

Pūrongo Tau
Haurua
**Half Yearly
Report**
to 31 December 2021

28 February 2022

Company Directory

Central Economic Development Agency Limited

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1-19 Fitzherbert Avenue
Palmerston North 4410

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📍 CEDA.nz

Chief Executive

Jeremy Shearman (Jerry)

Directors

Robyn O'Fee (Bobbie) - Chairperson
Paul Bayly
Margharita Mare (Margy)
David Norman
Robbie Pickford
Francene Wineti

Registered Office

Morrison Creed Advisory
236 Broadway Avenue, 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.

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Pūrongo Ngātahi a te Heamana me te Tumuaki

Joint Report of Chairman and Chief Executive

Kia ora koutou,

New Zealand continues to respond to the ongoing impacts of COVID-19 and the effect on our economies. In the Manawatū region overall business sentiment has remained positive, and our region's economy continues to perform well in a national context with GDP and employment growth, and record-breaking residential consents. While our economy continues to perform well it is not without its challenges, with employment up and unemployment at an all-time low, this creates additional demands on our regions' labour pool.

CEDA's work across the key pillars of economic development, People, Place and Business, in partnership with our stakeholders, iwi and business community, has been as active as ever in continuing to support the region in identifying opportunities for success.

CEDA has been working with the support of our partners, on positioning our region as Central New Zealand's Distribution Hub through the development and implementation of Te Utanganui, a Strategy to future-proof our regional and national transport network, supporting population growth, competition in the logistics market and the increase in freight volumes predicted in future decades.

The ongoing development of the Manawatū Food Strategy will be key in progressing our region to become a leading agrifood, science and innovation hub working with key industry players to contribute to a healthy and sustainable food system for New Zealand and beyond.

Further to this the Manawatū Business Attraction, Retention and Expansion Strategy has been developed following engagement with industry and business leaders. The Strategy outlines key areas of focus and opportunities in the region, which we look forward to implementing through increased engagement across the business community.

In the last six months we have developed sector profiles and action plans for the Infrastructure and Construction, and Food and Fibre sectors, taking a partnership approach with industry to identify areas of focus in the development, attraction and retention of talent and skills. This has led to the establishment of the Te Rōpū Tuapapa Infrastructure and Construction Collective Action Group to implement key actions identified as a result of the sector profiles.

Another significant project for the region was rolling out the new regional identity, an asset that strategically positions the region, increasing recognition and pride and enabling us to tell our story of the region to raise our profile in a uniquely Manawatū way.

Additional government funding secured through the Ministry of Business, Innovation and Employment as part of the Support, Recover, and Reset tourism funding, has meant opportunities for an increased level of activity in profiling the region through media, and a refreshed regional website to reflect the new regional identity and support our marketing initiatives.

We look forward to the second half of the year to plan and deliver economic development outcomes to progress our region, whilst remaining agile to react as necessary to support the business region's economy in this ever-changing world.

Thank you to our shareholders, CEDA board and team, iwi, and our partners who continue to support us to achieve our vision and contribute to the region's success - it cannot be achieved alone.

Titiro whakamuri, kōkiri whakamua.

Look back and reflect so you can move forward.

Ngā mihi nui ki a koutou katoa,



Bobbie O'Fee
Heamana
Chairperson



Jerry Shearman
Tumuaki
Chief Executive

Ā Mātou
Tutukinga
**What
We Have
Achieved**



Whakamaneatia, puritia,
whakawhanaketia ngā
iho pūmanawa i te rohe

Attract, retain, and develop talent in the region

Through our data and research, we know that the biggest barrier to business growth in the region is the ability to attract the right people for the job. The development of a talent pipeline for the region that includes the attraction of those with the skills and experience our businesses need, the training and

development of the people they already have, the recruitment of students to the region, along with an understanding of the future needs of our sectors and businesses is key to the region being able to grow and prosper by 2025, becoming recognised for our exceptional lifestyle and competitive advantages.

What we have achieved

Develop the talent pipeline to grow a skilled workforce and better utilise the existing labour market

Talent and Skills Business Survey

resulted in 69 responses from the regions business community. Co-created by CEDA, Immigration New Zealand, Feilding and District Promotions, Manawatū Business Chamber and Welcoming Communities to better understand businesses opportunities in relation to talent and skills and identify ways to address any challenges.

Talent and Skills Sector Profiles and Action Plans developed

for the Infrastructure and Construction, and Food and Fibre Sectors in the region, drawing upon input from local businesses and data from Infometrics, looking at recent performance and forecasts in addition to wider trends and drivers that are likely to impact the sector in the future.

Te Rōpū Tuapapa Infrastructure and Construction Collective Action Group

has been launched to implement actions from the infrastructure and construction sector profile and action plan. This is a, for industry-by-industry initiative, that CEDA has led to develop tangible and strategic solutions to the ongoing labour challenges of this critical sector.

Two new Te Aho Tāmaka Leaders

welcomed to the programme; Johanna Wood President of New Zealand Football and the Oceania representative on the FIFA Council, and winner of the Sport New Zealand Leadership Award, and Alison Quigan, former Shortland Street actor and well-known theatre and television actor, writer, and director.

Te Aho Tāmaka Programme Leaders engagements

including Hon. Steve Maharey providing insights and inspiration to a group of young local government leaders at a Future Leaders Retreat, and Dr Farah Palmer, Linda Jenkinson and Vanisa Dhuru gathered virtually to host a kōrero around Diversity and Inclusion in Governance, an interesting and motivating interactive discussion with participants from across the country.

Infrastructure and Construction Talent and Skills Attraction Marketing Campaign

to attract talent in the sector, highlighting job opportunities to help combat the current skills shortage and to stand out in the fierce national competition for talent, with six co-funding partners: eHaus, Turfrey's, GJ Gardner, UCOL, Higgins and Resonant. The campaign included AWF recruitment agency coming on board as a 'triage' partner to support those relocating and their partners/ family in finding 'work' for everyone.

370,450 Impressions,
112,866 Reach, and 2703 Engagements

through Facebook and Instagram for the Infrastructure and Construction talent and skills marketing campaign; including a talent attraction campaign and a relocate to Manawatū competition.

404,735 impressions and 1,098 click throughs to ManawatuNZ.co.nz

through Google Ads for the Infrastructure and Construction talent and skills marketing campaign



Infrastructure and Construction Talent and Skills Attraction Marketing Campaign

Whakamaneatia, puritia,
whakawhanaketia ngā
pakihi me ngā haumitanga
i te rohe

Attract, retain and develop business and investment in the region

Business development and expansion in the region, and attracting business and investment to the region, is at the core of economic development and at the forefront of CEDA's objectives for Manawatū to be a leading distribution hub, be recognised as one of the top three agrifood hubs in the world, and a

magnet for investment, business, and talent. We have a strong competitive edge to achieve these outcomes with our central location, comparatively affordable land and development costs, a diverse labour pool, and a growing culture of innovation and entrepreneurship.

