international students in the region	Increase on baseline Result YTD: 2017 figures not yet available	Strategy Implementation - Market Development (selecting target markets for collaborative activities)	Hosted five INT-ED recruitment agents as part of follow-up to the Central Regions mission to China in May 2017. Two of the agents were from China and the other three from Auckland. This is part of our strategy to encourage agents to send more international students to the regions.  Market Development Working Group became active and is meeting monthly to identify and discuss opportunities for greater collaboration in offshore markets.
			Strategy Implementation - Marketing & Communications (telling the story)	Newsletter established for international education agents recruiting for New Zealand but with low awareness of Manawatu as a study destination.  New student stories collected and used in regional web and print based marketing collateral.
			Strategy Implementation - Student Experience (ensuring repeat business)	Weekly “What’s On” guide created and circulated to local institutions. This has resulted in greater awareness of what’s happening in the city and more participation by international students in local events.  Student Experience Working Group became active and is meeting monthly to identify and discuss opportunities for greater support of international students while they’re here.
Growing a Skilled Workforce, increasing talent capability by development of labour market strategies and delivery of the Sort-It expo	Develop a Labour Market Strategy for the region	Implement strategy Result YTD: Regional Skills Gap Analysis completed	<b>Labour market analysis and strategy*</b>	Regional Skills Gap Analysis project completed. Further work in conjunction with Massey University PhD student underway to inform action plan development and implementation.
			Sort it Careers Expo	39 Sites have been booked to date. This is a 50% increase on this period for the previous year’s event.
			Partnership agreement with MBIE / Immigration New Zealand	Participation from MBIE and INZ at Economic Update  Collaboration in Distribution and Logistics sector development work; connecting businesses experiencing immigration and immediate skills shortage issues  Meetings with GM Settlement, Protection and Attraction to confirm partnership agreement.

## Grow & Retain Education and Talent

Service Level Statement	Measure	2017/18	Activities	Outcomes Jul – Dec 17
				<p>Discussions held with MBIE, Talent Central, and Manawatu Chamber of Commerce to identify ways to better link skilled international tertiary graduates with regional employment opportunities.</p> <p>“Study to Work” seminar, targeted at senior tertiary students, scheduled for May, in conjunction with Sort-It Expo.</p> <p>CEDA participation on Advisory Group of MBIE’s Welcoming Communities pilot.</p>
Priority Sectors continue to grow	Undertake sector specific surveys (based on priorities identified in Research) to understand sectors and develop sector strategies based on results	Complete agribusiness sector survey Result YTD: Agriculture Value Chain Report completed	<b>Distribution and Logistics†</b> - Sector survey completed - Distribution and Logistics development plan†	Distribution and Logistics Labour Market Survey completed. Pathways to employment project, managed by Talent Central progressing well – Industry Broker employed to proactively bridge gap between schools and businesses, raise profile of career opportunities in the sector, and link to training and education options.  Sector analysis completed, and areas of specialisation identified. Outcomes from this will inform inward investment and business attraction strategy.
			<b>Agri (food, business, land, horticulture)†</b> - New Zealand AgriFood Investment Week including: Plate of Origin, Launch Event, ASB Perspective 2025 - Support of FoodHQ - Agriculture, technology, science, research development plan†	<b>NZAgriFood Week:</b> Defined the purpose of NZAFW and developed an overarching theme - Transforming food producers for the future. Events confirmed and set out to align with NZAgriFood Weeks objectives, New Events include Future Leaders, Massey Agriculture and a FoodHQ event. Refreshed brand and messaging implemented, and marketing and communications increased to a national level. Major sponsors secured including ASB and Cuisine Magazine.  Agriculture Value Chain report completed – findings and recommendations informing the McKinsey Ag Cluster and Tourism projects, and the development of a tactical project within the Regional Business Project to target Management Capability of SME food producers and farmers.

