

STATEMENT OF INTENT

For the Financial Year Beginning 1 July 2020

INTRODUCTION

North Canterbury Economic Development Trust trading as Enterprise North Canterbury (ENC) is a Council Controlled Organisation (CCO) established by the Waimakariri District & Hurunui District Councils. This Statement of Intent sets out the overall intentions and objectives for the period of 1 July 2020 to 30 June 2023.

NATURE AND SCOPE OF ACTIVITIES

ENC is an Economic Development Agency with a vision:

‘To inspire, attract and retain individuals, businesses and social enterprises to invest in our region’

THE OBJECTIVES OF THE TRUST

The objects of the Trust as set out in clause 3.1 of the Deed of Trust are to:

- a) *“Cultivate economic initiatives and foster growth for the benefit of the North Canterbury Community*
- b) *Promote the economic, environmental, cultural and social well being of the North Canterbury Community*
- c) *Foster, develop and assist in the management of best practices and effective use of the resources of North Canterbury*
- d) *Promote and nurture community-based, sustainable economic growth through projects to benefit the people of North Canterbury Community”*

In pursuing these objects ENC will:

- Operate with the utmost integrity
- Be innovative, proactive and professional
- Work collaboratively in all activities it facilitates
- Respect the democratic processes of the sponsoring Councils.

ENC’s *modus operandi* is to “stimulate/facilitate/liberate” new projects, as initiatives will only lead the regional economy to a higher level if a project is self-sustaining in the hands of the private sector. ENC does not see itself as “owning” projects in the long term. Accordingly when assessing new initiatives ENC will:

- Promote the sustainability of business
- Have an awareness of the needs of the community within which business operates
- Be a leader and facilitator but not an investor in development projects

THE PERFORMANCE MEASURES

In pursuit of its vision ENC has adopted three strategic objectives against which its performance will be monitored.

**ENC Strategic Objectives
Performance Measures 2020/21**

Vision: 'To inspire, attract and retain individuals, businesses and social enterprises to invest in our region'

Strategic Objective 1: Supporting existing businesses to grow and prosper

	Performance Measure	Target
Objective 1.1 Support existing businesses to grow and prosper	Deliver the Regional Business Partner Programme for NZTE	Undertake 48 Capability Assessments and issue a minimum of \$80,000 NZTE Vouchers A minimum of 24 businesses referred to Business Mentors NZ
	Provide training of local business owners and managers	Run a minimum of 20 half day business training workshops with 80% satisfaction rate
	Support new and expanding businesses	Provide business support 50 new startup businesses and 50 existing businesses to grow/expand
	Maintain and grow ENC's website and social media	Grow social media channels and website visitors by 10%
Objective 1.2 Celebrate and Recognise Business Leaders in the region	Organise the 2020 Business Awards Gala Dinner and Ceremony	Business Awards Gala event a success
Objective 1.3 Assist Council with improving the wellbeing and viability of Hurunui towns	Programme of initiatives agreed and implemented	ENC assists and supports town initiatives as agreed

Strategic Objective 2: Attract and inspire businesses, Te Rūnanga o Ngāi Tahu and Government to Invest in our region

	Performance Measure	Target
<i>2.1 Develop a North Canterbury Cycle Trail</i>	Continue to seek and apply for funds for the development of a North Canterbury Cycle Trail from Christchurch to Waipara	Staff prepare and submit applications in conjunction with the Councils
<i>2.2 Stimulate the North Canterbury Food and Beverage Sector to achieve greater collaboration</i>	Local food and beverage producers and manufacturers are provided opportunities to collaborate and connect	ENC builds networks and relationships with producers and manufacturers Database of producers and manufacturers created Promote detail of business and product on Website Opportunities identified to attend and profile NCF&B at event and trade shows Track referrals and connections

Strategic Objective 3: Promote the Waimakariri District

	Performance Measure	Target
<i>Produce an annual business promotion plan for board and Council approval</i>	Deliver on Business Promotion objectives, as contracted to Council	Contract delivered Performance reported six monthly to Waimakariri District Council

THE BOARD'S APPROACH TO GOVERNANCE

The Board of Trustees is responsible for the overall corporate governance of ENC. The Trust Deed sets out the governance responsibilities of the Trustees. The Board guides and monitors management of the business and affairs of the Trust on behalf of the Councils to whom they are accountable. The Mayors of each of the Councils are Trustees, and the two CEO's are Advisory Trustees. The Board meets two monthly.

