

# GROW

## WELLINGTON



HALF YEARLY REPORT

July – December 2010

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## Introduction

The Wellington Regional Strategy (WRS) developed in 2007 provides a vision for making greater Wellington 'internationally competitive' - that is, a region which offers the competitive package of a great lifestyle and job opportunities, supported by a strong economy. As the regional economic development agency, Grow Wellington's role is to help deliver this strategy by intelligent investment in high growth, export oriented businesses. We connect businesses with the people, tools and knowledge they need to build capability; we inspire businesses to be world changing, and we facilitate collaboration between complementary businesses.

While Grow Wellington's primary focus has been and will continue to be on high growth export oriented businesses, we are also increasing our resources in line with a strengthened focus on ensuring that every business in the region that wants to grow is connected to the appropriate support – whether it is capital, skills, global connections or other forms of assistance. We work closely with other business services providers in order to facilitate these connections.

**This strengthened focus has resulted in the establishment of Business Growth roles based throughout the region in Wellington City, Porirua, Hutt, Kapiti and Wairarapa**

During the six months to December 2010 Grow Wellington has implemented several new strategic initiatives aimed at growing businesses, growing exports, and delivering economic benefits across the whole region. We have built on existing initiatives that we have previously put in place as platforms for growth, and we are pleased to outline these in this report.

## CENTRES OF EXCELLENCE

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Grow Wellington, through our Centres of Excellence programme is investing in three specific sectors we have identified as having the potential to radically transform our regional economy over the next ten to twenty years. These sectors are biomedical and life sciences, clean technology and screen and digital technologies. Our role is to bring together business, tertiary education, research institutes, investors and central and local government, to develop the industries and maximise international opportunities.

### BIOTECHNOLOGY AND HEALTH RESEARCH

The region's biomedical research and education community has identified opportunities that can be leveraged through a health innovation hub.

The Capital Coast District Health Board has identified location space at Wellington Hospital, and alongside Victoria University and the Medical Research Institute, provided multi-million dollar capital and operating support, and agreed to be founding partners for the hub - the Health Education, Research and Commercialisation Collaborative (HERC).

During the six months to December 2010, Grow Wellington has been working towards securing central Government funding for the research, education and commercialisation activities proposed for the HERC.

### CLEAN TECHNOLOGY

Clean technologies are technologies or services which reduce environmental impact and increase resource performance, efficiency or effectiveness.

Internationally there is huge demand for proven clean technologies. This sector has the potential to significantly transform the local, regional and national economies.

On 18 November, Grow Wellington launched the country's first purpose-built Clean Technology Centre in Otaki. Leading clean technology investors and entrepreneurs, including Sir Stephen Tindall, were in attendance. Currently seven clean technology businesses have signed leases. The centre provides an environment for the commercialisation of clean technology research.

CleanTech Centre company, Greenkeeper Systems, has a software programme that creates energy savings for IT users. It is currently negotiating international contracts in Canada, the Netherlands and the UK, and is working towards a contract in Vietnam.

Another CleanTech Centre resident SpectioNZ (specialising in converting waste to energy) is involved in an international consulting project. This involvement was made possible by Grow Wellington's facilitation of TechNZ funding for the company.

Other important aspects of the CleanTech Centre include the research and skills development programmes linking to it, and international linkages being developed – at the time of writing, organisations in the US, India and Italy are considering bringing their technologies to the Centre.

## SCREEN AND DIGITAL TECHNOLOGIES

The screen and digital sector in Wellington has seen continuing global recognition for its world-class creative and technical talent. During the six months to December 2010, Grow Wellington's work has focused on reviewing the 2020 strategic direction for initiatives to support sustainable growth and the continuation of a culture of excellence in this sector.

We have a revised action plan for the coming 18 months around supporting and facilitating industry-led initiatives that span infrastructure development, project financing, education, talent attraction and retention, international connectivity and the development of co-working facility solutions for the sector.