## Grow & Retain Education and Talent

Service Level Statement	Measure	2017/18	Activities	Outcomes Jul – Dec 17
			<p><b>Government†</b></p> <ul style="list-style-type: none"> <li>- Relevant activities under Accelerate 25</li> <li>- Defence Issues in the Manawatu regular meetings</li> <li>- Defence/ PNCC /MDC Collaboration Agreement</li> <li>- Facilitation/ support provided to Manawatu Defence Hub</li> </ul>	<p>Submitted first funding application draft to MBIE for the Accelerate 25 growing business enabler focussing on supporting business growth through good governance.</p> <p>Regular attendance at the Accelerate 25 Talent and Skills Enabler meetings – sharing work by CEDA on sector development and labour market.</p> <p>Facilitation of Accelerate 25 updates at CEDA hosted Regional Collaboration Meetings (seven councils from across Manawatu-Whanganui Region) - to ensure shared understanding of priority projects and identify opportunities for collaboration.</p> <p>CEDA chairs the regular meetings of the Defence Issues in the Manawatu Group.</p> <p>Manawatu Defence Hub have merged with the Manawatu Chamber of Commerce over the period, keeping a separate focus group for defence. This has enabled a sharing of resources and increased offering to members.</p>

\* High priority to address barriers to growth as identified by research

† Priority growth sectors as identified by research

^ Region is defined as Manawatu region consisting of Palmerston North City and Manawatu District.



### 3. Enhance the Brand and Experience of the Region

Service Level Statement	Measure	2017/18	Activities	Outcomes Jul – Dec 17
Promotion of lifestyle to support the attraction of people to work, study, invest, or visit.	Undertake annual Research, report results to stakeholders to understand and develop strategy	Undertake research and report by 30 September Result YTD: TRA research completed Qualitative Sep / Quantitative Oct	<ul style="list-style-type: none"> <li>- Working collaboratively with Councils to develop a marketing strategy and activities to develop strong sense of Manawatu identity*</li> <li>- www.ManawatuNZ.co.nz</li> <li>- Collateral developed</li> <li>- Visitor programmes, eg The Country Road</li> <li>- Social media</li> <li>- QRIOUS reporting</li> <li>- CAM data</li> <li>- Marketview reporting (Quarterly)</li> <li>- Retail vacancy survey (pilot)</li> <li>- Support CBD vibrancy projects</li> </ul>	<p><b>Marketing strategy and activities to develop strong sense of Manawatu identity*</b></p> <p>To build a regional identity, CEDA engaged TRA to conduct both qualitative and quantitative research, focused on the domestic visitor market and conference organisers. Results were presented back to CEDA, and next steps for regional identity were outlined and implemented.</p> <p><b>ManawatuNZ.co.nz:</b> Site had 110,081 sessions over the period 1 July – 31 Dec 2017, with 67.84% of these being new users.</p> <p><b>Visitor programmes, eg The Country Road:</b> Media coverage was strong in the last six months to 31 December, with several successful media visits resulting in online and print publications. This includes a 20-page regional feature in NZLife&amp;Leisure – Insider’s Guide to NZ; a 5-page feature in NZMotorCaravanner on The Country Road; and multiple content and imagery features in ImmigrationNZ LINKZ magazine. We also featured on AA Digital Traveller with several feature articles as the result of a hosted media visit.</p> <p>Photo shoot was held by CEDA to build quality images of The Country Road, with images to be used with national media partners and Tourism New Zealand.</p> <p><b>Major Events Fund:</b> Developed and launched in October 2017 the Major Events fund saw six applications, with four of these successfully receiving funding. A review of the process resulted in refinements and improvements for the next round which is to take place in March 2018. \$65,000 of funds allocated.</p> <p><b>Campaign:</b> Mid-Winter photo competition was run in July to generate awareness of the regional hashtag #thisismanawatu and resulted in 259 entries, a 4% increase in page likes and 6% increase in hashtag use. Total reach was 73,000.</p> <p><b>Social media:</b> As at 31 December 17 the My Manawatu Facebook had 7,666 page likes (4.5% increase on previous 6 months) and Palmerston North City and Manawatu Facebook 8,570 page likes (6.3% increase on previous 6 months).</p> <p><b>Economic Insights reporting:</b> Quarterly and Monthly Economic Updates distributed. QRIOUS announced ceasing the visitor data, so CEDA has been working through alternative options to go forward.</p>