THE ACCOUNTING POLICIES

The Trust is a not-for-profit organisation. The Trust has adopted accounting policies that are consistent with the Financial Reporting Act 1993 and Financial Reporting Standards issued by the Institute of Chartered Accountants of New Zealand. The Trust has elected to apply the PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability and has total annual expenses of less than \$2m.

THE RATIO OF CONSOLIDATED SHAREHOLDERS FUNDS TO TOTAL ASSETS

As at 30th June 2019 the Trust's Equity comprised 67% of total assets and 100% of net assets. Equity is defined as the sum of the amount of retained earnings and accumulated losses. Total assets are defined as the sum of the net book values of current assets and non-current assets as disclosed in the Trust's annual report.

DISTRIBUTIONS TO SHAREHOLDERS

The Trust's Equity is not distributed, but is held in reserve to fund the Trust's future economic development activities and Waimakariri District promotion activities as appropriate.

INFORMATION TO BE PROVIDED TO SHAREHOLDERS

Annually the Trust reports to the Councils, with the following matters being covered:

- Trust Directory
- Review of the Year's Activities
- Report against the Year's Performance Measures
- Statement of Financial Position
- Statement of Cashflows
- Statement of Financial Performance
- Statement of Movements in Equity
- Notes to the Accounts
- Auditor's Opinion

Half yearly reports are provided to Councils including a statement of income and expenditure for the period, and a report of achievements against the Trust's objectives.

The two Mayors and CEO attend Board meetings and receive bi-monthly management and financial reports. The Trust's Strategic Plan and the Annual Business Plan and Budget are made available to the two Councils following its approval by the ENC Board

PROCEDURES FOR MEMBERS TO ACQUIRE SHARES

There is no means for Trustees to acquire shares.

COMPENSATION FROM LOCAL AUTHORITIES

The Trust receives seed capital from the two District Councils to enable it to initiate its economic development activities. In addition ENC has a service contact with Waimakariri District for the provision of District Promotion services. The following table sets out the current level of funding and that projected for the next three years (excl. GST).

Local Authority	2020/21	2021/22	2022/23	Activity
Waimakariri District Council	\$213,350	\$TBA	\$TBA	Economic Development
Waimakariri District Council	\$448,670	\$TBA	\$TBA	District Promotion
Hurunui District Council	\$51,250	\$51,250	\$51,250	Economic Development

To be advised as Councils determine funding through their Annual Plan processes

If any other contracts are entered into between the Trust and any territorial or regional authority, payment of the contract price will be required from such contracting authority.

COMMERCIAL VALUE OF THE SHAREHOLDERS' INVESTMENT

The commercial value of the shareholders' investment is the Trust's equity is \$521,288 at 30 June 2019 as stated in the annual report.

The Trust Deed requires that *"the capital and income of the Trust fund shall be applied only within New Zealand to meet the Objects of the Trust"*. On winding up all surplus assets are to be applied by the Councils to similar purposes as the Objects of the Trust. No reassessment of the Trust's commercial value is therefore proposed.

OTHER MATTERS

The Trust has a contract with Waimakariri District Council for the provision of promotion services until 30 June 2021. The contract has a right for the trust to call for renewal of the contract for a further three years. The contract has a minimum annual level of funding specified (\$200,000) but provides for the Council to confirm a final level of funding each year as it approves the annual Promotion Business Plan, prior to the commencement of each year.

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