

# Statement of Intent

FOR THE YEAR TO 30 JUNE 2025 AND THE FOLLOWING TWO FINANCIAL YEARS



**venture**  
TARANAKI  
Te Puna Umanga

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# Chair's comment



## **Mā mua ka kite a muri mā muri ka ora a mua**

Venture Taranaki Trust is the regional development agency for the Taranaki region. This Statement of Intent, provided by Venture Taranaki's Board of Trustees to our owner New Plymouth District Council, proposes a number of strategic and tactical interventions for the Trust that will support thriving Taranaki communities, enterprises, and people for the 2024-2025 financial year and beyond.

The Trust's activities will support the strategic plan and framework that has been developed in collaboration with our Board, Shareholder, and other funders, which identifies key strategic focus areas in which the Venture Taranaki Trust will operate, including energy transition, food and fibre, and the visitor sector. This is where we firmly believe we can make the most impact for a prosperous and thriving Taranaki.

This Statement of Intent also articulates the newly formed outcomes-focused Direct Economic Impact (DEI) framework. Together, the strategic plan, and DEI framework will track and measure the majority of the Trust's impact over time and return on investment.

Venture Taranaki plays a critical role in helping Taranaki reach its potential, catalysing opportunities that will result in regional revenue (GDP), job creation, energy transition, and regional investment, while navigating the region through economic highs and lows with strategic focus and sound leadership.

Over the past twelve months, we have faced a challenging landscape with a change of Government, growing pressures on local and central Government funding, and persistent pain points like the rising cost of living, inflation, and supply-chain disruptions significantly affecting our business community.

We must continue to identify emerging opportunities and potentially disruptive global and national impacts for our key industries, particularly the retention of our energy sector, while accelerating our future economies to provide growth

and stability for our regional economy and people. Fostering meaningful relationships with Mana Whenua is also central to our mission, as we continue to build our reputation as a valued partner organisation under Te Tiriti o Waitangi.

Our ability to catalyse these opportunities and unlock barriers for the region is only as strong as our resources and the partnerships that we form. The ongoing support and confidence of Stratford District Council, South Taranaki District Council, Taranaki Regional Council, and other stakeholders from across the region must be acknowledged, as must the Trust's many ongoing partnerships with central government agencies.

Their co-investment in our work, coupled with the New Plymouth District Council's cornerstone investment, is carefully managed and leveraged to secure contracts for service, including the Regional Business Partner Network contract with MBIE and Callaghan Innovation. This enables significant investment into research and development, as well as building the capabilities of the people leading our region's small and medium-sized enterprises through our award-winning services. Over the last two years, the Trust has applied several changes to reduce our overhead costs to ensure we are maximising operational spend on transformational projects for the region, this includes restructuring and moving to smaller CBD premises.

Looking ahead, applying a strategic regional lens to all we do, alongside consistent, insights-led leadership remains our priority as we deliver future-focused outcomes for the region. This Statement of Intent sets out how we will do that.

**JOANNA BREARE**

*Chair, Venture Taranaki Trust*



# Purpose

In accordance with the Local Government Act 2002 (LGA), this annual Statement of Intent (SOI):

1. Publicly states the activities and intentions of Venture Taranaki Trust for the year to 30 June 2025 and the following two financial years, and the objectives to which these activities contribute,
2. Provides the opportunity for New Plymouth District Council, as shareholder, to influence the direction of Venture Taranaki Trust,
3. Provides the basis for Venture Taranaki Trust's accountability to its shareholder.

This SOI reflects the expectations of New Plymouth District Council as set out in their Statement of Expectation.

The content of the SOI is specified in Schedule 8 of the Local Government Act 2002.

# Trust objectives

Venture Taranaki's objectives are set out in its founding trust deed (Appendix 1) which are summarised as:

1. Provide leadership and support for the development and implementation of local, regional, and national strategies for the creation of a vibrant and prosperous Taranaki regional economy.
2. Facilitate, promote, encourage, and support sustainable enterprise growth, investment, and employment opportunities in the Taranaki region.
3. Support the region's commercial enterprises, large and small, mature or start-up, to establish, flourish and prosper.



# About Venture Taranaki

Venture Taranaki (VTT) is a Council Controlled Organisation owned by New Plymouth District Council and responsible for regional development and tourism-based promotion activities in Taranaki.

Venture Taranaki is a Trust incorporated under the *Charitable Trusts Act 1957* but does not meet the criteria for a registered charity under the *Charities Act 2005*.

During the 2021/22 year, New Plymouth District Council (NPDC) engaged the consulting firm Henley Hutchings to undertake a review of Venture Taranaki, focused on governance and ownership arrangements. The review found general satisfaction with VTT and did not identify any serious concerns.