## Enhance the Brand and Experience of the Region

Service Level Statement	Measure	2017/18	Activities	Outcomes Jul – Dec 17
				New ceda.nz site built and launched, featuring insights, resources and business sector support. <b>Retail vacancy survey (pilot)</b> - Completed by Massey University Intern and presented back to Palmerston North City Council.
			Provision of visitor information centres and services	Customer satisfaction – For the July to December period, the i-SITE achieved an NPS of 88% up 1% on the previous 6 months. i-SITE customer engagements for the 6 months was 60,819 which is 7% down on the previous 6 months. Supported PNCC Ambassador Programme launch. Continued support and operational advice for information services through the Feilding & District Information Centre
			Manawatu Business Awards (biennial)	Two key sponsors, Four category and Four support sponsors have been secured and confirmed.
Promotion and information of services that increase the number of visitors and guest nights	Number of business events bids submitted (win/loss ratio)	14 (33%) Results YTD: 2 bids completed YTD (50%) win	Targeted sales contacts made with conference organisers or related organisations.	Two business event proposals submitted, with one currently successful. The second outcome result wont be known until late 2018 (APEC-multiple events). Note a considered approach to bids has been taken, however the result has also been impacted by resourcing constraints due to required allocation of resource to the major events fund framework.
	Analysis of major events sector	Finish baseline Results YTD: Baseline completed October 2017	Activity towards setting baseline	Baseline finished in October 2017
			Working collaboratively with Councils to design, develop and establish a regional events and conference model	Events measured: FMG Farmer of the Year, Central Districts Field Days, National Young Performers Awards, MG Classic, Palmerston North Speedway-Sprint Cars. Work is underway to create a Regional Events Toolkit, with best practice and potential options being investigated and reviewed.

\* High priority to address barriers to growth as identified by research

† Priority growth sectors as identified by research

^ Region is defined as Manawatu region consisting of Palmerston North City and Manawatu District.

# Monitoring Indicators

In addition to our performance measures, the Shareholders have identified a further set of monitoring indicators. These indicators reflect outcomes at the regional level which are impacted by a range of factors outside of our control, for example; exchange rates, natural disasters, government policy. As the region's economic development agency, we have a role in monitoring and influencing these indicators where we can, however we do not measure the performance of our organisation against them.

The Councils have the responsibility to report on these indicators.

Indicator	2018	2019	2020	Regional target
Change in total number of jobs	1.3% increase	1.3% increase	1.3% increase	1.3% average annual increase over three years.
Change in average salaries and wages*	2.6% increase	2.6% increase	2.6% increase	2.6% pa increase.
Change in total earnings (salaries, wages and self-employment income)	3.7% increase	3.7% increase	3.7% increase	3.7% pa increase, average annual increase of \$104 million.
Change in total GDP and per capita GDP	1.8% GDP 0.6% per capita	1.8% GDP 0.6% per capita	1.8% GDP 0.6% per capita	1.8% average annual increase in total GDP. 0.6% average annual increase in per capita GDP.
Estimated population change - 65 years and over population (for demographic monitoring)	1,350 increase 530 increase	1,350 increase 530 increase	1,350 increase 530 increase	1,350 increase 530 increase
Net overseas migration	660 gain	660 gain	660 gain	660 average annual net migration gain.
Spend by visitors in Manawatu region (domestic and international)	5.7% increase	5.7% increase	5.7% increase	5.7% pa increase, average annual increase of \$22 million.
Number of visitor nights in Manawatu region	1.6% increase	1.6% increase	1.6% increase	1.6% pa increase.
Change in MSD benefit numbers	1.6% decline	1.6% decline	1.6% decline	1.6% pa decline, average annual decline of 130 people.
Reputation of Manawatu / Palmerston North as a great place to live and do business**	1% increase	1% increase	1% increase	3% increase over 3 years