What we have achieved

Support our sectors of strength and big businesses to grow through targeted business development actions, retention initiatives and activities

\$1million to Support the Recovery and Re-Set of the visitor economy

secured from the Ministry of Business, Innovation and Employment, through the development of an investment plan focused on destination management, product development, sector capability, and domestic marketing.

Rangitāne o Manawatū Māori Tourism Strategy

completed with a long-term objective to enable whānau business ventures, whānau employment, Rangitāne to tell their stories and Rangitānetanga, with implementation and engagement plans developed through the Tourism Working Group.

Three Events supported through the Regional Events Fund

which CEDA administers on behalf of the Ministry of Business, Innovation and Employment to support visitor attraction to the region, with total funding allocated of \$26,000. Events supported were the Manawatū Triathlon League, NZ Robotics National Championship, and Manawatū Cricket Men's & Women's Super-Smash T20 tournament, which was telecast on Spark Sport and free to air on TV1/Duke (I think!).

NZ House and Garden Tour secured

to come to Manawatū in 2022 for the first time, through a partnership with Stuff Events, and cementing the regions support of Central Districts Field Days 2022. The Manawatū leg of the Tour being the second most popular of the four locations across New Zealand in terms of ticket sales being sold out prior to Christmas.

AgriTech Strategy Highlights

as part of the year four strategy outcomes captured through regular Roaming Networker reports produced in partnership with Sprout AgriTech to end of December included:

- Levno, leaders in farm data and monitoring, were named as New Zealand's fastest-growing agribusiness in the Deloitte NZ Fast 50 index in October.
- Team Melt, a group of Massey University PhD students from Palmerston North's Riddet Institute, won the 2021 QING Innovation Track competition in the Netherlands.
- Map and Zap, sustainable weed control solution through a weed identification and laser technology system, secured a spot in the 2021 Sprout Accelerator and completed an intensive process with the Sprout team to accelerate the path to market.

Business Attraction, Retention & Expansion Strategy developed

for the Manawatū region, expanding on previous work completed in this area, and through targeted engagement with local business, industry, and stakeholders. Building on CEDA's existing business engagement an action and engagement plan has been completed to enhance CEDA's efforts to support business attraction, retention, and expansion across Manawatū.

Partnership with The Factory and Sprout Agritech

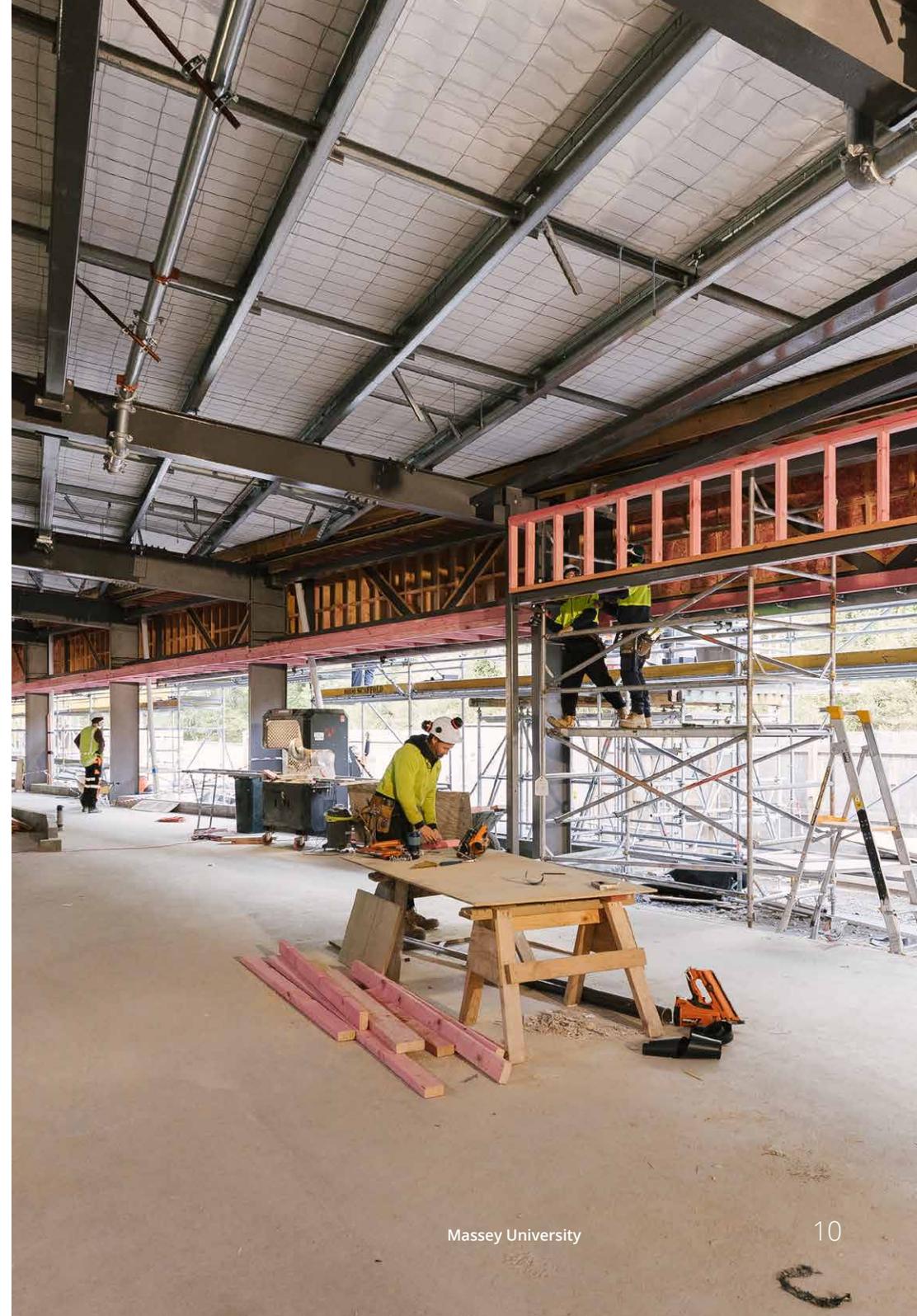
to support and accelerate tech start-ups and entrepreneurs has seen CEDA support, mentor and provide panel judges across the Sprout Accelerator Cohort 8, The Factory's Innovate 2021, and the Manawatū Young Enterprise Scheme. CEDA provided mentoring and judges across the events which saw 173 entrants for the Accelerator and Innovate programmes, with 17 finalists, and 25 businesses created through the region's secondary schools for the Young Enterprise Scheme.

283 small and medium enterprises supported

through CEDA engagements including 305¹ total engagements through the Regional Business Partner programme including 16 Māori businesses, 20 businesses being matched with mentors through the Business Mentor New Zealand programme, and \$149,621 of capability development support issued.

32 businesses supported with Research and Development

through Callaghan Innovation including 26 Student Experience Grants for summer interns, one Master's Fellowship, four Projects Grants, and a Getting Started Grant, with the combined grant value totalling \$1,363,572.



