

ChristchurchNZ Limited

# Annual Report 2023



ChristchurchNZ



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# Highlights 22/23

The following performance results show that ChristchurchNZ exceeded its key external KPIs.

KEY PERFORMANCE INDICATOR EXTERNAL	2022/23 TARGET	2022/23 RESULT
Long-lasting job creation supported by ChristchurchNZ	<b>145</b> FTE YEARS OF WORK	<b>617</b> FTE YEARS OF WORK
Short-term job creation supported by ChristchurchNZ through events, urban development and screen activity	<b>400</b> FTE YEARS OF WORK	<b>685</b> FTE YEARS OF WORK
Estimated value of GDP contribution attributable to ChristchurchNZ activity	<b>\$48m</b>	<b>\$88.7m</b>
Contribution to visitor spend supported by ChristchurchNZ	<b>\$27m</b>	<b>\$60.4m</b>
Value of investment into Christchurch supported by ChristchurchNZ (excluding local government)	<b>\$40m</b>	<b>\$134.5m</b>



# Financial Results

This year, ChristchurchNZ invested nearly \$26m into growing the city's economy (2022: \$22.6m) of which 61% was funded by Christchurch City Council. The remainder of our funding came from Central Government/private sector partners and funds accumulated in prior years.

The organisation invested accumulated funds during the year, reporting a planned loss of \$1.8m, to invest in the city when it needed it the most.

**\$26m ▲**

**INVESTMENT INTO  
GROWING ECONOMY  
OF CHRISTCHURCH**





# Key Achievements



# Ōtautahi Christchurch

## New Identity

Following more than a decade of post-earthquake reconstruction and more than two years of Covid disruption for the visitor economy, this was the year that marked the renaissance of Christchurch as the most modern, future-proofed city in the country and the nation's authentic second city. We saw this in domestic migration, visitor reactions and media attention.

ChristchurchNZ's work was key to the shaping of these perceptions. With a new convention centre booming, a new covered stadium under construction, the return of cruise visitation and growing airline capacity, it was time to celebrate the new city and ChristchurchNZ led the effort to deliver a fresh city identity for Ōtautahi, Christchurch. This was launched in May to coincide with the city's hosting of TRENZ,

New Zealand's biggest international tourism business event where 1500 international travel delegates and the country's leading tourism operators experienced the rebuilt city during the four-day trade event designed to build relationships, broker business opportunities and explore new tourism experiences from the country's visitation sector. It was the first time in 17 years that a full TRENZ had been hosted in Christchurch.

The new city identity of Ōtautahi, Christchurch as a city in pursuit of balance where we make time and space for play was especially significant because the logo, the use of the name Ōtautahi and the balance narrative showcase the city as a bi-cultural one. This sets the stage for a city identity that aligns with the New Zealand Inc international profile.



# SailGP

The first SailGP event to be held in New Zealand was the sold-out ITM New Zealand Sail Grand Prix on Whakaraupō, Lyttelton Harbour in March. The close-to-shore racing was witnessed by 15,000 people at Naval Point and another 4,500 at the central city live site. It was the first “mega” Major Event to have been held in Christchurch since before the 2011 earthquakes and showcased that the city had both the infrastructure and the event expertise to deliver transformative Major Events.

As Loren Heaphy, ChristchurchNZ’s General Manager for Destination and Attraction said, “With over half the attendees from out of town, and the incredible survey results from visitors and residents alike, we are emboldened by the pulling power of international sports and our ability as a playful, vibrant destination to host many more successful major events like this. On top of all the positive outcomes from the weekend, more than 136 million people viewed the broadcast globally.

With all eyes on Ōtautahi, the race broadcasts were the perfect platform to talk directly to the captive audience and show off our brand new, vibrant, and playful destination.”

**15,000**

**SPECTATORS AT NAVAL POINT**

**136 mil**

**GLOBAL BROADCAST VIEWERS**

**4,500**

**SPECTATORS AT CITY LIVE SITE**





# New Brighton Regeneration Project

The previous highlights speak to ChristchurchNZ's economic attraction work, where we seek to maximise spending into the city from beyond our region.

Equally important is the work we do to make the city a great place, which includes bringing life to special places, championing good community developments, and building partnerships that get projects moving.

This is the work of our Urban Development team, which was added to the organisation in 2021.

Two of our largest urban development programmes of work made significant progress this year that demonstrated both the ambition of the Urban Development pipeline of work and the outcomes of a targeted development approach in strategic locations. Place-led development in New Brighton has seen momentum grow as more people move to the seaside suburb spurring new commercial activity. Businesses are reporting more turnover and foot traffic, new houses are being built, new business activity is taking off, and work is progressing on the revitalisation of public spaces.

This momentum has been grown by leveraging the publicly funded attraction projects on the New Brighton foreshore — He Puna Taimoana hot pools and the beachside playground, alongside place-making and community support activities — to catalyse private development and commercial investment in the surrounding area.

## 11.4% ▲

INCREASE ON RETAIL SPENDING  
FY2022 BEST PERFORMING SUBURB

The community is now leading its own revitalisation effort after successfully securing initiation funding from Government.

### KEY STATISTICS

- **Total retail spending:** \$33 million to end of June 2023, up 11.4% on previous year – best performing suburb in Christchurch
- **Number of people living in the area** has returned to near pre-quake levels.
- **Seaview development:** \$45 million project, 75 new homes. Residents started moving into homes this year.
- **Te Pākau Maru:** \$38 million, 63 new homes. Resource consent granted this year.





# Sydenham Yard

Sydenham Yard showcases the results ChristchurchNZ can create when getting involved in projects.

Tasked with creating a vision for the former City Care depot on Milton Street, the Urban Development team worked with partners to take an innovative approach to the sale of the publicly owned land.

A large portion of the land has been purchased for the establishment of a NIWA research facility, bringing more jobs and people close to the heart of the city.

Key water and electricity infrastructure upgrades have also been incorporated.

The planned residential development will further improve the site, creating a sustainable, well-designed neighbourhood close to parks, shops, transport, and services, all just a short walk from the central city.

## + 60 - 80

**NEW HOMES IN SYDENHAM YARD  
RESIDENTIAL DEVELOPMENT  
(VALUED AT \$89M)**

### KEY STATISTICS

- **NIWA research facility**  
149 jobs moved to Sydenham
- **Critical infrastructure upgrades underway** valued at more than \$10m





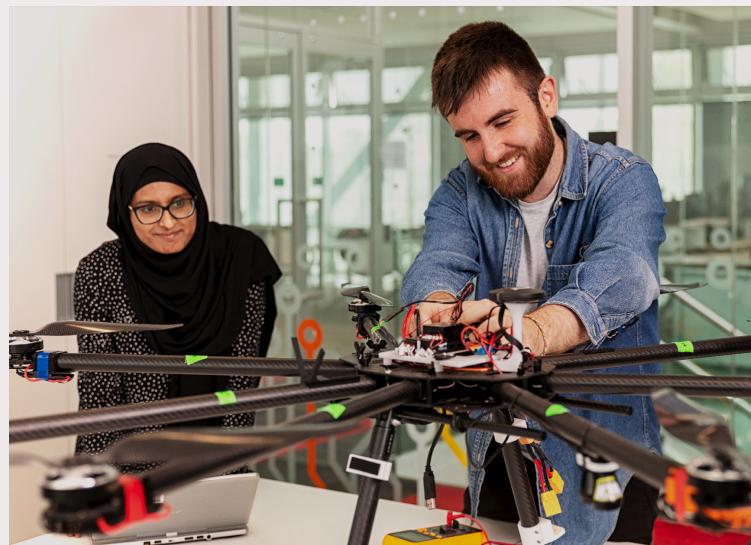


# Innovation and Entrepreneurs

Another key focus continues to be nurturing the city's innovation and entrepreneurial ecosystem. We have a strong base to work from in this area.

Seventeen percent of New Zealand's tech exports come from Christchurch, we have the country's strongest engineering university as well as two other universities and six Government research institutes in our city.

With raw creative talent and smart investment, we have nurtured one of the fastest-growing start-up ecosystems in the world. So much so that Christchurch moved up 168 places in the 2022 Global StartUp Blink ratings, which was the biggest single jump by a city in the ratings' history. ChristchurchNZ is committed to helping Ōtautahi grow as a thriving hub of innovation and entrepreneurialism.



**17%**

**TECH EXPORTS  
COME FROM  
CHRISTCHURCH**

**168 ▲**

**PLACE JUMP IN  
GLOBAL STARTUP  
BLINK RATINGS**





The Senior Leadership Team is, from left, General Manager of Destination and Attraction Loren Heaphy, General Manager of Innovation and Business Growth Martin Cudd, Chief Executive Ali Adams, General Manager of Marketing, Brand and Communications Steve Backe-Hansen, General Manager of Shared Services Laura Dawson and General Manager of Urban Development Cath Carter.

# Our People

As an economic development agency with limited capacity to intervene alone, ChristchurchNZ is primarily an organisation that leads, facilitates, supports and connects. This means our primary asset is our people and that having a strong staff culture is a key foundation of our success. The results of our staff engagement this year show that we mostly have that culture right and that we are delivering on our commitment to improving that culture.