\*excludes any annual inflation increase

\*\*as measured by UMR Research compiled 3 yearly, first measured 2016



# Financial Performance

## Central Economic Development Agency Limited Group Statement of Comprehensive Revenue & Expense

For the 6 months ended 31 December 2017

Account	Notes	Jul-Dec 2017 (Unaudited)	Jul-Dec 2016 (Unaudited)	Jul 2017- Jun 2018 (SOI)	Jul 2016- Jun 2017 (Audited)
<b>Revenue</b>					
Council Funding	4	1,295,801	845,112	2,254,214	1,932,448
Other Services Revenue		400,131	279,046	793,080	567,637
Project Revenue		180,825	186,809	431,000	405,027
<b>Total Revenue</b>		<b>1,876,757</b>	<b>1,310,968</b>	<b>3,478,294</b>	<b>2,905,112</b>
<b>Cost of Sales</b>					
Other Services Expenses		481,768	275,633	1,305,930	650,477
Project Expenses		165,571	94,735	276,000	231,839
<b>Total Cost of Sales</b>		<b>647,340</b>	<b>370,368</b>	<b>1,581,930</b>	<b>882,316</b>
<b>Gross Surplus (Deficit)</b>		<b>1,229,418</b>	<b>940,599</b>	<b>1,896,364</b>	<b>2,022,797</b>
<b>Other Revenue</b>					
Grant Revenue		0	498,104	0	831,778
Interest Revenue		10,074	3,189	12,000	12,852
Sundry Revenue		3,430	2,670	7,000	8,210
<b>Total Other Revenue</b>		<b>13,504</b>	<b>503,963</b>	<b>19,000</b>	<b>852,839</b>
<b>Expenses</b>					
Depreciation		12,409	9,239	20,446	23,532
Directors' Fees		77,500	77,500	155,000	155,000
Employee Expense	5	729,960	522,322	1,454,328	1,309,099
Financing Expenses		26	10	0	190
Loss on Sale of Property, Plant and Equipment		0	724	0	705
Other Operating Expenses	6	225,493	166,574	280,245	406,426
<b>Total Expenses</b>		<b>1,045,388</b>	<b>776,369</b>	<b>1,910,019</b>	<b>1,894,951</b>
<b>Surplus (Deficit) Before Taxation</b>		<b>197,534</b>	<b>668,194</b>	<b>5,345</b>	<b>980,684</b>

## Financial Performance

Account	Notes	Jul-Dec 2017 (Unaudited)	Jul-Dec 2016 (Unaudited)	Jul 2017- Jun 2018 (SOI)	Jul 2016- Jun 2017 (Audited)
<b>Taxation</b>					
Income Tax Expense	7	83,590	66,640	1,497	74,990
<b>Total Taxation</b>		<b>83,590</b>	<b>66,640</b>	<b>1,497</b>	<b>74,990</b>
<b>Surplus (Deficit) after tax</b>		113,944	601,554	3,848	905,694
<b>Other comprehensive revenue and expense</b>					
Items that could be reclassified to surplus (deficit)		0	0	0	0
<b>Total Other comprehensive revenue and expense</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Financial Performance

### Central Economic Development Agency Limited Group Statement of Comprehensive Revenue & Expense

For the 6 months ended 31 December 2016

Account	Notes	Jul-Dec 2017 (Unaudited)	Jul-Dec 2016 (Unaudited)	Jul 2017- Jun 2018 (SOI)	Jul 2016- Jun 2017 (Audited)
<b>Total comprehensive revenue and expense</b>					
Total comprehensive revenue and expense		113,944	601,554	3,848	905,694
<b>Total comprehensive revenue and expense attributable to:</b>					
Palmerston North City Council		56,972	300,777	1,924	452,847
Manawatu District Council		56,972	300,777	1,924	452,847
<b>Total comprehensive revenue and expenses</b>		<b>113,944</b>	<b>601,554</b>	<b>3,848</b>	<b>905,694</b>