In November, Grow Wellington supported the NZGAV trust in coordinating AnimfxNZ - an annual conference for the animation, visual effects, games and digital film industries. It is an event that attracts attendees from all over the world. AnimfxNZ is fast becoming the 'must attend' event for learning about developing trends in the rapidly changing landscape of the digital media industry, discovering new talent, and networking with leading industry executives from New Zealand and abroad. Feedback from the more than 300 people who attended the conference was extremely positive. Of the 100 attendees who responded to a follow-up survey, 94% would recommend AnimfxNZ to friends and colleagues in the industry, and 91% believe it helps them to achieve their business and personal objectives.

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## PRIORITY SECTORS

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### FILM

Grow Wellington's Film Wellington team promotes Wellington as a screen production destination. It is focused on keeping Wellington 'film friendly' and provides a free support service for local and international films, television programmes and commercials. Film Wellington helps source locations, arrange film permits and provide useful information and industry introductions.

Between 1 July and 31 December 2010, Film Wellington facilitated 165 film permits encompassing 339 location permits, and handled 309 enquiries.

Local production companies that Film Wellington facilitated projects for in the first six months of 2010/11 included Gibson Group, KHF Media/Krafthaus Films, Thick As Thieves (Auckland), Lippy Pictures, thedownlowconcept, GFC (Germany) Limited, TVNZ and The Sweet Shop (Auckland).

Film Wellington facilitated visiting media and film making crews including GFC Germany's *Emilie Richards* series, a German/NZ co-production. Filming for this began in October and finished mid December. Film Wellington issued permits for filming across four Wellington regional territorial authorities, and sourced locations and a production office. Two tele-feature (films made for TV) romantic drama series were filmed, which will draw 6 to 7 million viewers per screening in Germany. These films aim to show Wellington in a very flattering way - so it is very good exposure for our region. The immediate spinoffs to the regional economy have been far reaching - from accommodation and equipment hire through to the employment for the duration of the filming for 50 NZ crew - plus another 100 or so part time workers, extras, etc. A very worthwhile project to have assisted.

In the latter part of 2010 'The Devil's Rock' was filmed in the region with support from Film Wellington which issued permits and helped find locations. This movie was produced and directed locally and if all goes according to plan, it will be distributed internationally this year.

Film Wellington also hosted UK film Director Peter Briggs during his time in NZ; scouting and meeting with Wellington companies to bring two US\$20 million feature films to NZ - Panzer 88 and Mortis Rex.

### EDUCATION

Wellington has considerable capability in education, with world class tertiary institutions and schools in the region focused on the common goal of excellence in education.

International students are an important part of our economy. Not only do they contribute significantly in terms of export earnings, they also play a vital role in knowledge creation and transfer. They bring with them a global perspective, helping to build an internationally competitive Wellington.

Grow Wellington, through its Education Wellington office, is committed to supporting the education sector in the Wellington region. We continue to work alongside a wide range of institutions, from primary schools through to universities, to accelerate the growth of our international student industry. Grow Wellington has strong support from 50 primary schools, secondary schools, institutes of technology and polytechnics (ITPs), universities and private training enterprises (PTEs). These institutions are members of the Education Wellington International group and contribute \$35,700 per annum towards Grow Wellington's education initiatives.

The average tuition fee per international student is approximately \$7,000, and this, along with the living expenses and other spending by students while they are here, make the industry an important part of the Wellington regional economy. In 2009 the industry generated approximately \$132.5 million for the region.

Two target markets for attracting international students to our region are Vietnam and China. In August, four Vietnamese agents took part in an Education Wellington familiarisation tour of the region, and in October, Education Wellington hosted three agents from Hong Kong. Planning is underway for in-market activities in Vietnam in March 2011.

As part of a more holistic approach to export education, Grow Wellington has been exploring new opportunities in offshore delivery. These have been focused on online cultural exchange and English language lessons. More than 30 Wellington primary schools in the region have expressed interest in this initiative. A pilot programme with 13 schools was completed on 15 December and feedback has indicated an interest in continuing with the programme on a regular basis. This project has the potential to generate around \$3 million in export revenue over the next two to three years.

## PRIMARY

### Irrigation

As part of a Regional Leadership Group, Grow Wellington is assisting the development of a storage-based irrigation scheme for the Wairarapa Valley. The group also comprises senior political representatives of Greater Wellington Regional Council, the three Wairarapa District Councils, the Wairarapa Regional Irrigation Trust, the two Wairarapa Iwi, and environmental/recreation groups.