What we have achieved

Attract business and investment to the region

Four investment opportunities

supported in the region

with support of Beam Mobility, Asia Pacific's only Carbon Neutral certified e-Scooter company to launch their service in the city, the Australian Defence Apparel office co-location to the region, and ongoing facilitation on the hydrogen heavy vehicle refuelling and hi-tech audio business relocation opportunities.

Additional funding has also been secured to further support the opportunities in and around Te Āpiti – Manawatū Gorge, potentially connecting out to Arapuke.

Manawatū Food Strategy

development has commenced with Terms of Reference developed and International Food Sector specialist appointed to review international best practice and commence engagement including interviews with industry representatives, iwi, government and ministerial offices and other key stakeholders which are underway.

Te Utanganui Central New Zealand Distribution Hub Strategy finalised

and endorsed through consultation with local politicians, minister offices, government officials, commercial operators, potential investors, and iwi. A Reference Group has been founded to provide strategic leadership and collaboration between iwi, local and central government, and a crown entity, at an organisation level.

Profile the region to attract people, business, and investment

Whakatairangatia te rohe hei whakamanea i te tangata, i te pakihi me te haumitanga

Profiling the region to highlight our strengths, our people and our places through a shared regional identity, targeted storytelling and partnerships ensures Palmerston North city and Manawatū district is renowned for its exceptional lifestyle, competitive

advantages and is a magnet for investment, business, and talent. A coordinated approach to better showcasing the strengths of our region and profiling our successes is key to achieving recognition as one of the top three global agrifood hubs by 2025.

What we have achieved

Profile Manawatū locally, nationally, and globally

New regional identity launched for Manawatū

with a refreshed regional website launched to lift the profile and visibility of the region.

Manawatū Summer campaign launched with 550,000+ impressions

with strong engagement from our target audiences across a three-hour drive time, including Wellington, Whanganui, Taupō, Hawke's Bay and Taranaki.

33 Media Features secured profiling the city and region

across a broad audience base, including business, investment, and visitation to the region.

Six content pieces curated

by CEDA and published across our platforms as well as in RV Today and Our New Zealand magazines.

4% Increase in Social Media followers

year to date across Palmy & Manawatu Facebook and ManawatuNZ Instagram channels to a combined total of 28,489.



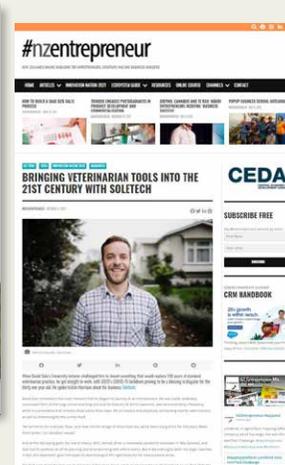
NZ Today



Stuff.co.nz



Our New Zealand Magazine



NZ Entrepreneur



NZ Herald



Stuff.co.nz House & Garden



Stuff.co.nz



TIN Agritech Report



NZ Manufacturer



NZ Entrepreneur



NZ House & Garden



NZ Entrepreneur

Lead inclusive and sustainable economic development for the region

Aratakina ngā whanaketanga
ohaoha kauawhi, toitū anō
hoki mō te rohe

Our work cannot be done in isolation, and the strengths of our region rely on working together to use our combined strengths, connections, and skills to compete nationally and globally. Collaborative relationships

and partnerships with key regional and national stakeholders, central and local government, Māori, and iwi are key to ensuring our strategic outcomes for the city and district.



What we have achieved

Develop strategic partner relationships, leveraging opportunities

Partnership Agreements in place

with Rangitāne o Manawatū, The Factory, Sprout, UCOL, Te Manu Atatū, Network of Skilled Migrants Manawatū, and Chiasma.

Regional Partnerships in place

for the Coastal Arts Trail and Regional Events Fund with Whanganui & Partners and Venture Taranaki.

\$700,000 Te Urungi project funding secured

in partnership with the Rangitāne o Manawatū Māori Tourism Working Group, to resource and develop a digital, interactive story telling platform that maps out the Manawatū Awa and creates a private repository for Rangitāne to safely store and share their stories.

What we have achieved

Data and Insights communications on the performance of the region's economy

48 stakeholder communications published

including Quarterly Economic Overviews, 60 Seconds with CEDA, Training and Development Guides, local media coverage of CEDA's activity and services and Business Surveys.

148 Social Media posts

on CEDA Facebook and LinkedIn channels.

Radio Interviews

including a MoreFM feature on the economic performance of the region, and fortnightly slots with Manawatū Peoples Radio providing insight to the local community on economic trends, key projects and updates.

NZ Manufacturer, Manawatū Standard and NZ Business

published Quarterly Economic Updates on the region.

Māori Economic Report published

on Māori business activity in the Manawatū-Whanganui region, which was co-developed by CEDA, Palmerston North City Council, Massey University, and Te Au Rangahau.

Purpose of the Half Yearly Report

This Half Yearly Report is presented by Central Economic Development Agency Limited (CEDA) in accordance with the requirements of Section 64(1) of the Local Government Act 2002 (LGA 2002).

In accordance with the Local Government Act 2002, this report publicly states the activities and progress for the year to date against objectives set in the CEDA Statement of Intent for the 2021-22 financial year.

COVID-19 Impact

The impact and uncertainty that COVID-19 presents to our community is ongoing. As an organisation whose primary objective is to support business and grow the regional economy, we have had to approach our work with flexibility in order to be responsive to the dynamic environment and changing needs and demands of our community. In doing that we have adapted our programmes of work in the short to medium term to achieve the outcomes required to successfully lead and support the economic response for Manawatū.

The outcomes presented in this Half Yearly Report include response and recovery projects changed or implemented to assist our businesses, industries, and our people through the impact locally, nationally, and internationally of COVID-19, including additional support from funding received from the Ministry of Business, Innovation and Employment.



Our Vision

Manawatū 2025: Ko te rohe tino ahu whakamua o Aotearoa

Manawatū 2025; New Zealand's most progressive region

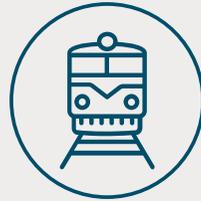
Our vision is bold and purposefully so, it encompasses the ambitions of both our shareholder Councils. It requires our region to move from comfortable to ambitious, from reactive to future focused, and to move with an increased cadence and sense of resolve. We believe that Manawatū has the leadership and the ingredients to reposition itself on the national stage - a vibrant and innovative region that will be first choice for talent, business, and investment.