## Financial Performance

### Central Economic Development Agency Limited Group Statement of Financial Position

As at 31 December 2017

Account	Notes	31 Dec 2017 (Unaudited)	31 Dec 2016 (Unaudited)	30 Jun 2018 (SOI)	30 Jun 2017 (Audited)
<b>Assets</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	8	1,422,631	488,713	1,050,652	1,104,238
Receivables and Accruals	9	122,091	983,899	521,749	201,097
Prepayments		5,517	5,371	5,371	18,737
Inventories	10	12,265	8,797	8,720	7,113
<b>Total Current Assets</b>		<b>1,562,504</b>	<b>1,486,780</b>	<b>1,577,492</b>	<b>1,331,185</b>
<b>Non-Current Assets</b>					
Property, Plant and Equipment	11	82,778	97,019	57,287	86,414
<b>Total Non-Current Assets</b>		<b>82,778</b>	<b>97,019</b>	<b>57,287</b>	<b>86,414</b>
<b>Total Assets</b>		<b>1,645,281</b>	<b>1,583,799</b>	<b>1,634,779</b>	<b>1,417,599</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Payables and Deferred Revenue	12	536,685	950,381	732,038	450,408
Employee Entitlements		51,819	51,895	51,895	51,918
Other Current Liabilities		57,171	0	0	29,609
<b>Total Current Liabilities</b>		<b>645,674</b>	<b>1,002,276</b>	<b>783,933</b>	<b>531,935</b>
<b>Total Liabilities</b>		<b>645,674</b>	<b>1,002,276</b>	<b>783,933</b>	<b>531,935</b>
<b>Net Assets</b>		<b>999,607</b>	<b>581,523</b>	<b>850,846</b>	<b>885,663</b>
<b>Equity</b>					
Contributed Capital	13	1,000	1,000	1,000	1,000
Retained Earnings		998,607	580,523	849,846	884,663
<b>Total Equity</b>		<b>999,607</b>	<b>581,523</b>	<b>850,846</b>	<b>885,663</b>

## Financial Performance

### Central Economic Development Agency Limited Group Statement of Changes in Equity Position

For the 6 Months ended 31 December 2017

Account	Jul-Dec 2017 (Unaudited)	Jul-Dec 2016 (Unaudited)	30 Jun 2018 (SOI)	Jul 2016-Jun 2017 (Audited)
<b>Equity</b>				
Opening Balance	885,663	(20,031)	846,988	(20,031)
<b>Increases</b>				
Total comprehensive revenue and expense for the period	113,944	601,554	3,848	905,694
<b>Total Increases</b>	<b>113,944</b>	<b>601,554</b>	<b>3,848</b>	<b>905,694</b>
<b>Total Equity</b>	<b>999,607</b>	<b>581,523</b>	<b>850,846</b>	<b>885,663</b>
<b>Total comprehensive revenue and expense attributable to:</b>				
Palmerston North City Council	499,804	290,762	425,423	442,832
Manawatu District Council	499,804	290,762	425,423	442,832
<b>Total comprehensive revenue and expense</b>	<b>999,607</b>	<b>581,523</b>	<b>850,846</b>	<b>885,663</b>

## Financial Performance

### Central Economic Development Agency Limited Statement of Cash Flows

For the 6 Months ended 31 December 2017

Account	Jul-Dec 2017 (Unaudited)	Jul-Dec 2016 (Unaudited)	30 Jun 2018 (SOI)	Jul 2016- Jun 2017 (Audited)
<b>Cash Flows from Operating Activities</b>				
Receipts of council funding	1,435,801	432,500	2,599,211	2,097,780
Interest received	7,181	469	13,800	9,217
Receipts from other operating activities	795,256	392,988	1,084,807	1,143,695
GST	55,290	34,814	(323,103)	22,317
Payments to suppliers and employees	(1,966,537)	(1,156,516)	(3,612,776)	(2,990,527)
Finance costs	(26)	(10)	0	(190)
<b>Total Cash Flows from Operating Activities</b>	<b>326,966</b>	<b>(295,756)</b>	<b>(238,061)</b>	<b>282,292</b>
<b>Cash Flows from Investing Activities</b>				
Proceeds from sales of property, plant and equipment	200	0	0	1,159
Payment for property, plant and equipment	(8,773)	(12,022)	0	(18,274)
<b>Total Cash Flows from Investing Activities</b>	<b>(8,573)</b>	<b>(12,022)</b>	<b>0</b>	<b>(17,116)</b>
<b>Cash Flows from Financing Activities</b>				
Receipts from sale and purchase agreements	0	794,620	0	837,192
<b>Total Cash Flows from Financing Activities</b>	<b>0</b>	<b>794,620</b>	<b>0</b>	<b>837,192</b>
<b>Net Cash Flows</b>	<b>318,393</b>	<b>486,842</b>	<b>(238,061)</b>	<b>1,102,368</b>
<b>Cash Balances</b>				
Cash and cash equivalents at beginning of period	1,104,238	1,870	1,288,713	1,870
Cash and cash equivalents at end of period	1,422,631	488,713	1,050,652	1,104,238
<b>Net change in cash for period</b>	<b>318,393</b>	<b>486,842</b>	<b>(238,061)</b>	<b>1,102,368</b>