In the six months to 31 December 2010, Grow Wellington has been facilitating the development and presentation of a business case to relevant project funders, as a precursor to a resource consent application for the irrigation project.

## MANUFACTURING

A ground-breaking scheme aimed at boosting the capability of the Wellington region's manufacturing sector was launched by Grow Wellington in 2010. The 'Optimising Manufacturing' scheme places university graduates into manufacturing companies where they gain industry experience, while the companies gain a fresh set of eyes, an increase in innovative thinking and ultimately an increase in productivity and profitability.

Over the past six months the focus has been on securing more company placements and more graduates to expand the scheme. As at 31 December five companies have joined the scheme, hosting one graduate each. Two more companies have been secured and four graduates employed for an early 2011 intake.

Grow Wellington has also been involved in the development of Lean Step which is a free online tool to help your business improve its productivity performance through the use of lean manufacturing techniques. It's been developed specifically for small to medium-sized enterprises (SMEs) in New Zealand by manufacturingnz, in collaboration with business and lean organisations.

The full details of the tool can be found at: <http://www.leanstep.org.nz/>.

This tool is an ideal, risk-free and cost-free way to start the thinking on the "lean" path.

## FOOD AND BEVERAGE

### **Visa Wellington on a Plate**

Wellington on a Plate was launched in 2009 as a joint initiative between Grow Wellington and Positively Wellington Tourism in order to raise awareness of the region's food sector and to firmly establish it as the Cuisine Capital of New Zealand.

In only its second year, over 17,000 people attended Visa Wellington on a Plate (VWOAP). The festival was held from 14-29 August 2010. An economic report measuring the impact of VWOAP estimates that business in participating restaurants increased by between 5 and 50 percent over the two weeks.

Twenty-six percent of Dine partners (ie cafés and restaurants offering a set menu during the two weeks) have started using local suppliers as a result of VWOAP, with over 38 local suppliers identified as either being new or having strengthened relationships because of the festival. This is a positive outcome, given that the long term objective of VWOAP for Grow Wellington is for the region's producers to have a solid foundation from which they can confidently develop their export capabilities.

### **WLG – 'pop up' restaurant in Sydney**

An initiative to launch VWOAP products to the international media, consumers and trade was undertaken from 14–26 September at WLG, a unique 'pop up' restaurant in Sydney that showcased the best of Wellington's food scene. The producers who were invited to participate in WLG are innovative companies that consistently win awards and are all exporting to Sydney either directly or via a distributor.

Led by Positively Wellington Tourism as part of their Australian campaign, Grow Wellington's role was to connect with the local producers and chefs, facilitate the logistics of making WLG and to inspire the Sydney population to try Wellington products. Considerable time and energy was spent on marketing the pop up restaurant, the result being that all 2,500 seats available were completely booked out before the restaurant even opened its doors.



## **Le Cordon Bleu**

During the six months to 31 December, Grow Wellington facilitated the establishment of the Le Cordon Bleu New Zealand Institute and the New Zealand Centre for Cuisine and Hospitality Excellence in central Wellington. With the Wellington region home to world class restaurants, wineries and producers, Le Cordon Bleu students and graduates will be a great asset to the hospitality and culinary industry both here and throughout the country. In addition, having an internationally recognised brand such as Le Cordon Bleu connected with the region will help generate awareness of our vibrant food and beverage sector globally.

## **Export Market Development**

Coffee, wine and beer from the Wellington region are ongoing focus areas for Grow Wellington's export development projects. Grow Wellington is actively supporting craft beer brewing companies to explore international markets and it is pleasing to note that Tuatara Beer is now being exported to Australia.

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## SUPPORTING INFRASTRUCTURE

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### Broadband

Alongside representatives from the region's councils, Grow Wellington is represented on the region's Broadband Operating Group. This group has continued to work on initiatives to position the Wellington region as fibre friendly for the Ultra-Fast Broadband Initiative (UFB). Specific work streams include aerial deployment, coordination of road openings, access to Council assets and trenching technologies.