Our latest annual culture survey scored the highest employee participation rate at 92%, and the highest KPI score to date at 4.09 (out of 5) for overall organisational engagement. Confidence in leadership across the organisation has grown, and at 4.21 is at its highest score to date. Our good staff culture and high engagement is equipping us for success, and we are internally ready to build on this great momentum.

**92%**

**EMPLOYEE PARTICIPATION RATE FOR ANNUAL CULTURE SURVEY**

**4.09/5**

**SCORE FOR OVERALL ORGANISATIONAL ENGAGEMENT**

**4.21/5**

**HIGHEST SCORE TO DATE FOR CONFIDENCE IN LEADERSHIP**



# Board of Directors

This was a transitional year with a refreshed board. We recruited three new independent directors as well as appointing two new councillor directors to replace two retiring councillor directors.



Dr Therese Arseneau, Chairperson



Stephen Barclay



Paul Bingham



Jen Crawford



Lauren Quaintance



Toby Selman



Victoria Henstock



Jake McLellan



Katherine Allen, Associate Director



ChristchurchNZ Limited

# Audited Financial Statements for the year ended 30 June 2023



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**Directory**

**Incorporated**

3 May 2017

**Reporting entity**

ChristchurchNZ (CNZ).

Nature of business:

ChristchurchNZ Limited is a Council Controlled Organisation (CCO) that works to stimulate sustainable economic growth for a more prosperous Ōtautahi Christchurch.

**Business location**

Christchurch

**Registered office**

Level 3, 101 Cashel Street  
Christchurch

**Incorporation Number**

6277728

**Current Directors**

Dr T Arseneau (Chair)  
Mr S Barclay  
Mr P Bingham  
Ms J Crawford  
Ms L Quintance  
Mr T Selman  
Cr V Henstock  
Cr J McLellan

**Shareholders**

ChristchurchNZ Holdings Ltd  
1000  
Total ordinary shares issued  
1000

**Independent auditor**

Grant Thornton New Zealand Audit Limited  
on behalf of the Auditor General

**Solicitor**

Alexander Paull  
Christchurch

**Banker**

Bank of New Zealand  
Christchurch



## Directors' responsibility statement

The Directors are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which present fairly the consolidated financial position of ChristchurchNZ Ltd (CNZ) as at 30 June 2023 and the results of its operations and cash flows for the twelve months ended on that date.

The Directors consider that to the best of their knowledge and belief the financial statements have been prepared using accounting policies appropriate to CNZ's circumstances, consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors believe that to the best of their knowledge and belief proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of CNZ and of its financial performance and cashflows and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The Directors have responsibility for the maintenance of a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Directors consider that to the best of their knowledge and belief adequate steps have been taken to safeguard the assets of CNZ and to prevent and detect fraud and other irregularities.

The Directors are pleased to present the financial statements of the Company for the year ended 30 June 2023.

For and on behalf of the Directors.



Chair (Acting)

22 September 2023



Director

22 September 2023



## Independent Auditor's Report

### To the Shareholder of ChristchurchNZ Limited's financial statements and performance information for the year ended 30 June 2023

The Auditor-General is the auditor of ChristchurchNZ Limited (the company). The Auditor-General has appointed me, Brent Kennerley, using the staff and resources of Grant Thornton New Zealand Audit Limited, to carry out the audit of the financial statements and performance information of the company on his behalf.

#### Opinion

We have audited:

- The financial statements of the company on pages 7 to 30, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year ended on that date; and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 31 to 34.

In our opinion:

- the financial statements of the company:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2023; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity International Public Sector Accounting Standards for Tier 2 entities (Reduced Disclosure Regime); and
- the performance information of the company on pages 31 to 34 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2023.

Our audit was completed on 22 September 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.



### **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of the Board of Directors for the financial statements and the performance information**

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines are necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

### **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.



- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### Other information

The Board of Directors are responsible for the other information. The other information comprises the information included on page 3 and pages 35 to 39 but does not include the financial statements and the performance information, and our auditor's report thereon.

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

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners*, issued by the New Zealand Auditing and Assurance Standards Board.

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

#### Grant Thornton New Zealand Audit Limited



**Brent Kennerley**

Grant Thornton New Zealand Audit Limited

**On behalf of the Auditor-General  
Wellington, New Zealand**

22 September 2023

**ChristchurchNZ Limited**  
**Statement of comprehensive income**  
**For the year ended 30 June 2023**

**Statement of comprehensive income**

For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Operating revenue</b>			
Christchurch City Council (CCC) funding		15,902	16,335
Other contract revenue	6	7,481	6,700
Other income		412	206
Interest income	4	369	133
Other gains	5	21	62
<b>Total operating revenue</b>		<b>24,185</b>	<b>23,436</b>
<b>Operating expenditure</b>			
Project and service delivery costs		11,727	10,403
Employee remuneration and contractor costs		9,793	9,421
Overheads and administrative expenses	8	3,331	1,792
Premises rental and other leasing costs		773	526
Depreciation and amortisation expense	12,11	336	509
<b>Total operating expenditure</b>		<b>25,960</b>	<b>22,651</b>
<b>Surplus before tax</b>		<b>(1,775)</b>	<b>785</b>
Income tax expense	18	24	3
<b>Surplus after tax</b>		<b>(1,799)</b>	<b>782</b>
<b>Total comprehensive income</b>		<b>(1,799)</b>	<b>782</b>
<b>Total comprehensive income attributable to:</b>			
Shareholder of ChristchurchNZ Limited		<b>(1,799)</b>	<b>782</b>
		<b>(1,799)</b>	<b>782</b>

*The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*





**ChristchurchNZ Limited**  
**Statement of financial position**  
**As at 30 June 2023**

**Statement of financial position**

As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	1,331	3,535
Short term deposits		5,866	11,224
Trade debtors and other receivables	10	128	162
Current tax receivables	18	111	49
Prepayments	6	193	235
<b>Total current assets</b>		<b>7,629</b>	<b>15,205</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	690	927
Intangible assets	12	16	86
Deferred tax assets	19	42	64
Shareholdings	20,22	290	292
<b>Total non-current assets</b>		<b>1,038</b>	<b>1,369</b>
<b>Total assets</b>		<b>8,667</b>	<b>16,574</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade creditors and other payables	13	2,975	2,381
Employee benefits liabilities	14	438	504
Income in advance	15	1,160	7,796
<b>Total current liabilities</b>		<b>4,573</b>	<b>10,681</b>
<b>Total liabilities</b>		<b>4,573</b>	<b>10,681</b>
<b>Net assets</b>		<b>4,094</b>	<b>5,893</b>
<b>Accumulated funds and other reserves</b>			
Retained earnings		3,274	4,052
Reserves	17	820	1,841
<b>Total accumulated funds and other reserves</b>		<b>4,094</b>	<b>5,893</b>

*The above Statement of Financial Position should be read in conjunction with the accompanying notes.*

**ChristchurchNZ Limited**  
**Statement of changes in net assets**  
**For the year ended 30 June 2023**

**Statement of changes in net assets**  
For the year ended 30 June 2023

Company	<u>Attributable to the shareholders of the Company</u>		
	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance as at 1 July 2021</b>	1,863	3,248	5,111
<b>Comprehensive income</b>			
Surplus for the year	-	782	782
<b>Total comprehensive income</b>	-	782	782
Transfer to reserves	(22)	-	(22)
Transfer from retained earnings	-	22	22
<b>Balance as at 30 June 2022</b>	1,841	4,052	5,893
<b>Comprehensive income</b>			
Surplus/(Deficit) for the year	-	(1,799)	(1,799)
<b>Total comprehensive income</b>	-	(1,799)	(1,799)
Transfer to reserves (note 17)	(1,021)	-	(1,021)
Transfer from retained earnings	-	1,021	1,021
<b>Balance as at 30 June 2023</b>	820	3,274	4,094

*The above Statement of Changes in Net Assets should be read in conjunction with the accompanying notes.*



**ChristchurchNZ Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2023**

**Statement of cash flows**

For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
CCC funding		15,782	15,978
Other funding		964	10,474
Other revenue receipts		412	206
Interest received		340	132
Payments to suppliers and employees		(24,991)	(20,455)
Income tax paid		(64)	(18)
<b>Net cash from operating activities</b>	26	<u>(7,557)</u>	<u>6,317</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	11	(10)	(34)
Proceeds from the disposal of investments		2	51
Cash to term deposit		5,360	(2,894)
<b>Net cash used in investing activities</b>		<u>5,353</u>	<u>(2,877)</u>
<b>Net increase in cash &amp; cash equivalents</b>		<b>(2,204)</b>	<b>3,440</b>
Cash & cash equivalents at the beginning of the year		<u>3,535</u>	<u>95</u>
<b>Cash, cash equivalents, and bank overdrafts at the end of the year</b>	9	<u><b>1,331</b></u>	<u><b>3,535</b></u>

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## **1 Statement of accounting policies**

### **1.1 Reporting entity**

ChristchurchNZ Ltd (CNZ) is a public benefit entity, incorporated and domiciled in New Zealand and registered under the Companies Act 1993.