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

Our three big goals that show we are on our way to achieving this vision are:



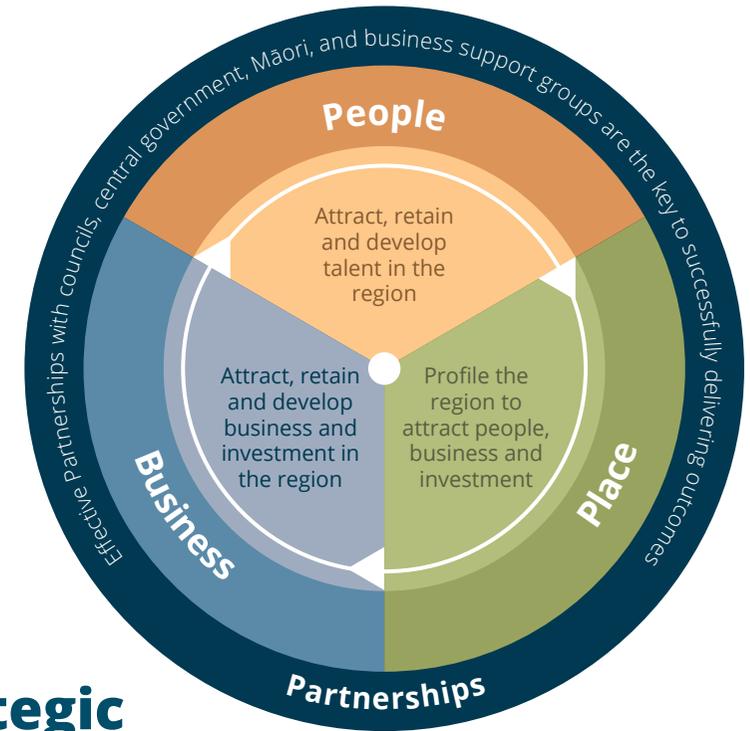
Manawatū is recognised as one of the top three agrifood hubs in the world



Manawatū is a leading distribution hub, and leverages off its role in central New Zealand



Manawatū is renowned for its exceptional lifestyle, competitive advantages, and is a magnet for investment, business, and talent



Our Strategic Objectives

Achieving our vision

CEDA works across the three strategic pillars of economic development; People, Place and Business, and our success is underpinned and enabled by the strength of our relationships with our regional and national partners.

Our core 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 Palmerston North city and Manawatū district.

These key objectives guide the development of our short and medium-term programmes of work as articulated through our Statement of Intent for 2021/22.

When considering how to prioritise our efforts, and based on our current resources and functions, we focus on programmes and activities that offer the greatest opportunities for economic prosperity.

These are identified through research, monitored, and reviewed using the latest data, and viewed through a regional, national, and international lens.

Ā Mātou Paearu Mahi **How we performed**

Our Performance to December 2021

CEDA's performance measure framework identifies quantifiable measures of our programmes and activities aligned to our key strategic outcomes. These form the basis of our accountability and

will be reported on six-monthly. In our reporting, additional commentary will be used to inform on the delivery and effectiveness of the full range of CEDA's activity.

Service Level Statement	Performance Measure	2021/22*	Outcomes to December 21
Attract, retain, and develop talent in the region			
Develop the talent pipeline to grow a skilled workforce, and better utilise the existing labour market	Lead and support the regions attraction and retention of talent, skills, and investment	Lead the delivery of the Manawatū Talent and Skills Attraction and Retention Strategy, year one action plan, including the creation of a pathways to employment and career development programme	<p>Two Talent and Skills Sector Profiles have been completed for the Infrastructure and Construction Sector and the Food and Fibre Sector.</p> <p>Talent and Skills Business Survey took place with 69 responses from the business community. The survey was co-created by CEDA, Immigration New Zealand, Feilding and District Promotions, Manawatū Business Chamber and Welcoming Communities.</p> <p>The Infrastructure and Construction Talent Attraction Marketing Campaign was launched in November. We have partnered with AWF to act as an employment triage partner, for those looking for career opportunities in the sector and also to support their partners/whānau looking for career opportunities in other sectors. Six businesses have come on board as co-funding partners.</p> <p>The Infrastructure & Construction Collective Action Group - Te Rōpū Tuapapa has been set up. Two workshops were held, with 35 businesses participating, identifying barriers and opportunities in relation to talent attraction. This has resulted in a draft Action Plan for the group, incorporating actions from the Talent and Skills Sector Profile.</p>
		Deliver year two of the Te Aho Tāmaka three-Year strategy, including two leaders aligning their support to relevant regional projects, building business or talent capability	<p>Two new leaders have been welcomed into Te Aho Tāmaka Leaders Programme: Johanna Wood, President of New Zealand Football and the Oceania representative on the FIFA Council and winner of the Sport New Zealand Leadership Award, and Alison Quigan, former Shortland Street and well-known theatre and television actor, writer, and director.</p> <p>Te Aho Tāmaka leader Hon. Steve Maharey presented to the Manawatū-Whanganui Local Authority Shared Services; Future Leaders Programme, organised in collaboration with Manawatū District Council. This was shared on CEDA's LinkedIn and Facebook channels.</p> <p>A Q&A was completed by Robin Stalker, former CFO of Adidas, who currently lives in Germany. Robin answered questions about how Manawatū influenced his journey and the attributes that have helped him achieve such a high level of success. This has been published and shared across all CEDA and Te Aho Tāmaka channels.</p> <p>Dr Farah Palmer, Linda Jenkinson and Vanisa Dhiru gathered virtually to host a kōrero around Diversity and Inclusion in Governance, an interactive discussion with participants from across the country.</p>

*these objectives or outcomes may be impacted by CEDA's requirements to be adaptable and responsive to the needs of the regional economy due to the impact of COVID-19

Service Level Statement	Performance Measure	2021/22*	Outcomes to December 21
<h2 style="text-align: center;">Attract, retain, and develop business and investment in the region</h2>			
<p>Support our sectors of strength to grow through targeted business development and retention initiatives and activities</p>	<p>Development of priority sectors through sector strategy implementation, cluster development and partnerships with Māori.</p>	<p>Implementation of the Destination Management Plan year two actions, to lift visitor sector business capability, and develop the Māori Tourism Plan</p>	<p>As the Regional Tourism Organisation for the city and region, CEDA successfully secured a further \$1 million in funding to support the recovery and strengthening of the visitor economy. This was secured through submitting a comprehensive bid and investment plan outlining how the funding would be utilised on destination management, product development, sector capability, and domestic marketing.</p> <p>The Rangitāne o Manawatū Māori Tourism Strategy was finalised and adopted, and the action plan for year one and two developed. CEDA has worked with Rangitāne to secure a contractor to lead the implementation of the Strategy, and project plans and stakeholder mapping has been completed.</p> <p>The Coastal Arts Trail project has been completed with an official launch scheduled for early 2022, and features 32 artists, galleries, events, and sites of interest for our region. This project is a multi-regional collaboration with Whanganui and Taranaki to target the Auckland and Wellington market with a new self-drive itinerary.</p> <p>CEDA partnered with Tourism New Zealand to create an engaging video for international travel trade promoting Manawatū as a destination and educating travel buyers on our offerings. The two days of filming has been completed and features a range of Qualmark accredited visitor products from across our region and is used as a training resource for travel sellers based offshore.</p> <p>Three events supported through the Regional Events Fund administered by CEDA on behalf of the Ministry of Business Innovation, and Employment to support visitor attraction to the region, with total funding allocated of \$26,000. Events supported were the Manawatū Triathlon League, NZ Robotics National Championship, and Manawatū Cricket Men's & Women's Super-Smash T20 tournament.</p> <p>NZ House and Garden Tour has been secured to come to Manawatū for the first time, through CEDA's partnership with Stuff Events.</p>