During the six months to 31 December, Grow Wellington and the Greater Wellington Regional Council commissioned two reports by BERL to examine the economic benefits from UFB in the Wellington urban area, in order to support the case for inclusion of the Wellington region in the first stage roll-out of ultra fast broadband.

The reports highlighted the economic growth opportunities that are anticipated from UFB roll out.

In addition, Grow Wellington undertook a survey of several businesses in the region in sectors for which UFB will be a particularly important tool for growth, to help identify the key issues faced by businesses in deciding whether to connect to UFB. The three key issues identified were cost, speed and availability.

## BUSINESS GROWTH

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The Business Growth team works with individual businesses to connect them to the support that is available in the region. We also provide non-sector programmes where there is a business need and an identified regional economic gain. Examples are Activate and Summer of Tech.

This year, Grow Wellington, along with our regional partners, were awarded NZTE's regional partnership contract. By leveraging investment from Grow Wellington, this has enabled the appointment of five Business Growth Managers based in the Hutt Valley, Wairarapa, Wellington, Porirua and the Kapiti Coast. The role of the Business Growth Managers is to connect businesses that have a desire to innovate and grow with the support that is available to them in the region. This support includes but is not exclusive to the Grow Wellington, NZTE and TechNZ services and projects. The Business Growth Managers were put in place in late November.

This complements our regional partnership with TechNZ which we have delivered for the last two years. We manage TechNZ investments in research and development projects up to \$60,000 (TechNZ contribute 50% of the project funding for qualifying companies). Through a greater focus on TechNZ this year we have almost doubled the dollar value of the TechNZ investments we have managed.

Grow Wellington helped secure TechNZ funding for an iPhone application developed by Wellington company CricHQ, that has become one of the most downloaded sporting applications in the country and the major markets for this software are UK and India.

A major project for the Business Growth team this year has been the Bright Ideas Challenge. The intent of the Bright Ideas Challenge is to help people to take their business idea to successful implementation. It also brings together the innovation community to support new ideas and achieve greater business success for the region. 1,200 ideas were received and every idea received feedback and support as appropriate.

Twelve different workshops were held to help people to develop their ideas, which resulted in 150 quality business plans being written of which 80 are believed to have export potential.

As part of the Bright Ideas Challenge, \$25,000 has been awarded to Im Able to further their export growth. Im Able's products help people recover from stroke and regain their independence. They sell systems to people affected by stroke to accelerate recovery of arm movements, balance, and cognition, thus enhancing their independence. Four products, combining devices and specialised computer-based exercise games, will enter the market from late 2010 to 2012. Each is based on formal clinical research, is affordable, motivational and can easily be used in the home. The products have a wider use for other neurological disorders. Our seed capital will go towards CE registration to Im Able to sell in Europe and the US.

Importantly, over 20 organisations registered to run the Bright Ideas Challenge. This included a number of tertiary institutions. Almost 40 companies and people registered on the site as members of the innovation community to support the ideas. The level of investment in time and resource from this group was approximately \$500,000.

Work continues to support the ideas with the greatest commercial potential. This includes investment assistance through Escalator, Global Expert and TechNZ, places on our Activate programme and support through various members of the innovation community.

A second innovation initiative has also been undertaken – a workshop held in Wellington with prominent KEA members, members of the Wellington innovation community and entrepreneurial businesses with global potential. Attendees included Sir Stephen Tindall, Sir Ray Avery, Sir Peter Maire and Phil Norman amongst others. The event was very successful with new and important connections being forged that will lead to better internationalisation of Wellington companies. The day has resulted in a trial whereby ten businesses with global potential will be presented to the KEA network. The purpose of this will be to assist the businesses accelerate their export opportunities and, if successful, we anticipate repeating the exercise with more companies from within the region.

Our Activate programme is designed to test and validate business concepts and ideas. Participants receive expert advice from specialists through an intensive series of workshops and one-to-one coaching from a dedicated mentor.

The success of the programme has continued through the first half of this year with one programme completed, two underway and three due to start in the first quarter of 2011. A review of the Activate programme has been undertaken to make it even more successful going forward.

This year we have placed 67 interns in 36 companies through the Summer of Tech programme. The programme places top students from around the region into local companies to work on research and development projects which lead to either new products or efficiency gains. We now have various seminars and events underway to support the students over the summer.