CNZ, through the holding company ChristchurchNZ Holdings Ltd, has a primary function to support its shareholder Christchurch City Council (CCC) to deliver economic development, urban development, attraction and promotional activities to ensure Christchurch is an attractive destination for residents, business, investment, visitors and students.

The financial statements of CNZ are presented for the twelve months ended 30 June 2023.

These financial statements were approved and authorised for issue by the Board of Directors on 22 September 2023

### **Statement of compliance**

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) Reduced Disclosure Regime and other applicable financial reporting standards issued by the New Zealand Accounting Standards Board. For the purposes of complying with NZ GAAP, CNZ is eligible to apply Tier 2 PBE IPSAS on the basis that they do not have public accountability and it is not defined as large.

The Board has elected to report in accordance with Tier 2 PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime (RDR) disclosure concessions, except for PBE IPSAS 2 Cash Flow Statements.

## **2 Summary of significant accounting policies**

### **2.1 Ultimate parent and controlling entity**

The ultimate holder and controlling interest of CNZ is CCC, through the holding company, ChristchurchNZ Holdings Ltd.

### **Company structure**

CNZ share capital is 100% owned by CCC and therefore from 1 July 2012, through ChristchurchNZ Holdings Ltd, CNZ has been defined as a Council Controlled Organisation (CCO) as defined by the Local Government Act 2002.

### **2.2 Basis of preparation**

#### **Measurement base**

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

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

#### **Functional and presentation currency**

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars, unless otherwise stated. The functional currency of CNZ is New Zealand dollars.

#### **Going concern**

The financial statements have been prepared on a going concern basis. Management have assessed the ability of CNZ to continue as a going concern and considered all available information about the future. COVID19 adversely affected the ability of the entity to generate revenue and impacted the delivery of some tourism and event related activity. In the current and prior financial year, the financial impact of COVID was mitigated by central government funding contracts.

The ultimate shareholder, Christchurch City Council, has committed to provide CNZ with funding and support under the Long-Term Plan (LTP) and as such Management are satisfied that the entity meets the going concern requirement.



## 2 Summary of significant accounting policies (continued)

The Company is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit and it has been established with a view to supporting that primary objective rather than a financial return.

### Use of estimates and judgements

The preparation of financial statements in conformity with PBE IPSAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or note disclosure. The Directors of CNZ have exercised judgement in the recognition of revenue (in accordance with the revenue recognition policy 2.18), the recognition of contingent liabilities, the assessment of the expected useful life of Property, Plant and Equipment, and determining the carrying value of investments in early stage companies.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to on-going review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the reporting period in which the estimate is revised and in any future years affected.

### Comparatives

The comparative financial period presented is twelve months, as reported in the 30 June 2022 Annual Report.

### 2.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

### 2.4 Trade debtors

Trade debtors and other receivables are measured at their cost less any impairment losses.

An allowance for impairment is established where there is objective evidence the Company will not be able to collect all amounts due according to the original terms of the receivable. Bad debts are written off during the period in which they are identified.

Receivables with a short duration are not discounted.

### 2.5 Trade creditors

Creditors and other payables are stated at amortised cost.

### 2.6 Investments

#### *Short term deposits*

Investments in bank deposits are initially measured at fair value plus transaction costs.

After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

For bank deposits, impairment is established when there is objective evidence that CNZ will not be able to collect amounts due according to the original terms of the deposit. Significant financial difficulties of the bank, probability that the bank will enter into receivership or liquidation and default in payments are considered indicators that the deposit is impaired.

#### *Equity investments*

The early-stage nature of a number of the equity investments held, means that a limited active market exists for re-sale and realisation of profits could be several years away. Inherent uncertainty exists in the valuation of early-stage investments therefore CNZ values these at cost less impairment where fair value cannot be determined. Where market transactions have occurred, and fair value can be determined these are valued at fair value through surplus or deficit (FVTSD).

## **2 Summary of significant accounting policies (continued)**

### **2.7 Investments in associates & joint ventures**

Associates are those entities over which the Company is able to exert significant influence, but which are not subsidiaries. A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control.

Investments in associates and joint ventures are initially recognised at cost and subsequently accounted for using the equity method.

Any goodwill or fair value adjustment attributable to the Company's share in the associate is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investments in associates and joint ventures is increased or decreased to recognise the Company's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Company.

Unrealised gains and losses on transactions between the Company and its associates are eliminated to the extent of the Company's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

CNZ does not involve itself in the operating and management decisions of its associates or joint ventures.

### **2.8 Financial instruments**

Financial instruments comprise trade debtors and other receivables, cash and cash equivalents, short term deposits, investments, other financial assets, trade creditors and other payables, borrowings and other financial liabilities.

Financial assets and financial liabilities are recognised initially at fair value plus transaction costs, except for those carried at fair value through surplus or deficit, which are measured at fair value.

#### **Recognition and de-recognition of financial assets and liabilities**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### **Subsequent measurement of financial assets**

The subsequent measurement of financial assets depends on their classification, which is primarily determined by the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at each reporting date.

CNZ currently only classifies financial assets within two categories:

##### **(i) Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less an allowance for impairment. Discounting is omitted where the effect of discounting is immaterial.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to shared credit risk characteristics. The impairment loss estimate is based on recent historical counterparty default rates for each identified group.

##### **(ii) Financial assets at fair value through surplus or deficit**

Financial assets at fair value through surplus or deficit (FVTSD) include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. Assets in this category are measured at fair value with gains or losses recognised in the reported surplus or deficit. The fair values are determined by reference to active market transactions or using a valuation technique where no active market exists.



## 2 Summary of significant accounting policies (continued)

Equity investments are measured at cost less any impairment charges, where the fair value cannot currently be estimated reliably.

### Subsequent measurement of financial liabilities

Trade payables and other borrowings are subsequently measured at amortised cost using the effective interest method.

### 2.9 Property, plant and equipment

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

#### Additions

Capital work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the acquisition date.

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

All repairs and maintenance expenditure is charged to the reported surplus or deficit in the reporting period in which the expense is incurred.

#### Disposals

When an item of property, plant or equipment is disposed of, the gain or loss recognised in the reported surplus or deficit is calculated as the difference between the net proceeds from disposal and the carrying amount of the asset.

#### Depreciation

Depreciation is charged on a straight line (SL) basis on all property, plant and equipment over the estimated useful life of the asset. The following depreciation rates have been applied to each class of property, plant and equipment:

<b>Class of PP&amp;E</b>	<b>Depreciation rates</b>
Office furniture and fittings	10% - 33%
Office and computer equipment	10% - 34%
Leasehold improvements	Term of lease (11-17%)
Motor vehicles	14%

The residual value and useful life of property, plant and equipment is reassessed annually.

### 2.10 Intangible assets

Intangible assets are initially recorded at cost. Where acquired in a business combination, the cost is the fair value at the date of acquisition. The cost of an internally generated intangible asset represents expenditure incurred in the development phase.

Subsequent to initial recognition, intangible assets with finite useful lives are recorded at cost, less any amortisation and impairment losses and are reviewed annually for impairment losses. Assets with indefinite useful lives are not amortised but are tested, at least annually, for impairment and are carried at cost less accumulated impairment losses.

#### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

<b>Class of intangible asset</b>	<b>Amortisation rates</b>
Software & website	20% - 40%

## 2 Summary of significant accounting policies (continued)

### Disposals

Realised gains and losses from the disposal of intangible assets are recognised in the Statement of Comprehensive Income.

### 2.11 Leases

#### Operating leases

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

### 2.12 Impairment of assets

#### Financial assets

All financial assets are subject to review for impairment at least once each reporting date. Accounts receivable are reviewed for impairment when accounts are past due or when other objective evidence is received that a specific counterparty will default.

#### Non-financial assets

At each reporting date, the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication of impairment. If any such indication exists for an asset, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

#### Impairment losses

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the reported surplus or deficit.

The estimated recoverable amount of an asset is the greater of the fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting to their present value using a pre-tax discount rate that reflects current market rates and risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are reversed when there is a change in the estimates used to determine the recoverable amount. An impairment loss on property carried at fair value is reversed through the relevant reserve. All other impairment losses are reversed through the reported surplus or deficit.

### 2.13 Employee entitlements

Employee benefits that the Company expects to be settled within twelve months of reporting date are accrued and measured based on accrued entitlements at current rate of pay. These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at reporting date.

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

#### Termination benefits

Termination benefits are recognised as an expense when the Company is committed without realistic possibility of withdrawal, to terminate employment, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than twelve months after the reporting date, then they are discounted to their present value.

### 2.14 Provisions

#### Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the



## 2 Summary of significant accounting policies (continued)

contract and the expected net cost of continuing with the contract. Before a provision is established CNZ recognises any impairment loss on the assets associated with that contract.

### 2.15 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and revenue can be reliably measured. Revenue is measured at the fair value of consideration received. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship only the portion of revenue earned by the Company is recognised as gross revenue in the Statement of Comprehensive Income.

The following specific recognition criteria must be met before revenue is recognised:

#### **(i) Rendering of services**

Contract and fee revenue is measured at the fair value of the consideration received or receivable and represent amounts received for goods and services provided in the normal course of business, net of discounts and sale related taxes. Where conditions of contracts have not been met this revenue is recognised as being received in advance until conditions of contracts have been satisfied.