# Notes to the Financial Statements

## 1. Reporting Entity

Central Economic Development Agency Ltd (CEDA) was established and commenced operations in New Zealand on 15 October 2015 under the Companies Act 1993 (NZBN 9429042001096). As the shareholders of CEDA are Palmerston North City Council (50%) and Manawatu District Council (50%) CEDA is a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

CEDA has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The Financial Statements of CEDA are for the part year ended 31 December 2017.

## 2. Statement of Accounting Policies

### Basis of Preparation

The financial statements are prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period, unless otherwise stated.

### Statement of Compliance

The financial statements of CEDA have been prepared in accordance with the requirements of the Local Government Act 2002, the Companies Act 1993, and the Financial Reporting Act 2013. This includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) Reduced Disclosure Regime (RDR). CEDA is eligible and has elected to report in accordance with Tier 2 PBE standards RDR on the basis the entity has no public accountability and has expenses > \$2m and < \$30m.

### Presentation Currency

The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

### Historical Cost

These financial statements have been prepared on a historical cost basis.

### Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

## Notes to the Financial Statements

### Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured. Specific accounting policies for significant revenue items are explained below:

Sales of goods are recognised when the goods are sold to the customer.

Sales of services are recognised in the period by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Lease revenue is recognised on a straight line basis over the life of the lease.

Interest received is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest method.

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Donated assets. Where a physical asset is gifted to or acquired by CEDA for nil consideration or at a subsidised cost, the asset is recognised at fair value. The difference between the consideration provided and fair value of the asset is recognised as revenue. The fair value of donated assets is determined as follows:

- For new assets, fair value is usually determined by reference to the retail price of the same or similar assets at the time the asset was received.
- For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition, and age.

### Inventories

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus (deficit) in the period of the write-down.

### Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

## Notes to the Financial Statements

### Depreciation

Account	Method	Rate
Plant & Equipment	Diminishing Value	10% - 20%
Leasehold Improvements	Diminishing Value	10% - 40%
Vehicles	Diminishing Value	30%
Office Furniture & Equipment	Diminishing Value	0% - 67%

### Income Tax

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

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years.

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

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

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

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

### Cash and cash equivalents

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

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

### Receivables

Receivables are recorded at their face value, less any provision for impairment.

### Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

### Loans and receivables

Impairment is established when there is evidence CEDA will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in

## Notes to the Financial Statements

payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits or bonds are recognised directly against the instrument's carrying amount.

### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

### Payables

Short-term creditors and other payables are recorded at their face value.

### Equity

Equity is the shareholders' interest in CEDA and is measured as the difference between total assets and total liabilities.

### Good and Services Tax

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

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

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as operating cash flow in the statement of cashflows.

Commitments and contingencies are disclosed exclusive of GST.

### Employee Entitlements

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Short-term employee entitlements - Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned but not yet taken at balance date, and sick leave. These are classified as a current liability.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

CEDA does not provide for long service or retirement leave entitlements.

## Notes to the Financial Statements

### Leases - Where CEDA is the Lessee

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

### Critical accounting estimates and assumptions

In preparing these financial statements CEDA has made judgements, estimates and assumptions concerning the future.

These judgement, estimates and assumptions may differ from the subsequent actual results. Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Useful lives and residual values of property, plant, and equipment – refer to Note 11.
- Fair value of property, plant and equipment – refer to Note 11.