Investment support for growing businesses has continued to improve over the year. To demonstrate please see the increase in numbers attending the Escalator workshops, the number of business assessments completed by the Escalator brokers has also risen sharply.

Our support of the Angel HQ investment group has continued.

## **CREATIVE HQ**

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On 1 July 2010 Creative HQ became a limited liability company, with Grow Wellington as its 100% shareholder.

Creative HQ is the region's specialist incubation company dedicated to supporting high growth innovative and transformational early stage businesses, helping achieve sustainable growth and prosperity for our region.

Creative HQ has 20 ventures currently in the incubator having entered five new ventures and exited/graduated five ventures over the six months to 31 December. These ventures span wine selection software, FMCG, ICT, clean-tech, visualisation technology, digital screen technology, tourism products, health products, software as a service, Web 2.0, online equestrian services, apparel, and HR/recruitment.

Our alumni companies continue to succeed and grow at an average rate of more than 40% pa post incubation. An example is Wellington based company StarNow, which took out two of the top five 2010 New Zealand Internet Industry Awards recognising stellar companies which have created transformational business growth or substantial impact on society through the internet. StarNow is an online service which helps casting professionals find talent. It is the number one casting website in the UK and Australia, as well as in NZ and has over 1.5 million members worldwide.

Commenting on the company's awards, StarNow CEO Cameron Mehlhopt said, "We were lucky to be taken under the wing of Creative HQ, whose support helped turn us from a great website into a great business. It was an environment that not only helped us grow, it introduced us to a network of other creative companies that inspired and encouraged us as we developed".

## COMMUNICATIONS AND MARKETING

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A key objective of Grow Wellington's communications and marketing activity is that businesses and stakeholders know Grow Wellington is **the** place to go for business support. During 2010 we have expanded our communications channels to include social media such as Twitter and Facebook, to ensure we are reaching as wide an audience as possible.

We have also been working towards an updated website which reflects Grow Wellington's strengthened focus on ensuring that every business in the region that wants to grow is connected to the appropriate support.

In the latter half of calendar 2010 we published a report on the performance of key sectors of the Wellington regional economy over the past three years.

## STATEMENT OF INTENT MEASURES AS AT 31 DECEMBER 2010

CENTRES OF EXCELLENCE	Agreed Activities	Agreed Measures	Measures Status as at 31.12.10
<p><b>Biotechnology and Life Sciences</b></p>	<p>Raise the profile of the Health Education and Research Collaborative (HERC) regionally, nationally and internationally.</p> <p>Launch HERC Centre and provide deal flow for Angel HQ.</p>	<p>Six partners in HERC Centre.</p>	<p>Three partners in HERC Centre.</p>
<p><b>Clean Technology</b></p>	<p>Clean Tech Incubator established.</p> <p>Four Clean Tech projects started.</p>	<p>Three new start ups in Incubator.</p> <p>Four partners committed to pursuit of CleanTech incubation fund.</p>	<p>Seven start ups signed for Clean Tech Centre.</p> <p>Incubation fund partners to meet in March 2011.</p>
<p><b>Screen and Digital</b></p>	<p>Digital Innovation Hub (DIH) precinct developed around education, scoring studio and incubator businesses.</p> <p>DIH provides Deal Flow for Angel HQ.</p>	<p>2000 sq m of DIH occupied by commercial players.</p> <p>Four deals presented to Angel HQ.</p>	<p>Approach revised, based on industry feedback, to deliver a smaller scale co worker space. 400 sq m space now planned for June 2011.</p> <p>No deals presented.</p>