#### **(ii) Donations and grants**

Donations and grant income is recognised as revenue when received and all associated obligations have been met. Where grants have been given for a specific purpose and with return of funds conditions attached revenue is not recognised until agreed upon services and conditions have been satisfied. Grants received for which the requirements and services have not been met are treated as 'income in advance' under current liabilities only where the contract includes a return of funds condition.

Donated assets are recognised at their fair value at the date of the donation.

#### **(iii) Revenue received in advance**

Project funding or grants received where conditions have not yet been met are treated as income in advance and income is deferred as a liability in the Statement of Financial Position.

#### **(iv) Interest income**

Interest income is recognised as it accrues, using the effective interest method.

#### **(v) Dividend income**

Dividend income is recognised on the date that CNZ and the Company's rights to receive payments are established.

#### **(vi) Agency revenue**

CNZ recognises revenue from transactions where they are acting as an agent on a net revenue basis in the Statement of Comprehensive Income. Amounts collected on behalf of the principal are not revenue however any commission or margin received or recoverable for the handling of the inflows is recognised when it is probable that the economic benefit associated with the transaction will flow to CNZ.

#### **(vii) Government grants received as wage subsidy**

Government grants received as wage subsidies are non-exchange revenue and are initially recorded as a liability and recognised as revenue when the conditions attached to the grant are met ie. when the wages/salaries are paid.

### 2.16 Income tax

The income tax expensed reported against the surplus or deficit for the reporting period is the estimated income tax payable in relation to the current year's activities, adjusted for any difference between the estimated and actual income tax payable in prior years.

## **2 Summary of significant accounting policies (continued)**

Deferred tax is recognised using the Financial Position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences; the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

In principle, deferred tax liabilities are recognised from taxable temporary timing differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **2.17 Goods and services tax (GST)**

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the Statement of Financial Position.

### **2.18 Standards, amendments and interpretations to existing standards that are now effective**

PBE IPSAS 34-38 replace the existing standards for interests in other entities (PBE IPSAS 6-8). These new standards were effective for annual periods beginning on or after 1 January 2019. CNZ has applied these new standards in preparing the financial statements. No effect is expected as a result of this change.

#### ***PBE IPSAS 41 Financial Instruments***

The XRB issued PBE IPSAS 41 Financial Instruments in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022. Although CNZ has not assessed the effect of the new standard, it does not expect any significant changes as the requirements are similar to PBE IFRS 9.

#### ***PBE FRS 48 Service Performance Reporting***

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022. CNZ has applied the PBE FRS 48 in preparing its financial statements.



### 3 Investments in subsidiaries

#### i) Equity holdings greater than 20% but less than 50%

PBE IPSAS generally considers that equity holdings of 20% or more, but less than 50%, are associated entities. The Company considers for various reasons that it does not have the ability to significantly influence the operating or financial decisions of the companies in which it holds over 20% of the shares; and accordingly, has accounted for these entities on the same basis as other investment holdings, rather than using the equity accounting method for associates.

		<b>CHZ Company ownership interest</b>	
		<b>2023</b>	<b>2022</b>
2 C Holdings Limited	Share capital held by CNZ	<b>20.0%</b>	20.0%
Canterbury Regional Business Partners Limited	Share capital held by CNZ	<b>49.2%</b>	49.2%
Canterbury Business Recovery Company Limited	Share capital held by CNZ	<b>49.0%</b>	49.0%

#### **2 C Holdings Ltd**

2 C Holdings Limited acts as the holding company for the shares in 2 C Light Company Limited. The Company considers that they had no significant influence on this entity and has not accounted for 2 C as an associate. (The investment in 2 C Holdings was held by CRIS Ltd in 2019, which was amalgamated into CNZ in 2020).

#### **Canterbury Regional Business Partners Ltd (CRBPL)**

ChristchurchNZ maintains a 49% interest in CRBPL, a joint venture with the Canterbury Employers Chamber of Commerce (CECC). CRBPL is a vehicle incorporated for the purpose of receiving funding contracts for economic development activity in the Canterbury Region. The majority of funding revenues received by CRBPL are assigned to ChristchurchNZ, CECC and other sub-contracted entities. As minimal earnings are retained by CRBPL and nil net assets are recognised, the equity interest in CRBPL is not included as an associate in the financial statements of ChristchurchNZ.

#### **Canterbury Business Recovery Company Ltd (CBRGL)**

Following the earthquake of February 2011, Canterbury Development Corporation (CDC) formed the charitable company CBRGL in partnership with CECC. CBRGL is governed by an independent board and its operations are limited to charitable activities, therefore the equity interest in CBRGL is not included as an associate in the financial statements. CBRGL was inactive at both reporting dates.

### 4 Finance income and finance costs

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Finance income</b>		
Interest income	<u>369</u>	<u>133</u>
<b>Total finance income</b>	<u>369</u>	<u>133</u>

### 5 Other gains/(losses)

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Gain on disposal of fixed assets	21	11
Gain on exit of investment	<u>-</u>	<u>51</u>
	<u>21</u>	<u>62</u>

## 6 Other contract revenue

	2023 \$'000	2022 \$'000
Education New Zealand	54	67
Ministry of Business, Innovation & Employment	5,665	4,618
Canterbury Regional Business Partners	456	469
Mackenzie District Council	238	545
Environment Canterbury	60	146
Christchurch International Airport Ltd	123	100
Regenerate Christchurch	-	61
Development Christchurch Ltd	-	328
Other	885	365
	<u>7,481</u>	<u>6,700</u>

CNZ actively seeks to partner with third parties in order to amplify the funding received from Christchurch City Council. ChristchurchNZ enters into contracts for service with these third parties in order to deliver specific project activity that is in line with the Statement of Intent Objectives. Revenue from these contracts is recognised as milestones are completed.

During the year ended 30 June 2021, CNZ entered into two multi-year contracts with MBIE which delivered national funding to support recovery from the impact of COVID19. The Regional Events Funding Contract (REF) is a five-year Government funding contract designed to stimulate inter and intra-regional visitation through the funding of events that encourage expenditure to replace that lost from international visitors. CNZ is the lead entity for Canterbury and West Coast and over the five-year period of the contract will receive \$7m in government funding (from total Government initiative of \$47.75m) to utilise and distribute to other regional tourism operators (RTO's). To date CNZ has received \$5.3m of funding for the three-year period, including \$2.4m on behalf of other RTO's.

At the end of the 2022 year, CNZ had 'on paid' three years of funding to the RTO's (\$2.4m) and completed contract delivery such that a total of \$1.5m of the contract revenue has been recognized in the Statement of Comprehensive Income in the current year (2022: \$1.6m), with \$740k remaining as revenue in advance. CNZ has invoiced MBIE for the 2023-year funding on the 1st July 2023.

In the 2021 year, CNZ also contracted with MBIE on the Strategic Tourism Assets Protection Programme (STAPP) contract. The national STAPP program will provide up to \$20.2m to 31 RTO organisations across New Zealand to mitigate the potential flow on impact of COVID19 on reduced local government revenue. CNZ recognised \$1.5m (including \$144k received for the Mackenzie Region) in the current year from the STAPP contract with MBIE (June 2022: \$861k).

In the 2022 year, CNZ received additional funding from MBIE as the lead entity for delivering the Business Advisory Support, Implementation Grant and Kick-start Grant initiatives to tourism businesses in the Kaikoura and Mackenzie region, under the Tourism Communities: Support, Recovery and Re-set Plan. The total funding attached to this contract is \$6.98m (Kaikoura \$3.0m, Mackenzie \$3.93m). At 30 June 2023 \$1.3m has been recognized and \$2.8m returned.



## 7 Revenue from exchange and non-exchange transactions

	2023 \$'000	2022 \$'000
<b>Exchange</b>		
Christchurch City Council (CCC) funding	-	435
Other income	72	99
Other contract revenue	1,995	1,159
Other gains/(losses)	21	62
Interest income	<u>369</u>	<u>133</u>
<b>Total exchange</b>	<u>2,457</u>	<u>1,888</u>
Christchurch City Council (CCC) funding	15,902	15,901
Other contract revenue	<u>5,827</u>	<u>5,649</u>
<b>Total non-exchange</b>	<u>21,729</u>	<u>21,550</u>
<b>Total exchange and non-exchange</b>	<u>24,186</u>	<u>23,438</u>

Exchange transactions are transactions in which one entity receives assets or services or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange. In CNZ exchange revenue is derived from contracts for service and the provision of serviced offices.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either received value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

The Company considers that the nature of the core funding received from CCC is 'non exchange' in nature as the service value that ChristchurchNZ returns to CCC as 'economic development' is not always directly provided to CCC as funder, but rather to the broader community on behalf of CCC. Other contracts for service with CCC are treated as exchange revenue.

Similarly, other funding revenue has been classed as non-exchange revenue as the services are generally provided to the community rather than the funder.