#### *Critical judgements in applying accounting policies*

Management has exercised the following critical judgements in applying accounting policies:

- Funding received – refer to Note 4.

### 3. Subsidiaries

CEDA consolidates in the group financial statements all entities where CEDA has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where CEDA controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by CEDA or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

CEDA has the power to appoint 100% of trustees of the Events Manawatu Trust. The consolidation of the Events Manawatu Trust into CEDA's financial statements has resulted in no change to the reported financial statements.

<b>Account</b>	<b>Jul-Dec 2017</b>	<b>Jul-Dec 2016</b>
<b>4. Council Funding</b>		
Palmerston North City Council	(996,538)	(617,612)
Manawatu District Council	(299,263)	(227,500)
Total Council Funding	(1,295,801)	(845,112)

## Notes to the Financial Statements

Project income, as disclosed in the Statement of Comprehensive Revenue and Expense, includes income from Council's specifically received for projects. This income is not included in Council Funding income.

Account	Jul-Dec 2017	Jul-Dec 2016
<b>Council Funding included in Project Revenue</b>		
Palmerston North City Council	128,881	28,394
Manawatu District Council	26,236	5,184
<b>Total Council Funding included in Project Revenue</b>	<b>155,117</b>	<b>33,578</b>

Critical judgements in applying accounting policies - funding received

CEDA must exercise judgement when recognising project revenue to determine when conditions of the funding contract have been satisfied. As at 31 December 2017 \$94,219 (2016:\$599,496) has been recognised as a liability as the conditions attached to the receipt of this funding have not yet been met.

### 5. Employee Expenses

Salaries and wages	711,241	457,630
Employer contribution to Kiwisaver	18,796	12,797
Movement in employee entitlements	(77)	51,895
<b>Total Employee Expenses</b>	<b>729,960</b>	<b>522,322</b>

### 6. Other Operating Expenses

Fees to Audit New Zealand for the audit of the financial statements	9,711	4,085
Consultants and legal fees	5,475	11,281
Other operating expenses	210,306	151,208
<b>Total Other Operating Expenses</b>	<b>225,493</b>	<b>166,574</b>

### 7. Income Tax Expense

Net Profit (Loss) Before Tax	298,536	668,194
<b>Tax at 28%</b>	<b>83,590</b>	<b>187,094</b>
<b>Plus (less) tax effect of:</b>		
Non deductible expenditure	-	178
Non-taxable income	-	(113,182)
Tax loss not recognised	-	(5,889)
Deferred tax adjustment	-	-
<b>Deductions from Tax Payable</b>		
Prior period tax paid (refunded)	-	(1,561)
<b>Total Deductions from Tax Payable</b>	<b>-</b>	<b>-</b>
<b>Tax expense</b>	<b>83,590</b>	<b>66,640</b>

## Notes to the Financial Statements

Account	Jul-Dec 2017	Jul-Dec 2016
<b>8. Cash and Cash equivalents</b>		
CEDA Current Account	198,170	35,709
CEDA Money Market Account	1,050,000	360,000
CEDA Trust Account	173,661	93,004
i-SITE Petty Cash	800	-
<b>Total Cash and Cash equivalents</b>	<b>1,422,631</b>	<b>488,713</b>
<b>9. Receivables and Accruals</b>		
Accounts Receivable	121,940	939,631
Less: Provision for impairment	-	-
Accrued Interest	151	2,538
Funding Accruals	-	41,730
<b>Total Receivables and Accruals</b>	<b>122,091</b>	<b>983,898</b>
<b>Total Receivables and Accruals Comprise</b>		
Receivables from exchange transactions	9,685	119,039
Receivables from non-exchange transactions	112,406	864,859
<b>Total Receivables and Accruals Comprise</b>	<b>122,091</b>	<b>983,898</b>
<b>10. Inventory</b>		
i-SITE Retail Stock	12,265	8,797
<b>Total Inventory</b>	<b>12,265</b>	<b>8,797</b>

No inventories are pledged as security for liabilities.