BUSINESS GROWTH	Agreed Activities	Agreed Measures	Measures Status as at 31.12.10
<b>Innovation</b>	<p>Identify leveraging opportunities to lift commercialisation outcomes across the region.</p> <p>Identify the components of the region's innovation system and identify potential projects.</p>	<p>150 business enquiries.</p> <p>Two projects initiated to align innovation system participants.</p> <p>80% of businesses using Innovate advice satisfied with outcomes.</p>	<p>150 business enquiries As a result of leveraging opportunities, 3 enquiries are coming in per business day. This number is expected to increase with the Regional Partner contract.</p> <p>Bright Ideas completed in 2010 and will be run again in 2011. International Connections through KEA network started in November 2010.</p> <p>Survey at year end.</p>
<b>Investment</b>	<p>Consolidate Angel HQ membership and deal pipeline.</p> <p>Identify and supply brokering support for regional opportunities.</p>	<p>130 Angel HQ enquiries 45 Angel HQ members</p> <p>12 deals presented Four deals closed</p>	<p>Meetings continue with key players 50 enquiries 30 Angel members Angel HQ structure revised</p> <p>12 deals presented Three deals closed</p>
<b>Skills (Internships)</b>	<p>Scope and implement initiatives as appropriate from findings of skills survey to ensure business outcomes.</p> <p>Embed internship programme and begin move to self-sustainability.</p>	<p>70% satisfaction rating from skills survey participants that the survey added value</p> <p>40 businesses employ interns.</p>	<p>The survey feedback has resulted in a new approach to Summer of Tech and advisory boards.</p> <p>36 businesses registered for 67 projects/students.</p>
<b>Activate</b>	<p>Expand programme for new venture opportunities across the region.</p> <p>Package Activate for corporate and tertiary providers.</p>	<p>11 programmes are delivered to 80 opportunities and 90% graduate.</p>	<p>Five programmes delivered to 35 opportunities.</p> <p>Enhanced Activate course development underway.</p>

BUSINESS GROWTH CONT.	Agreed Activities	Agreed Measures	Measures Status as at 31.12.10
Incubate	<p>Complete programme enhancement to lift quality and quantity of resident companies.</p> <p>Implement new structure with investment from regional partners.</p>	<p>20 ventures            Nine venture exits            \$130m economic impact from all incubatees            85% client satisfaction</p>	<p>20 ventures            Nine exits            Not yet available            93.8% client satisfaction</p> <p>Creative HQ Ltd in place.</p>
Rugby World Cup	<p>Define and identify target companies for RWC introductions.</p>	<p>60 companies identified for commercial introductions.</p>	<p>Target companies will be identified in March 2011.</p>



SECTORS -	Agreed Activities	Agreed Measures	Measures Status as at 31.12.10
<b>FILM</b>	<p>Implement improved film permit system.</p> <p>Develop and implement an awareness raising campaign.</p>	<p>Client sector survey shows 85% satisfaction.</p> <p>570 film industry enquiries managed.</p>	<p>Survey at year end.</p> <p>309 enquiries managed.</p>
<b>FOOD &amp; BEVERAGE</b>	<p>Food Wellington market development projects scoped – Wine (governance) and coffee, beer (export ready).</p> <p>Visa Wellington on a Plate in place.</p>	<p>Two projects initiated (wine governance and export coffee or beer).</p> <p>Three projects delivered (Le Cordon Bleu, Wellington Week and Wellington on a Plate).</p>	<p>Beer project completed.</p> <p>Three projects delivered: Le Cordon Bleu; Wellington Week (popup restaurant in Sydney); WOAP.</p> <p>Visa Wellington on a Plate in place.</p>
<b>EDUCATION (Int. Students)</b>	<p>International student marketing plan review implemented with clear tactics being consistently checked for effectiveness.</p>	<p>Five initiatives to help generate increased student inflows.</p> <p>85% of Education Wellington members satisfied in client survey with delivery against identified needs.</p>	<p>One initiative underway.</p> <p>Survey at year end.</p>
<b>EDUCATION (Products)</b>	<p>Identify appropriate products to achieve revenue streams for export education.</p>	<p>One collaborative export education project completed and introduced to two potential offshore partners.</p>	<p>One project identified with Whitireia Polytechnic.</p>