## 8 Overheads and administrative expenses

	2023 \$'000	2022 \$'000
<i>Overheads and administrative expenses include the following:</i>		
Auditors remuneration (Financial Statement Audit)	60	49
Directors fees	<u>212</u>	<u>180</u>
	<u>272</u>	<u>229</u>

The Audit Fee includes fees for the audit of ChristchurchNZ and the Holding company ChristchurchNZ Holdings Ltd.

## 9 Cash and cash equivalents

	2023 \$'000	2022 \$'000
Cash at bank and in hand	<u>1,331</u>	<u>3,535</u>

The carrying amount for cash and cash equivalents approximates fair value.

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

**10 Trade debtors and other receivables**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Exchange</b>		
Trade debtors	<b>61</b>	124
Accrued revenue	<b>67</b>	<b>38</b>
<b>Total debtors and other receivables from exchange transactions</b>	<b><u>128</u></b>	<b><u>162</u></b>
<b>Total debtors and other receivables</b>	<b><u>128</u></b>	<b><u>162</u></b>

Trade debtors and other receivables are non-interest bearing and receipt is normally on 30 days terms. The carrying value of trade debtors and other receivables therefore approximates the fair value.

As at 30 June 2023 all overdue receivables have been assessed for impairment and appropriate allowances made. All receivables are subject to credit risk exposure.



## 11 Property, plant and equipment

Company	Capital work in progress \$'000	Office equipment \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Leasehold improvements \$'000	Computer equipment \$'000	Total \$'000
<b>Cost</b>							
Balance at 1 July 2021	38	43	629	71	1,679	410	2,870
Additions	-	-	-	-	-	85	85
Disposals	(38)	-	-	(43)	-	-	(81)
<b>Balance at 30 June 2022</b>	-	<b>43</b>	<b>629</b>	<b>28</b>	<b>1,679</b>	<b>495</b>	<b>2,874</b>
Additions	-	-	-	-	-	27	27
Disposals	-	-	-	(28)	-	(3)	(31)
<b>Balance at 30 June 2023</b>	-	<b>43</b>	<b>629</b>	-	<b>1,679</b>	<b>519</b>	<b>2,870</b>
<b>Accumulated depreciation</b>							
Balance at 1 July 2021	-	36	351	63	958	280	1,688
Disposals	-	-	-	(43)	-	-	(43)
Depreciation charge	-	3	75	8	142	74	302
<b>Balance at 30 June 2022</b>	-	<b>39</b>	<b>426</b>	<b>28</b>	<b>1,100</b>	<b>354</b>	<b>1,947</b>
Disposals	-	-	-	(28)	-	(1)	(29)
Depreciation charge	-	1	46	-	142	77	266
<b>Balance at 30 June 2023</b>	-	<b>40</b>	<b>472</b>	-	<b>1,242</b>	<b>430</b>	<b>2,184</b>
<b>Carrying amounts</b>							
At 30 June 2022	-	4	203	-	579	141	927
At 30 June 2023	4	3	157	-	437	89	690

## 12 Intangible assets

	Intangibles \$'000	Total \$'000
<b>Year ended 30 June 2022</b>		
Opening net book amount	296	296
Additions	5	5
Amortisation charge	(215)	(215)
Closing net book amount	<u>86</u>	<u>86</u>
<b>As at 30 June 2022</b>		
Cost	927	927
Accumulated amortisation	(841)	(841)
Net book amount	<u>86</u>	<u>86</u>
<b>Year ended 30 June 2023</b>		
Opening net book amount	86	86
Amortisation charge	(70)	(70)
Closing net book amount	<u>16</u>	<u>16</u>
<b>At 30 June 2023</b>		
Cost	927	927
Accumulated amortisation	(911)	(911)
Net book amount	<u>16</u>	<u>16</u>

## 13 Trade creditors and other payables

	2023 \$'000	2022 \$'000
Trade payables	1,155	1,601
Non-trade payables and accrued expenses	773	503
Provisions	1,016	382
GST payable	31	(105)
<b>Total creditors and other payables</b>	<u>2,975</u>	<u>2,381</u>

Trade creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

At 30 June 2023 ChristchurchNZ had provisions of \$538k relating to the provision of Screen Grants. CNZ has made offers of grant payments to support production to occur within Canterbury. The Grants are intended as a 'supplement' to core production funding and payment of any Grant is subject to the recipients meeting a number of milestones, including the attraction of investment from other funding bodies. During the year ended 30 June CNZ had paid out \$512k of Grant Payments (2022: \$53k).

## 14 Employee entitlements

	2023 \$'000	2022 \$'000
Holiday pay	438	370
Other employee entitlements	-	134
<b>Total employee entitlements</b>	<b>438</b>	<b>504</b>

## 15 Income in advance

	2023 \$'000	2022 \$'000
Ministry of Business, Innovation & Employment (MBIE)	740	7,038
Christchurch City Council (CCC)	-	100
Development Christchurch Ltd (DCL)	-	126
Education New Zealand	9	63
Other	411	469
	<b>1,160</b>	<b>7,796</b>

ChristchurchNZ holds income in advance for exchange contracts where milestones are yet to be completed and for non-exchange contracts where milestones are yet to be completed or a return condition exists.

MBIE paid two years of the Regional Events Funding Contract (REF) as an upfront payment of which \$740k remains in revenue in advance at year end. (2022: \$1.3m)

MBIE funding from the STAPP contract has now been completely released from income in advance on completion of delivery milestones. (2022: \$1.4m)

MBIE funding of \$1.3m from the Tourism Support, Recovery and Re-Set Plan has now been released from revenue in advance and the balance of \$2.8m returned (2022: \$4.1m)

MBIE funding of \$210k as part of the Digital Boost programme has now been released from revenue in advance. (2022:\$210k)

## 16 Share capital

1000 ordinary shares have been issued with no par value (2022: 1000).

All shares are held by the parent entity, Christchurch City Council through Christchurch City Holdings Ltd.

## 17 Reserves

The following Board approved reserves existed at balance date:

	2023 \$'000	2022 \$'000
Projects Reserve	504	889
Major & Business Events Reserve	316	952
<b>Total Reserves</b>	<b>820</b>	<b>1,841</b>

The CNZ Board have approved the creation of Reserves where funding is appropriated for a particular purpose. In 2022 the Board approved the creation of project reserves of \$889k to reflect the unspent funding committed in the year, the balance of unreleased funds as of 30 June 2023 is \$120k and a new Urban Development project reserve of \$384k has been established.



## 17 Reserves (continued)

In the 2023 year, CNZ released \$636k of the unspent SEED funds reserved for future periods to support the delivery of Major & Business strategy from CCC (total \$3.15m was received over three years, the final instalment of LTP funding was received in 2021) leaving a total reserve balance of \$316k (2022: \$952k).

The Company's activities expose it to a variety of financial instrument risks: credit risk, market risk (including market price risk, currency risk and interest rate risk) and liquidity risk. The Company has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

## 18 Income tax

	2023 \$'000	2022 \$'000
<b>Components of tax expense/(benefit)</b>		
Adjustments to current tax in prior years	1	-
Deferred tax	9	3
Adjustments to deferred tax in prior years	14	-
<b>Tax expense</b>	<b>24</b>	<b>3</b>
<b>Relationship between tax expense and accounting profit</b>		
Surplus before tax	(1,775)	785
Tax at 28%	(497)	220
Plus/(less) tax effect of:		
Non-assessable income	(6,041)	(4,469)
Non-deductible expenses	6,645	4,254
Prior period adjustments	15	(0)
Recognising tax losses	(99)	-
<b>Tax expense</b>	<b>24</b>	<b>3</b>
<b>Income tax receivable/(payable)</b>		
Opening balance	49	31
Prior period adjustment	(12)	-
RWT refunded	(37)	(29)
RWT paid/accrued	111	47
	<b>111</b>	<b>49</b>

## 19 Deferred tax assets

	2023 \$'000	2022 \$'000
<b>The balance comprises temporary differences attributable to:</b>		
Tax losses	33	3
Employee benefits	9	61
	<b>42</b>	<b>64</b>
At 1 July	64	67
Charge to tax expense	(22)	(3)
At 30 June	<b>42</b>	<b>64</b>

Total losses available to carry forward are \$118,494 (tax effect \$33,178), (2022: \$362,765, tax effect \$101,574). In the prior year deferred tax was only recognised on a portion totalling \$10,906, (tax effect \$3,054).

## 20 Financial instruments

### (a) Financial instruments

#### Classification of financial instruments

All financial liabilities held are carried at amortised cost using the effective interest rate method.

#### Classification of financial assets

The carrying amounts presented in the Statement of Financial Position related to the following categories of financial assets and liabilities.

	2023 \$'000	2022 \$'000
<b>Investment Assets (FVTSD)</b>		
Shareholdings	290	292
<b>Total</b>	<b>290</b>	<b>292</b>
<b>Loans and receivables (amortised cost)</b>		
Cash and cash equivalents	1,331	3,535
Receivables	61	124
Short-term deposits	5,866	11,224
<b>Total loans and receivables (amortised cost)</b>	<b>7,258</b>	<b>14,883</b>
<b>Trade creditors and other payables (amortised cost)</b>		
Trade payables	1,155	1,601
Non trade payables and accrued expenses	773	503
Provisions	1,016	382
GST payable/(receivable)	31	-
<b>Total</b>	<b>2,975</b>	<b>2,486</b>

### (b) Strategy in using financial instruments

The Company's activities expose it to a variety of financial instrument risks: credit risk, market risk (including market price risk, currency risk and interest rate risk) and liquidity risk. The Company has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

### (c) Credit risk

The Company takes on exposure to credit risk, which is the risk that a third party will default on its obligations to the Company causing CNZ and the Company to incur a loss.