The VTT review was initiated to improve the clarity of the purpose of VTT, consider how it is situated in the current operating environment and to identify opportunities to further increase regional cooperation and inclusivity while optimising shareholder investment on behalf of the community.

The VTT Board have successfully responded to the review findings and are continuing to implement changes. The Board has approved a new vision and strategic framework, as well as Direct Economic Impact (DEI) framework that considers the value creation of VTT's work in terms of revenue, jobs and investment, as well other benefits such as those related to social, cultural, environmental and wellbeing measures.

# The Board of Trustees' approach to governance

Governance of Venture Taranaki Trust is the responsibility of the Board of Trustees. Operations of the organisation are the responsibility of the Chief Executive who reports to the Chair of the Board of Trustees.

The duty of the Board of Trustees is set out in the Trust deed (Appendix 1).

Trustees are appointed by New Plymouth District Council in accordance with its Appointment and Remuneration of Directors of Council Organisations Policy and the Venture Taranaki Trust Deed.

## The nature and scope of activities to be undertaken

The nature and scope of the activities to be undertaken by Venture Taranaki are guided by the Venture Taranaki strategic framework and supporting performance and accountability impacts and measures (Figure 1).

### TE TIRITI O WAITANGI PARTNERSHIP

Venture Taranaki is committed to upholding and honouring Te Tiriti o Waitangi as part of their operations and governance. This includes seeking partnership and collaboration with Ngā Iwi o Taranaki, Māori, and Māori organisations across all areas of work, as required and as appropriate.

### VENTURE TARANAKI PERFORMANCE FRAMEWORK

Venture Taranaki's strategic direction is set by its Board, and aligned with the strategic objectives of Tapuae Roa, the Economic Development Strategy for Taranaki, adopted in 2017, and the Taranaki 2050 roadmap. This Strategic Framework reflects the Statement of Expectation and articulates the priorities of Venture Taranaki within the wider Regional Strategy environment of Taranaki. Please refer to graphic on following page.

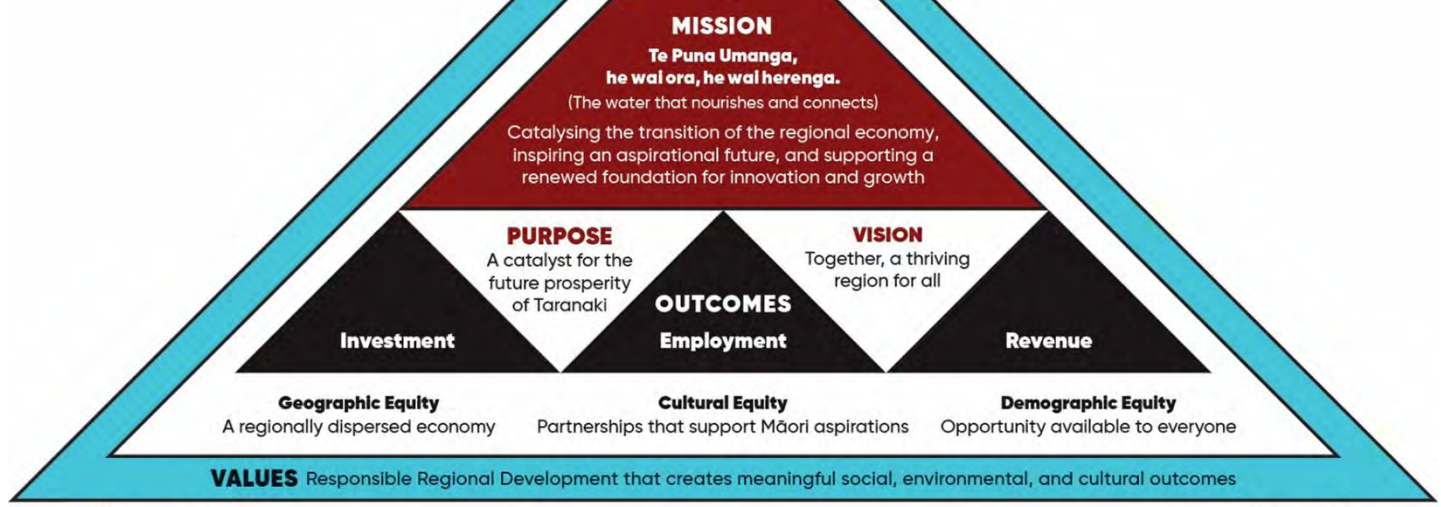
### COMMUNICATION

Communications was a key topic in NPDC's review of VTT, in particular a lack of understanding of the role of VTT by some. The following three stakeholder related measures were identified in the VTT review. Venture Taranaki will continue work with NPDC to monitor and improve these over time.