SECTORS	Agreed Activities	Agreed Measures	Measures Status as at 31.12.10
<b>PRIMARY</b> Irrigation	Facilitate the development and presentation of a business case to relevant infrastructure funders as a precursor to a resource consent application for irrigation project.	Three drafts of project business cases developed and presented to Project Leadership Group, local and central government.	Negotiations ongoing to secure funding. Sustainable Farming Fund application through to second phase.
<b>Wood</b>	Deliver a collaborative wood supply model, making investment in processing capacity feasible.	Identify at least four potential collaborative partners with six meetings held to develop and present the model to the wood sector group.	No progress due to market conditions being unfavourable to collective supply activity.
<b>MANUFACTURING</b> Optimising Manufacturing Programme	Recruit companies and graduates for Optimising Manufacturing programme.  Develop sub-groups of the manufacturing sector to consider market development activity.	16 companies in Optimising Manufacturing programme.  In client sector survey Optimising Manufacturing programme and sub-sector participants give 85% rating of support for initiatives.	Five companies in place with 5 graduates. Two companies secured for early 2011 intake. Four graduates employed for early 2011 intake.  Survey at year end.

**BUILDING AN EXCELLENT ECONOMIC DEVELOPMENT ORGANISATION**

	Agreed Activities	Agreed Measures	Measures Status as at 31.12.10
<p><b>Good Employer</b></p>	<p><b>Good Employer</b>  <u>Leadership, Accountability and Culture</u> – engagement processes with employees and opportunities for them to participate in decisions.  <u>Flexibility and Work Design</u>                      Consideration of flexible work practices to accommodate staff employment requirements.                      Continue work preferences approach for all existing and new staff.  <u>Social &amp; Environmental Responsibility</u>                      Maintain good awareness and responsibility.  <u>Sound Business Practice</u>                      Establishment of a clear process of assessing leadership, strategic planning, client focus, measurement and knowledge management, process management and business results.</p>	<p>100% implementation of “preferred” work practices approach.                      90% staff retention</p>	<p>100% implementation of “preferred” work practices approach.                      93% retention.</p>
<p><b>Communications</b></p>	<p>Securing brand recognition and business uptake of Grow Wellington services throughout the region.                      Get buy in from key stakeholders to use The Wellington Story in their international marketing.  <u>Knowing our Region</u>                      Grow Wellington’s role as a source of regional economic information established.</p>	<p>28% response to annual survey and 75% of those surveyed acknowledge Grow Wellington services are a valuable resource.                      2,000 site visits per month.                      1,500 e-newsletter subscribers.                      20 partners are using The Wellington Region’s Story to promote their business.                      Grow Wellington is perceived as the source of expert regional business opinion with media asking for comment on 36 relevant issues.</p>	<p>Survey at year end.                      The site is averaging 3,000 site visits per month.                      As the primary focus of the e- newsletter is to update key stakeholders on Grow Wellington’s regional economic development initiatives, the subscriber target is no longer relevant.                      Eight partners are using the Wellington Region’s story to promote their business.                      18 media requests for comment on relevant issues.</p>

## STATEMENT OF FINANCIAL PERFORMANCE

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### Grow Wellington Limited Statement of Financial Position

For The Period July-December 2010

	Current Period \$	Same Period Prior Year \$
<b>INCOME</b>		
GWRC Contribution	1,953,184	2,071,170
Grant Income	292,532	510,304
Sponsorship	10,000	14,000
Other Income	364,878	205,167
Interest Income	6,336	2,552
<b>Total Operating Revenue</b>	<b>2,652,189</b>	<b>2,803,193</b>
<b>LESS COSTS OF SERVICES</b>		
Personnel	1,587,603	1,472,790
Direct Costs	688,719	935,418
Overheads	351,934	365,451
<b>Total Expenditure before Depreciation</b>	<b>2,628,256</b>	<b>2,773,659</b>
Depreciation & Amortisation Expense	23,933	29,534
<b>Total Expenses</b>	<b>2,652,189</b>	<b>2,803,193</b>
<b>Net Surplus ( Deficit )</b>	<b>0</b>	<b>0</b>