There are no significant concentrations of credit risk as the Company only invest funds with registered banks which have a high Standard and Poors credit rating.

The Company did not have any credit facilities at the reporting date.

### (d) Market risk

Market risk is the combined underlying risk of any investment by the Company including currency risk, market price risk and interest rate risk.

#### Currency risk

The Company is not exposed to significant foreign exchange risk as a result of transactions denominated in foreign currencies arising from normal operating activities.

## 20 Financial instruments (continued)

### (d) Market risk (continued)

#### Market price risk

The Company has previously invested in unlisted early-stage companies which are generally not publicly traded. As there may be no open market to establish an independent value for certain unlisted investments, there can be no assurance as to the value of the investment or that there will be a market for the unlisted investment. Where equity investments are publicly traded ChristchurchNZ has valued the investment at the market price (with reference to the most recent arms length market transaction between knowledgeable and willing parties). For non-market shares ChristchurchNZ has sought to minimise the market risk by valuing these investments at cost.

#### Interest rate risk

The Company is subject to cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates. The Company's risk is limited to its cash and cash equivalents which are held in short term, floating interest rate accounts.

### (e) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty raising liquid funds to meet commitments as they fall due. The Company manages this risk by maintaining sufficient cash and cash equivalents to meet liabilities when due.

## 21 Capital management

CNZ and the Company's capital is its equity, being the net assets represented by retained earnings and other equity reserves. The primary objectives of the CNZ and the Company's capital management policy is to ensure healthy capital ratios are maintained in order to support its activities. CNZ manages its capital structure, making adjustments in light of changes to funding contracts and commitments. To maintain or adjust the capital structure, budgeted discretionary expenditure is reduced to avoid the need for borrowing.

## 22 Investments

The Company has previously made equity investments in and/or loan advances to entities via the operations of 2020 amalgamated entity CRIS Ltd, including investments in entities in the early stages of commercialisation. The valuation of these investments will have elements of uncertainty with benefits to be dictated by future economic performance.

	2023 \$'000	2022 \$'000
<b>Shareholding investments classified as FVTSD</b>		
Opening balance	292	292
Write off	(2)	-
<b>Net book amount</b>	<b>290</b>	<b>292</b>

CNZ holds several small legacy investments following the completion of the accelerator program and other innovation initiatives.



## 23 Related party transactions

### *i) Controlling entity and ultimate controlling entity*

The controlling and ultimate controlling party of ChristchurchNZ Ltd (CNZ) is ChristchurchNZ Holdings Ltd (CNZH).

CNZH is a holding company only and CNZ does not transact with CNZH.

During the period CNZ received core funding from CCC of \$15.9m relating to the Levels of Service with CCC (2022: \$15.9m). CNZ paid \$93k to CCC for services provided by CCC. At 30 June 2023 CNZ had an intercompany receivable from CCC of \$0k (2022: \$3k).

### *ii) Key management personnel remuneration*

CNZ classifies its key management personnel into one of three classes:

- Members of the Governing Body
- Chief Executive Office, responsible for reporting to the governing Body
- Senior Leadership Team, responsible for the operation of the company and reporting to the Chief Executive Officer

Members of the Governing Body receive \$36k per annum and the Chair receives \$72k.

The Chief Executive and the Senior Leadership Team are employed as employees of the Company on normal employment terms.

The aggregate level of remuneration paid and number of persons (measured as full-time equivalents) in each class of key management personnel is presented below:

	<b>2023</b>		<b>2022</b>	
	<b>Remuneration</b>	<b># of individuals</b>	<b>Remuneration</b>	<b># of individuals</b>
Members of the Governing Body	<b>212</b>	<b>8</b>	<b>180</b>	<b>4</b>
On behalf of members of the Governing Body	<b>41</b>	<b>4</b>	<b>72</b>	<b>2</b>
Chief Executive and Senior Leadership Team	<b>1,880</b>	<b>9</b>	<b>1,667</b>	<b>8</b>
	<b><u>2,133</u></b>	<b><u>21</u></b>	<b><u>1,919</u></b>	<b><u>14</u></b>

Directors fees are reviewed periodically by Christchurch City Holdings Ltd on behalf of the shareholder. The total remuneration allocated to Directors fees for CNZ/CNZH during the period was \$253k (2022: \$252k). Of this amount \$41k was paid as a donation to the Mayoral Welfare Fund on behalf of the Councillor Directors (2022: Mayoral Welfare Fund \$72k).

The ChristchurchNZ senior leadership team consists of 5 general managers and the CE. During the year ending 30 June 2023 one GM role was disestablished, there was a fixed term parental cover and a fixed term critical project specific role that reported to the CE.

As part of its remuneration policy CNZ utilises externally market data to assess its position in the market and to ensure that pay rates are fair and sufficiently competitive to enable it to retain and attract appropriately qualified talent.

**iii) Other related parties**

All related party transactions that CNZ has entered into during the year occurred within a normal client/supplier relationship and under terms that prevail in similar transactions. Transactions with related entities are summarised below:

		Revenue from related parties	Purchases from related parties	Amount owed by related parties	Amounts owed to related parties
<b>Transactions with related entities</b>					
Anderson Lloyd	2023	-	32	-	2
	2022	-	-	-	-
Barclay Consulting Ltd	2023	-	29	-	11
	2022	-	36	-	-
Black Cat Company 2007 Ltd	2023	2	1	-	-
	2022	-	1	-	-
Christchurch City Council	2023	16,003	22	-	81
	2022	-	-	-	-
Christchurch International Airport	2023	105	23	-	-
	2022	39	-	-	-
Crusaders Limited Partnership	2023	-	46	-	52
	2022	-	-	-	-
Peacock Consulting Ltd	2023	-	24	-	-
	2022	-	34	-	-
Sky Network Television Ltd	2023	-	14	-	-
	2022	-	-	-	-
Vbase Ltd T/a Venues Otautahi	2023	12	438	-	127
	2022	2	21	-	-
Canterbury Regional Business Partners Ltd	2023	349	-	55	-
	2022	476	-	-	-
Christchurch Educated Inc	2023	1	-	-	-
	2022	-	-	-	-
Development Christchurch Ltd	2023	75	-	-	-
	2022	437	-	-	-
The Christchurch Foundation	2023	18	-	-	-
	2022	19	-	-	-
ARA	2023	-	-	-	-
	2022	-	17	-	-
Shuttlerock	2023	-	-	-	-
	2022	-	12	-	-
Jen Crawford Limited	2023	-	17	-	-
	2022	-	-	-	-
Dasher Ltd	2023	-	17	-	-
	2022	-	-	-	-

Barclay Consulting, Jen Crawford Ltd and Dasher Ltd related parties' transactions were solely for Directors fees.

**24 Contingencies**

At 30 June 2023 CNZ had no contingent liabilities or assets (2022: \$441k)



## 25 Capital commitments

CNZ had no capital commitments at 30 June 2023 (2022: \$Nil).

### Operating lease commitments

	2023 \$'000	2022 \$'000
Within one year	500	533
Later than one year and not later than five years	1,008	1,568
<b>Total non-cancellable operating leases</b>	<b>1,508</b>	<b>2,101</b>

*Net of landlord contribution (\$550k over 9 years)*

ChristchurchNZ has entered into commercial property leases on premises occupied by the business. The property lease commitment figures are net of a landlord contribution received in the 2018 financial year. ChristchurchNZ also has operating leases for items of office equipment.

## 26 Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	2023 \$'000	2022 \$'000
<b>Surplus/(deficit) after tax</b>	<b>(1,799)</b>	<b>782</b>
<b>Add/(less) non-cash items</b>		
Depreciation	336	510
Movement in deferred tax	22	3
Investment in equities	-	(51)
(Gain)/Loss on disposal of assets	(21)	(10)
	<b>337</b>	<b>452</b>
<b>Add/(less) movements in working capital items</b>		
(Increase)/Decrease in debtors and other receivables	65	312
(Increase)/Decrease in prepayments	43	609
(Increase)/Decrease in interest receivable	(29)	(1)
Increase/(Decrease) in creditors and other payables	594	718
Increase/(Decrease) in income tax payable	(64)	(18)
Increase/(Decrease) in income in advance	(6,637)	3,417
Increase/(Decrease) in employee entitlements	(67)	48
	<b>(6,095)</b>	<b>5,083</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(7,557)</b>	<b>6,317</b>

## 27 Events occurring after the reporting date

There were no significant events subsequent to the reporting date which require disclosure in the financial statements.