- Overall stakeholder satisfaction with VTT
- Overall stakeholder views on value for money provided by VTT
- Overall stakeholder clarity on the purpose of VTT

Venture Taranaki will provide early advice to Council on risks they have identified as facing the Taranaki economy or VTT itself.

VENTURE TARANAKI  
PERFORMANCE FRAMEWORK



**FOCUS AREAS**

- ACCELERATE** – our future economy to establish new opportunities faster
- INNOVATE** – our approach with creative and transformative solutions
- OPTIMISE** – our current economy through transition



**Tech and Innovation**

Establish Taranaki as the home of emerging and thriving technology and innovation, enhancing outcomes across the regional economy



**ENABLING SERVICES**

- that support outcomes across the strategic work program and regional economy
- Advocacy & Communication** – to support and ensure understanding
  - Skills and Talent** – Attraction, transition, training and development of essential talent for the region
  - Regional Intelligence and Reporting** – Keeping the region informed of key analysis
  - External partnership programmes and projects** – that support our regional priorities
  - Investment Attraction** – Capital to drive growth and transition



# Measurement framework

The Measurement Framework articulates four levels of measurement:

- Performance measures: KPIs against activities/outputs to ensure agreed levels of service are delivered. These are reported quarterly in the form of a dashboard.
- Direct Economic Impact (DEI) Framework. This will accumulate data over the next 3-5 years and will be reported in the form of a progress report from financial year 2026/27 onward.
- Project value measures: progress tracking for planned projects. These are reported quarterly in the form of project updates, with metrics as required.
- Client satisfaction survey: VTT will continue to conduct an annual Client Satisfaction Survey in order to understand the value and impact of its activities within the community.

## KEY PERFORMANCE INDICATORS 2024/25 – REPORTED QUARTERLY

Measures in dark blue below are contained in the NPDC Long Term Plan. They form the base of reporting KPIs for the duration of the Long Term Plan (2024-2034). In addition to the Long Term Plan KPIs from our Shareholder, the Board of Venture Taranaki may set further performance metrics for the organisation appropriate to the delivery of projects and programmes for that financial period.

Activity		KPI
Promote the New Plymouth District and the Taranaki region as a vibrant and desirable place to work, live, learn, play and invest.	Number of major events attracted or retained (funded in accordance with the criteria of the major events fund).	6
	The annual additional funding secured for the provision of regional development programmes, projects and services into Taranaki in line with regional strategy such as Tapuae Roa.	25% of total funding
Facilitate, promote and support sustainable business growth, innovation, investment and employment opportunities in Taranaki.	Client satisfaction across all business support services, events, programmes and initiatives.	Net promoter score (NPS) 40+
	Number of events, programmes or initiatives to drive change and support regional strategy objectives such as Tapuae Roa and Taranaki 2050.	10
	Performance measures and reporting requirements of external contracts (such as central government) are achieved.	90%

## DIRECT ECONOMIC IMPACT (DEI) FRAMEWORK

Venture Taranaki's DEI framework is measured in two basic approaches; through the documented improvements to client businesses that have been supported over time, and through strategic projects that generate outcomes for the region via multiple enterprises, organisations and stakeholders. Benchmarking is now underway.

The Direct Economic Impact expected from a project is forecast or proposed as part of standard business planning processes. This is the proposed direct economic impact (pDEI). Impacts are measured across Job creation/retention, Revenue Growth, and Investment attracted. Geographic location of impact and demographic access are also considered to ensure a balanced approach to regional development. Once projects are in progress, and impacts have been achieved or realised, they are reported as realised direct economic impacts (rDEI).



Activity	Jobs	Revenue	Investment
Economic Development (Enterprise support)	Client* enterprise employee numbers are recorded, amalgamated and reported over time.	Client enterprise revenue numbers are recorded, amalgamated and reported over time.	Investment attracted into client enterprises is recorded, amalgamated and reported over time.
Strategic projects (Sector projects and Economic Enabler programmes)	Job creation is estimated at outset of project (pDEI) and evaluated as milestones are achieved (rDEI)	Revenue/GDP is estimated at outset of project (pDEI) and evaluated as milestones are achieved (rDEI)	Investment attracted into regional projects is recorded, amalgamated and reported over time.

\*Client enterprises are defined as any business or organisation that has accessed Venture Taranaki support services and has been identified as a client. Qualifying services are defined and updated annually.

Projects are regularly reviewed during delivery, and if appropriate the proposed Direct Economic Impacts yet to be realised are updated in the business case as reforecast (fDEI). Realised DEI are reported quarterly as required. Formal rDEI reporting, along with any reforecast DEI, will be included in Annual Reports from FY 2026/27.

## REPORTING

A quarterly report will be provided to the CCOs Committee within two months of the end of each quarter. The Board approved Annual Report will be provided to the CCOs Committee within three months of year end.