Service Level Statement	Performance Measure	2021/22*	Outcomes to December 21
		Implementation of year four of the Agritech Strategy action plan, to grow the sector, attract investment, increase research and development activity, develop talent and skills, and increase the national and global profile of the region, including delivery of NZ AgriFood week	<p>As part of the Manawatū Agritech Strategy year four outcomes:</p> <ul style="list-style-type: none"> Partnership with Sprout Agritech to produce quarterly roaming networker reports, to capture key events and achievement that happen with the region and leveraging these to raise the profile of our region as a leading agrihub. Partnership with NZ Entrepreneur for the second year running, as part of the national Innovation Nation Showcase, to profile nine of our regions' innovators across agrifood and agritech, including Durafeed and Koru Diagnostics. Partnership with the Technology Investment Network to sponsor the 2021 Agritech Insights Report, highlighting our regions position as the leading agrihub in Aotearoa. Review of New Zealand AgriFood Week positioning and opportunities completed with partners and stakeholders, resulting in a decision made to move to New Zealand AgriFood Talks for 2022.
	Retain businesses in the region through engagement and identification of barriers to growth	Implement year one of the Business Retention and Expansion Strategy through structured business engagements, identifying specific business expansion constraints and facilitating resolutions	CEDA has developed a Business Attraction, Retention and Expansion strategy framework for Manawatū in consultation with regional business leaders. The Strategy was developed to build on CEDA's work in this area while better understanding the needs of business looking to establish or expand in the region, and the barriers and opportunities to retaining and growing businesses. Implementation of the Strategy has commenced with a strategic engagement plan developed to further CEDA's engagement with key business leaders and business.
	Facilitate access to specialist innovation, and start-up expertise	Partner with The Factory, Sprout Agritech and Callaghan Innovation to deliver start-up and innovation support	<p>Partnerships entered into with Sprout Agritech and The Factory. This has resulted in CEDA being Part of selection panel at Sprout Agritech Accelerator 2021-22 Cohort 8, judging YES Regional Finals, and support in promotion and active involvement with The Factory's Innovate 2021. These events saw 173 entrants for the Accelerator and Innovate programmes, with 17 finalists, and 25 businesses created through the region's secondary schools for the Young Enterprise Scheme.</p> <p>32 businesses supported with Research and Development through Callaghan Innovation, including 26 Student Experience Grants for summer interns, one Master's Fellowship, two Project Grants and a Getting Started Grant, with a combined value totalling \$1,363,572.</p>
	Develop and grow businesses by delivering information, advice, and support	580 businesses supported through CEDA business development programmes and activities including the Regional Business Partner Programme**	<p>283 unique businesses supported year to date which include:</p> <p>305 total engagements including 16 Māori businesses, and 20 Business Mentors New Zealand mentor matches - businesses may have received more than one service. \$149,621 in capability development support issued.</p>

Service Level Statement	Performance Measure	2021/22*	Outcomes to December 21
Attract business and investment to the region	Implementation of Inward Investment strategy with regional partners, through the attraction of investment to the region including key regional projects	Identify and support three key investments to the region including Te Āpiti development project	<p>Four investment opportunities supported in the region with support of Beam Mobility, Asia Pacific's only Carbon Neutral certified e-Scooter company to launch their service in the city, the Australian Defence Apparel office co-location to the region, and ongoing facilitation on the hydrogen heavy vehicle refuelling and hi-tech audio business relocation opportunities.</p> <p>Additional funding has also been secured to further support the opportunities in and around Te Āpiti – Manawatū Gorge, potentially connecting out to Arapuke.</p>
		Te Utanganui (Central New Zealand Distribution Hub) strategy implementation through development of business cases for multiple infrastructure projects	<p>Te Utanganui - Central New Zealand Distribution Hub Strategy finalised and endorsed through consultation with local politicians, minister offices, government officials, commercial operators, potential investors, and iwi.</p> <p>CEDA presented at the KiwiRail Notice of Requirement process in support of the rail development and facilitated the engagement of a property expert to support Palmerston North City Council planning functions and develop an engagement plan for investors, developers, and potential users in the hub.</p> <p>CEDA has also worked with Palmerston North City Council to develop plans for the four agreed work streams which includes commencing Steering and Reference groups across key stakeholders.</p>
		Development of a Food Strategy for the region identifying investment opportunities	Manawatū Food Strategy development has commenced with Terms of Reference developed and international food sector specialist appointed to review international best practice and commence engagement including interviews with industry representatives, iwi, government and ministerial offices and other key stakeholders which are underway.

Service Level Statement	Performance Measure	2021/22*	Outcomes to December 21
Profile the region to attract people, business, and investment			
<p>Profile Manawatū locally, nationally, and globally</p> <p>The strategy development</p>	<p>Lead and develop the stories of Manawatū, creating a narrative and a unified positioning, incorporating the cultural heritage of iwi</p>	<p>Leverage the regional identity to attract people business and investment to the region, with 8 content pieces published</p>	<p>Regional Identity completed, endorsed, and rolled out across key platforms and channels and collateral, including:</p> <ul style="list-style-type: none"> • Refreshed look and feel for the regional website ManawatuNZ.co.nz • State Highway One signage in Sanson • Visitor Guide • Refreshed The Country Road brand and brochure <p>Additionally, the new regional Liveability Prospectus was launched, which is a comprehensive overview of the lifestyle options and benefits in our city and region.</p> <p>Launch of a Summer Campaign targeting the lower North Island, including large outdoor poster advertising along central Wellington streets, double-page features in Our New Zealand, and RV Lifestyle magazines, and a big digital campaign. In the first four weeks of launch the campaign had secured over 10,000 web visits, and a digital reach of 120,276 and 2,213,226 impressions.</p> <p>Six content pieces have been curated by CEDA and published, including in Our New Zealand Magazine, and RV Today. These content pieces are also published on CEDA.nz and ManawatuNZ.co.nz</p>
		<p>40 direct media features published profiling the region across people, place, and business with a reach of more than 2.5 million***</p>	<p>33 media features profiling the city and region have been achieved through CEDA's work, with a combined reach of 13,847,888 readers, listeners and subscribers. This includes 11 features on our innovative ecosystem which we co-developed in partnership with NZ Entrepreneur as part of the national Innovation Nation Showcase. Other media coverage included features in Stuff Travel, Our New Zealand, NZ House and Garden, RV Today, NZ Manufacturer, Kia Ora Magazine, NZ Herald, and NZ Business.</p>
	<p>Grow engagement on regional web and digital platforms for increased promotion of and information on the region</p>	<p>11% increase in 'sessions' on ManawatūNZ.co.nz, and social media engagement****</p>	<p>Sessions for ManawatuNZ.co.nz are down 13.7% in the year to date, which is in part due to two factors:</p> <ul style="list-style-type: none"> • The second COVID-19 lockdown into Level 4 and 3 across New Zealand in the first and second quarter • The refreshment of the website in the second quarter, which relaunched on 24 November 2021 <p>With the refreshed website now launched, December 2021 sessions were up 25.4% from December 2020 which is a positive indication for the next two quarters ahead.</p> <p>Palmy & Manawatū Facebook followers are up 2.06% year to date (20,616 to 20,659); noting CEDA's merging of Facebook pages, MyManawatū and Palmy & Manawatū, which has accounted for some of this level of growth.</p> <p>ManawatuNZ Instagram followers are up 2.12% year to date (7,667 to 7,830).</p>