From 1st July 2022 CNZ adopted revised Accounting and Treasury Management Policies, in anticipation of completing a shortform amalgamation of Development Christchurch Ltd (DCL) into ChristchurchNZ. The shareholder (CCC) has approved the amalgamation of DCL into CNZ however the timing of the amalgamation has not been confirmed. Upon amalgamation CNZ will receive the net assets of DCL (estimated book value of \$18m) to provide the capital funding required for the operation of the Urban Development Function which is now a core component of CNZ activity.



## 28 Performance against Statement of Intent Targets

ChristchurchNZ is a public benefit entity charged with responsibility for stimulating sustainable economic growth for a more prosperous Ōtautahi Christchurch. In delivering its service performance activities CNZ seeks to form effective partnerships with the public and private sector and to ensure strategic alignment with CCC community outcomes.

CNZ is committed to articulating the value it delivers to the community, its partners and funders. CNZ has developed a series of outcome focused measures to track organisational performance. These measures included internal measures (assess and report social, environmental and financial performance, employee engagement, health & safety, carbon foot-print, external revenue) and a strong focus on external targets designed to increase the prosperity of Ōtautahi through measured improvement to:

- High-value decent work
- Productivity and GDP Output
- Resilience and sustainability of enterprise businesses
- Attraction of Christchurch by key audiences
- Liveability

During the year ended 30 June 2023, CNZ monitored delivery against these metrics. The specific performance targets for the 2023 year are those reflected in the Statement of Intent that are derived from the Annual Levels of Service CNZ agrees with Christchurch City Council (CCC) as part of the Long Term Plan (LTP).

<b>Key Performance Indicator</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>
<b>External</b>	<b>RESULT</b>	<b>TARGET</b>	<b>RESULT</b>	<b>OUTCOME</b>
Long-lasting job creation supported by ChristchurchNZ	Achieved 851	145 FTE years of work	617 FTE years of work	Achieved
Short-term job creation supported by ChristchurchNZ through events, urban development and screen activity	Not achieved 213	400 FTE years of work	685 FTE years of work	Achieved
Estimated value of GDP contribution attributable to ChristchurchNZ activity	Achieved \$93m	\$48m	\$88.7m	Achieved
Contribution to visitor spend supported by ChristchurchNZ	Not achieved \$19.4m	\$27m	\$60.4m	Achieved
Value of investment into Christchurch supported by ChristchurchNZ (excluding local government)	Achieved \$123.2m	\$40m	\$134.5m	Achieved
<b>Key Performance Indicator</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>
<b>Internal</b>	<b>RESULT</b>	<b>TARGET</b>	<b>RESULT</b>	<b>OUTCOME</b>
Assess and report organisational performance against the relevant UN Sustainable Development Goals (Benchmark in 2021 using B corporation rating tool is 78.8)	Achieved 103.3	Improved performance	Improved performance (107)	Achieved
Maintain high employee engagement (rating out of five in staff engagement survey)	Achieved 3.79	3.75 or above	4.09	Achieved
Our people feel safe (rating out of five in staff engagement survey)	Achieved 4.53	4.5 or above	4.42	Not achieved
Zero serious harm	Achieved	Zero	Zero	Achieved
Reduce our carbon footprint (Benchmark in 2018/19 is 120 tonnes)	Achieved 67 tonnes	Reduce	Reduced (110 tonnes)	Achieved

A summary of the various service levels and progress against the target in the period is provided in the table below:

**Performance against statement of intent targets (continued)**

<b>LEVEL OF SERVICE MEASURE</b>		<b>2021/22 RESULT</b>	<b>TARGET 2022-23</b>	<b>2022/23 RESULT</b>	<b>2022/23 OUTCOME</b>
1.0	Number of Initiatives to support industry cluster development, including Supernodes, to support job creation and work opportunities	Achieved 6 initiatives	6 initiatives	Achieved	6
1.1	Number of start-up/scale-up companies supported to grow innovation and entrepreneurship capability aligned with priority focus areas	Achieved 53 companies	40 companies	Achieved	40
1.2	Number of employers that have been actively worked with to attract them to the city to support economic recovery and repositioning	Achieved 53 employers	60 employers	Achieved	60
1.3	Value of central government investment secured into innovation and entrepreneurship; labour market transition and job creation	Achieved	\$550,000	Achieved	\$655,000
2.0	Number of initiatives that deliver better education outcomes and skills development to meet industry need and lead to high-value decent work	Achieved 4 initiatives	4 Initiatives	Achieved	4
3.0	Number of initiatives delivered in partnership with mana whenua and Te Runanga o Ngāi Tahu entities to grow the value of the Māori economy and deliver intergenerational prosperity and create decent work	Achieved 1 initiative	2 initiatives	Achieved	2
4.0	Number of initiatives delivered with local and central government agencies to drive and advocate for competitiveness, resilience, and sustainability (including carbon footprint reduction) of Christchurch and Canterbury organisations	Achieved 4 initiatives	4 initiatives	Achieved	4
4.1	Number of Christchurch and Canterbury businesses accessing support, mentors and advice provided in partnership with central Government and industry and peak bodies, including the Chamber	Achieved 575	500 businesses access business support or advice	Achieved	856
4.2	Satisfaction of businesses accessing support or advice services	Achieved +70	Net promotor score for business support services is +50 or greater	Achieved	+81
4.3	Value of Central government investment secured into regional business support	Achieved	\$450,000	Achieved	\$1,030,196
5.0	Antarctic Gateway Strategy progress report is produced annually and is available on the CCC website	Achieved	Deliver actions as set out in the Antarctic Gateway Strategy implementation plan	Achieved	
5.1	Number of businesses in a business network which secures higher revenues from the National Antarctic Programmes	Achieved 75 businesses	100 businesses in the network	Not Achieved	73
6.0	Number of initiatives delivered that focus on developing Christchurch and Canterbury as a more attractive and sustainable visitor destination in partnership with third parties where joint outcomes can be amplified	Achieved	4 initiatives	Achieved	4
6.1	City bids prepared to attract business events to Christchurch in line with the business event strategy and economic recovery plan	Achieved 47 bids	30 bids	Achieved	84
6.2	Success rate of bids for business events	Achieved 48%	At least 35% success rate	Achieved	51%

**Performance against statement of intent targets (continued)**

6.3	Assess portfolio of events supported against the Major Events Strategy	Achieved	Annual report on performance of the major event portfolio against the Major Events Strategy	Achieved	
6.4	Major events seeding round delivered using criteria that support strategic goals of the Major Events Strategy	Not achieved Due to Covid impacts	One Major Events Seed Funding round	Achieved	
6.5	Number of destination product offerings, experiences, or itineraries developed and supported which embed the city narrative	Not achieved 3 Destination Products Due to Covid impacts	5 destination products	Not Achieved	
6.6	Number of screen enquiries attracted and supported, with a view to growing Canterbury's market share of screen GDP.	Achieved 205 enquiries	100 screen enquiries	Achieved	139
6.7	Number of screen productions attracted to Christchurch through a grant fund	Achieved 2 Productions	At least 1 production	Achieved	4 feature films 2 television series
6.8	Value of investment secured into destination promotion and product development	Not achieved \$212,000 Due to Covid impacts	\$500,000	Not Achieved	\$276,850
7.0	Number of people using city narrative assets and content to tell the Christchurch story integrated with their own organisation or business story	Achieved	Monitor month-on-month narrative assets and content to ensure consistently increasing engagement and usage	Not Achieved	



**Performance against statement of intent targets (continued)**

LEVEL OF SERVICE MEASURE		2021/22 RESULT	TARGET 2022-23	2022/23 RESULT	2022/23 OUTCOME
7.1	Number of engagements on ChristchurchNZ owned digital channels and platforms	Achieved	3 million	Achieved	5 million plus
7.2	Number of engagements with trade agents and investors in priority markets and sectors.	Achieved 58	60 engagements with trade agents or investors	Achieved	108
8.0	City economic strategies are reviewed and approved in context of Greater Christchurch 2050 Strategic Framework and Goals.	N/A	Preparation of a ChristchurchNZ Economic Development Plan, Destination Management Plans for Greater Christchurch and Banks Peninsula, and a Place Brand Strategy for Christchurch to support the Greater Christchurch 2050 Vision.	Achieved	
8.1	Report on implementation of initiatives within mandate set out in the (Covid-19) Christchurch Economic Recovery Plan and when appropriate, Greater Christchurch 2050	Achieved	Delivery of actions set out in the economic recovery plan and Greater Christchurch 2050	Achieved	
8.2	Number of economic research and insights reports delivered to provide city partners with robust evidence base on which to base strategies and investment decisions	Achieved 38 Reports	12 economic reports are produced	Achieved	19
8.3	Number of people actively engaging with ChristchurchNZ economic and strategic insights	Achieved 6,230	Deliver economic information to at least 1,000 people through presentations and online information	Achieved	4,939
8.4	Number of reports on the feasibility of urban development proposals and projects	Achieved 6	At least three opportunities for urban development are identified and assessed for feasibility	Achieved	
8.5	Deliver existing urban development programme (New Brighton) and develop pipeline of urban development projects utilising Council family-owned property or other acquired property	Achieved	New urban development projects added to the pipeline in line with the strategy	Achieved	

## **Corporate governance statement**

### **Ownership**

Shares in the company are held by ChristchurchNZ Holdings Ltd (CNZH) which is 100% owned by the Christchurch City Council (CCC).