**Grow Wellington Limited**  
**Statement of Financial Position**

**For The Period July-December 2010**

	<b>Current Period \$</b>	<b>Same Period Prior Year \$</b>
<b>ASSETS</b>		
Cash and bank balances	612,373	537,350
Total Accounts Receivable	187,455	127,170
Prepayments	188	0
Taxation refunds due / RWT	0	0
Future Tax Benefit	0	0
Fixed Assets (net of accumulated depreciation)	147,313	140,544
<b>Total Assets</b>	<b>947,329</b>	<b>805,063</b>
<b>LIABILITIES</b>		
Payables		
Accounts Payable	209,278	110,491
GST Payable (Refund)	56,768	61,517
PAYE / Emp'ee Kiwisaver Payable	66,012	62,163
FBT Payable	0	0
Total Payables	332,058	234,171
Other Liabilities		
GWRC Contribution Advance (Income to be Claimed)	84,577	30,830
Income in Advance	310,000	404,543
Creative HQ Bonds	9,333	8,533
EWI (Inc) Trust Funds	74,292	0
Holiday Pay Liability	80,091	70,008
Income Tax Payable	0	0
Deferred Tax	0	0
Loan- GWRC	0	0
Intercompany Loan Creative HQ Limited	0	0
Accounts Receivable Prepayments	0	0
<b>Total Liabilities</b>	<b>890,351</b>	<b>748,086</b>
<b>EQUITY</b>		
Capital	0	0
Total accumulated funds and retained earnings	56,977	56,977
Profit (Loss) For the Period	0	0
<b>Total Equity</b>	<b>56,977</b>	<b>56,977</b>
<b>Liability and Equity</b>	<b>947,329</b>	<b>805,063</b>

**Grow Wellington Limited**  
**Statement of Cashflows**  
**For the period July-December 2010**

<b>Cashflows from Operating Activities</b>	<b>31/12/2010</b>
Cash Provided From	
Receipts from GWRC	2,447,837
Receipts from Grants	292,532
Receipts from Other Income	390,137
Receipts from Sponsorship	10,000
Interest Received	6,336
	<u>3,146,842</u>
Cash was Applied to	
Payments to Suppliers/Employees	2,746,737
GST Paid	(25,459)
Taxation	0
CHQ Bond	800
Interest Paid	0
	<u>2,722,078</u>
	<u>424,765</u>
<b>Cashflows from Investing Activities</b>	
Cash was provided from	
Sale of Fixed Assets	0
	<u>0</u>
Cash was Applied to	
Purchase of Fixed Assets	37,123
	<u>37,123</u>
Net Cash inflows from Investing Activities	<u>(37,123)</u>
<b>Cashflows from Financing Activities</b>	
Cash was provided from	
	<u>0</u>
Cash Was Applied to	
	<u>0</u>
Net Cash outflows from Financing Activities	<u>0</u>
Net Increase in Cash Held	387,642
Opening Balance Brought Forward	224,732
Ending Cash Carried Forward	<u>612,373</u>
Represented by:	
Cash & Bank Balances	612,373
	<u>612,373</u>

**Grow Wellington Limited**  
**Statement of Cashflows**  
**For the period July-December 2010**

<b>Reconciliation to Operating Profit</b>	<b>31/12/2010</b>
<u>NET PROFIT</u>	0
Add (Less) Non Cash items:	
Depreciation	19,854
Amortisation	<u>4,079</u>
	23,933
Add (Less) movements in Working Capital items	
(Increase) Decrease Accounts Receivable	(8,656)
(Increase) Decrease Prepaid Expenses	(188)
Increase (Decrease) in Sundry Creditors	(119,982)
(Increase) Decrease in Taxation Payable	-
Increase (Decrease) in Income in Advance	503,309
Increase (Decrease) in Creative HQ Bonds	889
Increase (Decrease) in GST Payable	<u>25,458</u>
	400,831
 Net Cash Inflow from Operating Activities	 <u><u>424,764</u></u>

**Grow Wellington Limited**  
**Income and Expenditure by Activity for July-December 2010**

	<b>Actual</b>	<b>Budget</b>
<b>Income</b>		
GWRC rates	1,953,184	2,311,156
Other	<u>699,005</u>	<u>803,750</u>
	2,652,189	3,114,906
<b>Expenditure</b>		
Developing Centres of Excellence	178,629	467,174
Supporting Priority Sectors	997,611	974,906
Grow and Retain Existing Businesses	1,465,949	1,643,143
Grow Broadband	<u>10,000</u>	<u>-</u>
	2,652,189	3,085,223





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Working for business success

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