Service Level Statement	Performance Measure	2021/22*	Outcomes to December 21
Lead inclusive and sustainable economic development for the region			
Develop strategic partner relationships, leveraging opportunities	Continue to build on relationships with shareholders, central government agencies, key regional stakeholders, local iwi and Māori, and business support groups	<p>Partnership agreements and workplans reviewed and agreements in place with key central government agencies</p> <p>Iwi partnership projects implementation underway</p>	<p>Partnership agreements with Rangitāne o Manawatū, The Factory, Sprout Agritech, UCOL, Te Mana Atatū, Coastal Arts Trail (Whanganui & Partners, Venture Taranaki), Regional Events Fund (Whanganui & Partners, Venture Taranaki), Manawatū Young Professionals Network, Network of Skilled Migrants Manawatū, and Chiasma.</p> <p>Contractor engaged via partnership with Te Mana Atatū for Māori business support to end of year.</p> <p>Iwi participation in the Destination Management Plan implementation, Regional Identity development, and Te Utanganui (CNZ Distribution Hub). Contractor engaged to facilitate the delivery of the Rangitāne o Manawatū Māori Tourism Strategy, funded via the Support, Recovery, Reset Funding through the Ministry of Business, Innovation and Employment.</p> <p>\$700,000 project funding secured through Te Urungi, in partnership with the Rangitāne o Manawatū Māori Tourism Working Group. This funding will resource and develop a digital, interactive story telling platform that maps out the Manawatū Awa and creates a private repository for Rangitāne o Manawatū to safely store and share their stories.</p>
Data and insights communications on the performance of the region's economy	Economic impact information regularly communicated to stakeholders and business, including iwi and Māori business sector	Set baseline for audience engagement across key communications including economic updates, Māori economy data and regional news.	<p>Total of 48 engagements year to date</p> <ul style="list-style-type: none"> • 2 Quarterly Economic Overviews (average open rate:32.5%, Target open rate: 40%) • 30 60 Seconds with CEDA (average open rate:28.9%, Target open rate:40%) • 6 Training and Development Guides (average open rate:26.79%, Target open rate:30%) • 8 Local media coverage of CEDA's activity and services, with a combined reach of 179,000 • 2 Business Surveys <p>Radio interviews were secured on MoreFM where the latest economic performance was discussed for the region. Also media coverage through the Quarterly Economic Updates in NZ Manufacturer, Manawatū Standard and NZ Business.</p> <p>Māori Economic Report published on Māori business activity in the Manawatū-Whanganui region, which was co-developed by CEDA, Palmerston North City Council, Massey University, and Te Au Rangahau.</p> <p>The Manawatū Region Quarterly Retail Report was also produced in partnership with Palmerston North City Council using data sourced from MarketView giving an overview of retail spending in the region. CEDA also managed the design and publishing of this document.</p>

Service Level Statement	Performance Measure	2021/22*	Outcomes to December 21
			<p>CEDA.nz - December 2021 sessions were up 4.2% from December 2020, with YOY sessions down 27.7%. (The demand for business support in the recent lockdowns was not as significant as the previous year, contributing to the drop in growth)</p> <p>CEDA Facebook followers 997 as of 31 December 2021 (target for the FY is 1,100 followers). 88 posts published from 1 July to 31 December 2021.</p> <p>CEDA LinkedIn followers up 7.82% (870 to 938) from 1 July to 31 December 2021 (target for the FY is 950 followers). 60 posts published from 1 July to 31 December 2021.</p>
Work plan aligned to delivery of Statement of Service Performance	Development of Business Plan with outcomes on delivery of the Statement of Intent	Business Plan developed and delivered to shareholders by 31 October*****	Business plan delivered

*these objectives or outcomes may be impacted by CEDA's requirements to be adaptable and responsive to the needs of the regional economy due to the impact of COVID-19

** assuming continued funding of the Regional Business Partner programme by the Ministry of Business, Innovation and Employment

***reach measured by media and/or publication audience/readership

**** increase in sessions for 2021/22 to be based on a baseline of 250,000 due to additional activity in the 2020/21 financial year due to Strategic Tourism Assets Protection Programme funding received in response to COVID-19

***** Dependent on Statement of Intent being signed off by 30 June

Ngā Tohu Aroturuki **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	2022	2023	2024	Regional target*
Change in total number of jobs	1.9% increase	1.9% increase	1.9% increase	1.9% average annual increase over three years
Change in median 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	1,350 increase	1,350 increase	1,350 increase	1,350 population increase pa, 1.2% average increase pa.
- 65 years and over population (for demographic monitoring)	530 increase	530 increase	530 increase	Estimated 530 population increase pa, 3.3% pa.
Net overseas migration	660 gain	660 gain	660 gain	660 average annual net migration gain.
Spend by visitors in Manawatū 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 Manawatū 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 Manawatū / 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

About CEDA

The Central Economic Development Agency (CEDA) is a Limited Liability Company incorporated and registered under the Companies Act 1993. CEDA commenced full operations in September 2016 and is a Council controlled organisation jointly owned by the Palmerston North City Council (50%) and the Manawatū District Council (50%).



CEDA's Purpose and Principal Activities

The primary objective of CEDA is to drive and facilitate the creation and growth of economic wealth for Manawatū and beyond. CEDA's principal activities are directed by its Statement of Intent for the current year.

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 Manawatū 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

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 Manawatū 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.



Tutukinga Ahumoni **Financial Performance**

Central Economic
Development Agency Limited

Group Statement of Comprehensive Revenue & Expense

For the 6 months ended 31 December 2021

Account	Notes	Jul-Dec 2021 (Unaudited)	Jul-Dec 2020 (Unaudited)	30 Jun 2022 (SOI)	30 Jun 2021 (Unaudited)
Revenue					
Council Funding	4	1,177,557	1,274,724	2,347,379	2,513,472
Other Services Revenue		556,447	675,865	697,928	1,170,765
Project Revenue		9,554	173,967	230,000	304,120
Total Revenue		1,743,558	2,124,555	3,275,307	3,988,356
Cost of Sales					
Other Services Expenses		801,603	758,133	1,080,280	1,466,097
Project Expenses		14,396	164,057	231,500	422,242
Total Cost of Sales		815,999	922,190	1,311,780	1,888,339
Gross Surplus (Deficit)		927,559	1,202,365	1,963,527	2,100,018
Other Revenue					
Interest Revenue		3,883	1,437	6,000	3,155
Sundry Revenue		653	0	0	0
Total Other Revenue		4,535	1,437	6,000	3,155
Expenses					
Depreciation		1,926	4,930	4,200	7,510
Directors' Fees		81,159	90,000	180,000	177,467
Employee Expense	5	719,883	879,556	1,419,715	1,565,613
Financing Expenses		0	117	200	117
Loss on Sale of Property Plant and Equipment		0	15,250	0	15,250
Other Operating Expenses	6	202,205	251,194	428,159	520,693
Total Expenses		1,005,173	1,241,048	2,032,274	2,286,651
Surplus (Deficit) Before Taxation		(73,078)	(37,246)	(62,747)	(183,478)