### **Public benefit entity**

CNZ is a non-profit entity and acts for the public good. CNZ considers the environment and the community in all of its activities.

### **Nature of operations**

CNZ is a Council Controlled Organisation (CCO) that works to stimulate sustainable economic growth for a more prosperous Ōtautahi Christchurch.

### **Role of the Board of Directors**

The Board is ultimately responsible for setting the strategic direction of the company, oversight of the management of the company and direction of its business strategy, with the ultimate aim being achievement of the shareholder's vision and wishes for the economic development of Christchurch city and the city's surrounding area of interest. The Board is accountable to the shareholder for the performance of the company.

The Board draws on relevant corporate governance best practice principles to assist and contribute to the performance of CNZ. The functions of the Board are outlined in the Board Charter and include areas of stewardship such as:

- Identifying and agreeing matters of policy, strategic direction and intervention logic with shareholder
- Approving Business Plans/Strategies and Budgets
- Monitoring management of the Company's capital
- Providing leadership and a framework of controls to enable the assessment and management of risk
- Ensuring appropriate internal controls, monitoring and reporting systems are in place
- Monitoring operational and financial position and performance of the Company
- Appointment of Chief Executive Officer
- Ensuring appropriate procedures are in place to ensure compliance with laws, government regulations and regulatory requirements
- Approving and reviewing internal decision making and compliance policies and procedures
- Appointing Board members or representatives for subsidiary entities as required

### **Statement of intent**

In accordance with Section 64(1) of the Local Government Act 2002 a Statement of Intent (SOI) is submitted by the Board of Directors of ChristchurchNZ Limited (CNZ) to its shareholder, Christchurch City Council (CCC) in March of each year. The Statement of Intent defines for ChristchurchNZ, its objectives, the nature and scope of its activities, and the performance targets and other measures by which the organisation may be judged in relation to its objectives over the next three years. The SOI provides an opportunity for CCC and the CNZ Board to define CNZ's focus every three years consistent with the Council's Long-Term Plan (LTP) process, with fine tuning of delivery objectives occurring in intermediate years.

## Corporate governance statement (continued)

### Key Management Remuneration

As part of its remuneration policy CNZ utilises externally provided market data to annually assess its position in the market and ensure that pay rates are fair and sufficiently competitive to enable it to retain and attract appropriately qualified talent.

The key management personnel of ChristchurchNZ are the Chief Executive Officer and members of the Senior Leadership Team. The number of Senior Leadership employees who received remuneration and benefits during the period are listed below with bands specified.

	2023 \$	2022 \$
<b>\$000's</b>		
70 - 80	1	-
130 - 139	-	2
150 - 159	-	1
160 - 169	1	-
180 - 189	-	2
190 - 199	2	1
200 - 209	1	-
210 - 219	1	-
220 - 229	-	1
230 - 239	1	-
240 - 249	1	-
280 - 290	-	1
360 - 369	1	-
<b>Key Management Remuneration</b>	<b>9</b>	<b>8</b>

### Directors' interests

The following entries were recorded in the interests register during the year ended 30 June 2023:

	Company	Interest
Dr T Arseneau	J. Ballantyne & Co Limited	Director
	Therese Arseneau Consulting Ltd	Director
	EducationNZ	Director
	Ara Institute of Canterbury	Chair
	Open Polytechnic NZ Ltd	Director
	Elder Family Trust	Trustee
	ChristchurchNZ Holdings Ltd	Chair
Mr S Barclay	Jennian Homes Tauranga East Ltd	Director/Shareholder
	Barclay Consulting Ltd	Director/Shareholder
	Longbush Partnership Ltd	Shareholder
	Norton Barclay Investments Ltd	Director/Shareholder
	Moehau GP Ltd	Director
	NBI LP Ltd	Director
	ChristchurchNZ Holdings Ltd	Director
Mr P Bingham	Akaroa Harbour Cruises Ltd	Director
	Dolphin Experience Ltd	Director
	Lyttelton Harbour Cruises Ltd	Director
	Shuttlerock PTY Limited (Australia)	Director
	Black Cat Group 2007 Ltd	Director
	Shuttlerock Ltd	Chair
	The Christchurch Foundation	Trustee
	Entrada Travel Group Ltd	Chair
	Banks Peninsula Conservation Trust	Trustee
	Intercity Group (NZ) Ltd	Director
	Northland Ferries Ltd (previously Fullers Bay of Islands Ltd)	Director

**Corporate governance statement (continued)**

	AWADS 2019 Ltd	Director
	Skipbus Ltd	Director
	Auckland Explorer Bus Ltd	Director
	Pajo Trustees Limited	Director
	First Table Ltd	Chair
	ChristchurchNZ Holdings Ltd	Director
Ms J Crawford	Rangitata Diversion Race Management Limited	Chair
	Nelmac Limited	Director
	Orion New Zealand Limited	Director
	MHV Water Limited	Independent Director
	Jen Crawford Limited	Director/Shareholder
	ChristchurchNZ Holdings Ltd	Director - appointed 15 January 2023
	Anderson Lloyd	Consultant
Ms L Quaintance	Turners Automotive Company	Director
	DPL Insurance	Independent Director
	Crusaders	Independent Director
	Sky Television Ltd	Executive
	ChristchurchNZ Holdings Ltd	Director - appointed 15 January 2023
Cr J McLellan	Christchurch City Council	Councillor
	Ōtautahi Community Housing Trust	Trustee
	Civic Building Ltd	Director
	ChristchurchNZ Holdings Ltd	Director - appointed 22 March 2023
Mr T Selman	Cessna 172 Ltd	Director/Shareholder
	RA 2014 PTY Limited	Director
	Limited Partner Advisory Committee for CBRE Fund	Member
	Limited Partner Advisory Committee for Hillwood Fund	Member
	Limited Partner Advisory Committee for Slate Grocery	Member
	Essential Fund	
	Guardians of NZ Superannuation Fund	Executive
	Dasher Ltd	Director
	ChristchurchNZ Holdings Ltd	Director - appointed 15 January 2023
Cr V Henstock	Christchurch City Council	Councillor
	Orbit Consulting Ltd	Director/Shareholder
	North West Christchurch Community Sporting Trust	Trustee
	St Francis of Assisi Catholic School	Proprietors Representative Trustee
	Nurture Trust	Trustee/Chair
	ChristchurchNZ Holdings Ltd	Director - appointed 22 March 2023
Cr A Turner	Christchurch City Council	Deputy Mayor & Councillor for Banks Peninsula Community Board
	Christchurch City Holdings Ltd	Director
	Christchurch Foundation	Trustee
	Harbour Co-op	Shareholder
	Rod Donald Banks Peninsula Trust	Trustee
	Lyttelton Harbour Information Centre	Trustee
	Lyttelton Returned Services Association Trust	Trustee
	Banks Peninsula War Memorial Society	Trustee
	Okains Bay Māori & Colonial Museum	Trustee
	Wellington Community Housing Trust	Interim Chair
	The Pomeroy Company	Advisory Board Chair



**Corporate governance statement (continued)**

	Photosynthesis Trust ChristchurchNZ Holdings Ltd	Trustee Director - Retired 8 October 2022  Interim Director – 14 October 2022 – 14 January 2023
Cr M Davidson	Christchurch City Council Urban Development and Transport Committee  Greater Christchurch Partnership Committee ChristchurchNZ Holdings Ltd	Councillor Chair  Member Director - Retired 8 October 2022
<b>Other Interests</b>		
Ms L Edwards	ChristchurchNZ Holdings Ltd  ChristchurchNZ Holdings Ltd, Health, Safety, Audit and Risk Committee  Wrattwards Trust Peacock Consulting Ltd Unity Credit Union Canterbury Business Recovery Trust JR McKenzie Trust National Provident Fund Superannuation Investments Ltd Marlborough Kaikoura Trail Trust MFL Mutual Holdings Ltd Joyce Fisher Charitable Trust	Board Advisor - Retired 13 October 2022  Interim Director – 14 October 2022 – 14 January 2023  Independent Chair  Trustee and Beneficiary Director / Shareholder Chair Trustee Trustee Director Director Trustee Director Independent Chair, Audit & Risk Committee
Ms K Allen	ChristchurchNZ Holdings Ltd  Trade Aid Christchurch	Associate Director - appointed 4 October 2022 Trustee
Ms A Adams	Women in Space Exploration Orange Sky New Zealand	Trustee Business Advisor

**Director transactions**

A record of interests in specific transactions with the company which have been notified to the company by any director in accordance with section 140 of the Companies Act and Conflicts of Interest Policy:

	<b>Company</b>	<b>Interest</b>	<b>Disclosure</b>
Mr P Bingham	Black Cat Company	Director	SailGP Event - Hector's Dolphins and Marine Mammal Management
Mr S Barclay			Sail GP Event – personal friendship with a Director of Sail GP
Dr T Arseneau	Ara Institute of Canterbury		Te Ohaka Agreement - CNZ/Ara/MoA August 2020 - June 2023. Start-up Incubation Programme delivered by MoA

**ChristchurchNZ**