### 11. Property, Plant & Equipment

	Opening Value	Additions	Disposals	Depn	Closing Value
Leasehold Equipment	13,756	-	-	1,035	12,721
Office Furniture & Equipment	42,713	8,773	-	7,937	43,548
Plant & Equipment	14,658	-	-	1,143	13,515
Vehicles	15,287	-	-	2,293	12,994
<b>Total</b>	<b>86,414</b>	<b>8,773</b>	<b>-</b>	<b>12,409</b>	<b>82,778</b>

There are no restrictions on title of CEDA's property, plant and equipment. No property, plant and equipment has been pledged as securities for liabilities.

## Notes to the Financial Statements

Account	Jul-Dec 2017	Jul-Dec 2016
<b>12. Payables and Deferred Income</b>		
Accounts Payable	202,205	131,716
Accruals General	54,997	14,138
Funding in Advance	10,313	148,611
Funding in Advance - International Education	40,000	169,970
Funding in Advance - Major Events Funds	8,000	0
Funding in Advance - NZ Agri Investment Week	35,905	148,956
Funding in Advance - RDS Implementation	0	131,960
GST	56,787	136,291
Income Tax	133,588	66,640
Operations Credit Card	1,445	2,461
Withholding tax paid	(6,556)	(362)
<b>Total Payables and Deferred Income</b>	<b>536,685</b>	<b>950,381</b>
<b>Total Payables and Deferred Income Comprise</b>		
Payables under exchange transactions	189,198	96,286
Payables under non-exchange transactions	347,486	854,095
Total Payables and Deferred Income Comprise	536,685	950,381
<b>13. Equity</b>		
<b>Share Capital</b>		
Opening Balance	1,000	1,000
<b>Total Share Capital</b>	<b>1,000</b>	<b>1,000</b>
<b>Retained Earnings</b>		
Opening Balance	884,663	(21,031)
Current Year Earnings	113,944	601,554
<b>Total Retained Earnings</b>	<b>998,607</b>	<b>580,523</b>
<b>Total Equity</b>	<b>999,607</b>	<b>581,523</b>

Each fully paid ordinary share confers on the holder one vote at a meeting of the company, a share in distributions approved by the Directors, and a share in distribution of the surplus assets of the company on dissolution. At balance date there were 1,000 shares on issue.

### 14. Key personnel compensation

<b>Directors</b>		
Remuneration	77,500	77,500
Full-time equivalent members	5	5

Due to the difficulty in determining the full time equivalent for Directors the full time equivalent figure is taken as the number of Directors.

## Notes to the Financial Statements

Account	Jul-Dec 2017	Jul-Dec 2016
<b>15. Financial Instruments</b>		
<b>Financial Assets</b>		
<b>Loans and Receivables</b>		
Accounts Receivable	121,940	939,631
Accrued Interest	151	2,538
Cash and cash equivalents	1,422,631	488,713
Funding Accruals	-	41,730
<b>Total Loans and Receivables</b>	<b>1,544,722</b>	<b>1,472,611</b>
<b>Total Financial Assets</b>	<b>1,544,722</b>	<b>1,472,611</b>
<b>Financial Liabilities</b>		
<b>Financial Liabilities at amortised cost</b>		
Payables	(442,466)	(350,885)
Unsettled Tickets	(57,171)	-
<b>Total Financial Liabilities at amortised cost</b>	<b>(499,637)</b>	<b>(350,885)</b>
<b>Total Financial Liabilities</b>	<b>(499,637)</b>	<b>(350,885)</b>

### 16. Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

<b>Operating leases as lessee</b>		
Not later than one year	129,011	132,860
Later than one year and not later than five years	126,915	255,657
Later than five years	-	-
<b>Total non-cancellable operating leases</b>	<b>255,926</b>	<b>388,517</b>

The i-Site building is rented from the Palmerston North City Council. The lease expires on 31 August 2019, with three rights of renewal of three years each. This disclosure has included the lease payments up to the expiry date of 31 August 2019 as CEDA has an option whether to renew the lease.

The office space located at Level 1, 478 Main Street, Palmerston North, has a lease term to June 2020. The current conditions are a monthly lease charge with a notice period of 3 months.

### 17. Events after balance date

There are no significant events after balance date.



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