Group Statement of Comprehensive Revenue & Expense

For the 6 months ended 31 December 2021

Account	Notes	Jul-Dec 2021 (Unaudited)	Jul-Dec 2020 (Unaudited)	30 Jun 2022 (SOI)	30 Jun 2021 (Unaudited)
Taxation					
Income Tax Expense	7	0	0	0	0
Total Taxation		0	0	0	0
Surplus (Deficit) after tax		(73,078)	(37,246)	(62,747)	(183,478)
Other comprehensive revenue and expense					
Items that could be reclassified to surplus (deficit)		0	0	0	0
Total Other comprehensive revenue and expense		0	0	0	0
Total comprehensive revenue and expense					
Total comprehensive revenue and expense		(73,078)	(37,246)	(62,747)	(183,478)
Total comprehensive revenue and expense attributable to:					
Palmerston North City Council		(36,539)	(18,623)	(31,374)	(91,739)
Manawatū District Council		(36,539)	(18,623)	(31,374)	(91,739)
Total comprehensive revenue and expenses		(73,078)	(37,246)	(62,747)	(183,478)

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

Variations on comparatives from the previous Half Yearly Report, December 2020 are due to adjustments as part of the year end process.

Group Statement of Financial Position

For the 6 months ended 31 December 2021

Account	Notes	Jul-Dec 2021 (Unaudited)	Jul-Dec 2020 (Unaudited)	30 Jun 2022 (SOI)	30 Jun 2021 (Unaudited)
Assets					
Current Assets					
Cash and Cash Equivalents	8	1,987,411	1,368,182	492,527	1,515,833
Receivables and Accruals	9	112,099	169,032	300,474	29,690
Prepayments		14,213	5,480	8,250	7,268
Total Current Assets		2,113,723	1,542,694	801,251	1,552,792
Non-Current Assets					
Property, Plant and Equipment	10	28,582	34,088	27,033	31,508
Total Non-Current Assets		28,582	34,088	27,033	31,508
Total Assets		2,142,305	1,576,782	828,284	1,584,299
Liabilities					
Current Liabilities					
Payables and Deferred Revenue	11	1,570,873	755,096	244,123	963,057
Employee Entitlements		86,967	117,910	97,172	63,699
Total Current Liabilities		1,657,840	873,006	341,295	1,026,756
Total Liabilities		1,657,840	873,006	341,295	1,026,756
Net Assets		484,465	703,776	486,989	557,543
Equity					
Contributed Capital	12	1,000	1,000	1,000	1,000
Retained Earnings		483,465	702,776	485,989	556,543
Total Equity		484,465	703,776	486,989	557,543

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

Variations on comparatives from the previous Half Yearly Report, December 2020 are due to adjustments as part of the year end process.

Group Statement of Changes in Equity

For the 6 months ended 31 December 2021

Account	Jul-Dec 2021 (Unaudited)	Jul-Dec 2020 (Unaudited)	30 June 2022 (SOI)	30 Jun 2021 (Unaudited)
Equity				
Opening Balance	557,543	741,021	549,736	741,021
Increases				
Total comprehensive revenue and expense for the period	(73,078)	(37,246)	(62,747)	(183,478)
Total Increases	(73,078)	(37,246)	(62,747)	(183,478)
Total Equity	484,465	703,776	486,989	557,543
Total comprehensive revenue and expense attributable to:				
Palmerston North City Council	(36,539)	(18,623)	(31,374)	(91,739)
Manawatū District Council	(36,539)	(18,623)	(31,374)	(91,739)
Total comprehensive revenue and expense	(73,078)	(37,246)	(62,747)	(183,478)

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements. Variations on comparatives from the previous Half Yearly Report, December 2020 are due to adjustments as part of the year end process.

Group Statement of Cash Flows

For the 6 months ended 31 December 2021

Account	Jul-Dec 2021 (Unaudited)	Jul-Dec 2020 (Unaudited)	30 June 2022 (SOI)	30 Jun 2021 (Unaudited)
Cash Flows from Operating Activities				
Receipts of council funding	1,227,557	1,324,724	2,711,414	2,729,368
Interest received	2,777	1,033	6,000	2,270
Receipts from other operating activities	1,215,916	1,288,820	1,022,639	1,965,453
Income tax refunded/(paid)	0	0	0	2,035
GST	(16,495)	7,754	(197,153)	15,845
Payments to suppliers and employees	(1,959,828)	(2,126,888)	(3,964,803)	(4,071,879)
Finance costs	0	(117)	(200)	(117)
Total Cash Flows from Operating Activities	469,926	495,325	(422,103)	642,976
Cash Flows from Investing Activities				
Proceeds from sales of property, plant and equipment	1,652	722	0	722
Payment for property, plant and equipment	0	(6,027)	0	(6,027)
Total Cash Flows from Investing Activities	1,652	(5,306)	0	(5,306)
Net Cash Flows	471,578	490,019	(422,103)	637,670
Cash Balances				
Cash and cash equivalents at beginning of period	1,515,833	878,163	914,630	878,163
Cash and cash equivalents at end of period	1,987,411	1,368,182	492,527	1,515,833
Net change in cash for period	471,578	490,019	(422,103)	637,670

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements. Variations on comparatives from the previous Half Yearly Report, December 2020 are due to adjustments as part of the year end process.

Notes to Accounts

Accounting Policies

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 Manawatū 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 6 months ended 31 December 2021.

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. New group standards have been applied but have resulted in no impact 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.

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.

Depreciation

Account	Method	Rate
Leasehold Improvements	Diminishing Value	10%
Office Furniture & Equipment	Diminishing Value	0% - 50%
Office Furniture & Equipment	Straight Line	8.5% - 10.5%
Vehicles	Diminishing Value	30%
Websites	Straight Line	40%

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 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.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures 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 an interest expense and is included in 'finance costs'.

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 judgements, 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.

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 Manawatū Trust. The consolidation of the Events Manawatū Trust into CEDA's financial statements has resulted in no change to the reported financial statements as the Trust is dormant and did not trade during the year.

	Jul-Dec 2021	Jul-Dec 2020
4. Council Funding		
Palmerston North City Council	(872,219)	(958,689)
Manawatū District Council	(305,338)	(316,035)
Total Council Funding	(1,177,557)	(1,274,724)

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

Jul-Dec 2021 Jul-Dec 2020

Council Funding included in Project Revenue

Palmerston North City Council	8,280	43,334
Manawatū District Council	1,274	6,666
Total Council Funding included in Project Revenue	9,554	50,000

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 2021 \$1,403,290 (2020:nil) 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	734,852	798,003
Employer contribution to Kiwisaver	15,974	20,388
Movement in employee entitlements	(30,943)	61,165
Total Employee Expenses	719,883	879,556

6. Other Operating Expenses

Fees to Audit New Zealand for the audit of the financial statements	13,779	13,377
Consultants and legal fees	0	3,600
Other operating expenses	188,426	234,216
Total Other Operating Expenses	202,205	251,194

Jul-Dec 2021 Jul-Dec 2020

7. Income Tax Expense

Net Profit (Loss) Before Tax	(73,078)	(37,246)
Tax at 28%	(20,462)	(10,429)
Plus (less) tax effect of:		
Non-deductible expenditure	0	0
Non-taxable income	0	0
Tax loss not recognised	20,462	10,429
Deferred tax adjustment	0	0
Tax expense	0	0

Components of tax expense

Current year	0	0
Deferred tax	0	0
Total Deductions from Tax Payable	0	0

8. Cash and Cash equivalents

CEDA Current Account	86,411	167,182
CEDA Money Market Account	1,900,000	1,200,000
CEDA Trust Account	1,000	1,000
Total Cash and Cash equivalents	1,987,411	1,368,182

9. Receivables and Accruals

Accounts Receivable	110,103	114,782
Less: Provision for impairment	0	0
Provisional tax paid	1,957	2,437
Accrued Interest	39	8
Funding Accruals	0	51,804
Total Receivables and Accruals	112,099	169,032

Jul-Dec 2021 Jul-Dec 2020

Total Receivables and Accruals Comprise

Receivables from exchange transactions	1,075	56,987
Receivables from non-exchange transactions	111,024	112,045
Total Receivables and Accruals Comprise	112,099	169,032

10. Property, Plant & Equipment

	Opening Value	Accum Dep	Carrying Amount	Additions	Disposals	Deprn	Closing Value	Accum Depn	Carrying Amount
Leasehold Improvements	13,049	(7,574)	5,475	0	0	(274)	13,049	(7,848)	5,201
Office Furniture & Equipment	71,054	(48,691)	22,363	0	0	(1,252)	71,054	(49,943)	21,111
Vehicles	20,382	(16,712)	3,670	0	(1,000)	(401)	19,382	(17,113)	2,270
Websites	17,725	(17,725)	0	0	0	0	17,725	(17,725)	0
Total	122,210	(90,702)	31,508	0	(1,000)	(1,926)	121,210	(92,628)	28,582

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.

11. Payables and Deferred Income

Accruals General	57,186	25,035
Accounts Payable	79,241	162,402
Funding in Advance	245,541	78
Funding in Advance - NZ AgriWeek	39,632	0
Funding in Advance - Sector Development	1,118,117	541,574
GST	26,238	23,967
GST	4,918	2,039
Total Payables and Deferred Income	1,570,873	755,096

Total Payables and Deferred Income Comprise

Payables under exchange transactions	118,832	189,105
Payables under non-exchange transactions	1,452,041	565,991
Total Payables and Deferred Income Comprise	1,570,873	755,096

12. Equity

Share Capital

Opening Balance	1,000	1,000
Total Share Capital	1,000	1,000

Retained Earnings

Opening Balance	556,543	740,021
Current Year Earnings	(73,078)	(37,246)
Total Retained Earnings	483,465	702,776

Total Equity	484,465	703,776
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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.

13. Key personnel compensation

Directors	2021	2020
Remuneration	81,159	90,000
Full-time equivalent members	6	6

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

14. Related Parties

CEDA is a council-controlled organisation as defined in section 6 of the Local Government Act 2002. As per the constitution the shareholders of CEDA being Palmerston North City Council and Manawatu District Council, are responsible for the appointment of the Board of Directors.

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that it is reasonable to expect CEDA and the group would have adopted in dealing with the party at arm's length in the same circumstances

15. Financial Instruments

Financial Assets

Loans and Receivables		
Accounts Receivable	110,103	114,782
Accrued Interest	39	8
Cash and cash equivalents	1,987,411	1,368,182
Funding Accruals	0	51,804
Total Loans and Receivables	2,097,553	1,534,777
Total Financial Assets	2,097,553	1,534,777

Financial Liabilities

Financial Liabilities at amortised cost		
Payables	(166,700)	(211,408)
Total Financial Liabilities at amortised cost	(166,700)	(211,408)
Total Financial Liabilities	(166,700)	(211,408)

16. Operating leases as lessee

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

Operating leases as lessee

Not later than one year	125,797	127,401
Later than one year and not later than five years	178,008	297,482
Later than five years	0	0
Total non-cancellable operating leases	303,805	424,883

The office space located at Level 1, TSB Towers, 1-19 Fitzherbert Avenue, Palmerston North has a lease term of four years to 30 June 2024, with two rights of renewal of three years each. This disclosure has included lease payments up to the end of the term, being 30 June 2024, as it is uncertain whether CEDA will exercise the option to renew the lease.

17. Events after balance date

There are no significant events after balance date.

18. COVID-19 impact

COVID-19 has had an impact to CEDA in relation to its non financial performance and impact on its financial performance mostly by way of Events and programmes unable to be held or in their usual format due to Alert Level and COVID-19 Protection Framework requirements. CEDA also received additional funding support through the Ministry of Business, Innovation and Employment to support the visitor sector and provide additional resources. There has been no impact to core funding and council grants, or to the ability for CEDA to continue its operations.

Ō Mātou Hoa Mahi Tahī

Our Partner Organisations

Current partner organisations that CEDA works with:

Local

Central Skills Hub
Central Region Talent and Skills Advisory Group
Chiasma
Feilding and District Promotion
FoodHQ
IPU New Zealand
Lamberts
Manawatū Business Chamber
Manawatū District Council
Manawatū Standard
Manawatū Young Professionals Network
Manfeild
Massey University
MediaWorks
National Driver Training Centre
Palmerston North City Council
Palmerston North Airport
Regional Schools
Regional Special Projects Skills Hub
Spearhead Manawatū
Sport Manawatū
Sprout Agritech
Talent Central
Te Au Pakihi

Te Manawa

The Factory
UCOL
Venues and Events Palmerston North

Regional

Accelerate 25
Business Central and Export NZ
Horizons Regional Council
Horowhenua and Company
Horowhenua District Council
Regional Skills Leadership Group – Manawatū-Whanganui
Ruapehu District Council
Rangitikei District Council
Taranua District Council
Te Mana Atatū
Whanganui and Partners
Whanganui Chamber of Commerce
Whanganui District Council

National

Air New Zealand
Business Events Industry Aotearoa
Business Mentors New Zealand
Callaghan Innovation
Economic Development New Zealand
Immigration New Zealand
Ministry of Business, Innovation & Employment
Ministry of Education
Ministry of Social Development
New Zealand Chef's Association
New Zealand Events Association
New Zealand Trade and Enterprise
New Zealand Media and Entertainment
New Zealand Motor Caravan Association
Regional Tourism New Zealand
Regional Business Partners Network
Regional Tourism Organisations New Zealand
Stuff
Tourism New Zealand

CEDA
CENTRAL ECONOMIC
DEVELOPMENT AGENCY