The half-yearly and end-of-year reports will be appropriately detailed and include updates on all measures and activities (where applicable). The quarter one and three reports will be less detailed dashboard style reports.

The VTT Board Chair, or in their absence a Board member, will attend CCO Committee meetings to present quarterly updates. The Chief Executive and/or management may attend to answer questions for clarification as required. CCO Committee Briefings will be led by the Chair or in their absence a Board member. VTT Management may attend to answer questions and present any detailed information as required.

VTT will support NPDC in its strategic goal "Sustainability: Nurturing our environment, mitigating our impact and adapting to climate change" and related Climate Action Framework, by monitoring its own carbon footprint, and minimising where possible and appropriate. This carbon footprint, along with any agreed initiatives, will be reported in half-yearly and end-of-year reports.

Full financial reporting will continue to be provided on a six-monthly basis via the Interim Financial Report and the Annual Report.

## ACCOUNTING

VTT will meet reporting deadlines. This includes providing a trial balance and additional disclosure information to Council and delivery of fully audited financial statements to fit the Council Annual Report and Audit schedule at Financial Year End, to be agreed annually in advance.

VTT will provide a quarterly trial balance to Council Officers by the 12<sup>th</sup> working day of the month following or as agreed.

Financial reports will represent a fair view of the organisation's financial performance and position of the reporting period being presented to Council.

VTT interim and annual financial statements will comply with the appropriate generally accepted accounting standards (currently being Public Benefit Entity) and the financial reporting requirements of the Local Government Act 2002.

VTT will manage the Trust's financial audit and resolve any audit issues raised in the "Report to the Board" on the audit.

The signed audit opinion and audit management report will be presented to the scheduled CCOs Committee after it has been reviewed by the VTT Board.

VTT will be available to answer queries on their financial performance as and when requested by Council Officers or elected members.

Appropriate reconciliations of the financial accounts will comply with Audit expectations to ensure a smooth and timely audit process for the annual accounts.



# Accountability

In addition to the above measurement framework and reporting commitments, Venture Taranaki makes the following commitments to accountability:

An outline of budgets and spending to be provided in half-yearly reports, showing proportional investment across programmes and performance against appropriate indicators, in order to ensure transparency of allocation and prioritisation of resources across programmes.

Quarterly updates on progress of delivery of Tapuae Roa and Taranaki 2050 actions (or any replacement strategy that may be subsequently developed and approved by NPDC). These updates will be high-level, strategic, and outcome-focused.

# Regional strategies

Venture Taranaki will continue to oversee the coordination and reporting of the implementation and delivery of the Tapuae Roa programme on behalf of the Taranaki Mayoral Forum. VTT will also provide recommendations on any proposed review of the Tapuae Roa Regional Economic Development Strategy, alongside the Taranaki Mayoral Forum and Ngā Iwi o Taranaki.

VTT will provide secretariat support to Ngā Kaiwhakatere o Taranaki (NKOT), or its replacement, as agreed with the VTT Board.

Venture Taranaki will actively collaborate with Ngā Iwi o Taranaki on the Māori Economy Future area, working with Taranaki Iwi, Hāpu, and other Māori organisations.

VTT will collaborate with, and support, key stakeholders in the community to provide support to enterprises, where appropriate. This will ensure the best outcomes for the community and that there is not a doubling up of effort. This includes but is not limited to the Taranaki Chamber of Commerce, Te Aranga o Taranaki, WITT/Te Pūkenga and sector leaders across key parts of the Taranaki economy.

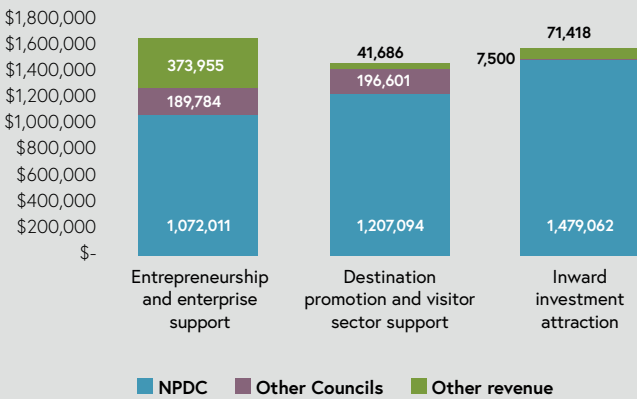
# 2024/25 Investment and priorities

NPDC funds the core activities of Venture Taranaki, as well as specific programme activity as defined in the business plan. This activity is supplemented by a significant programme of central government and externally funded work on a contract-for-service basis. Priority focus areas in 2024/25 are in:

- Entrepreneurship and enterprise support;
- Destination promotion and visitor sector support and development, including events;
- Inward investment attraction and strategic sector support;
- Core operational costs across each cost centre;

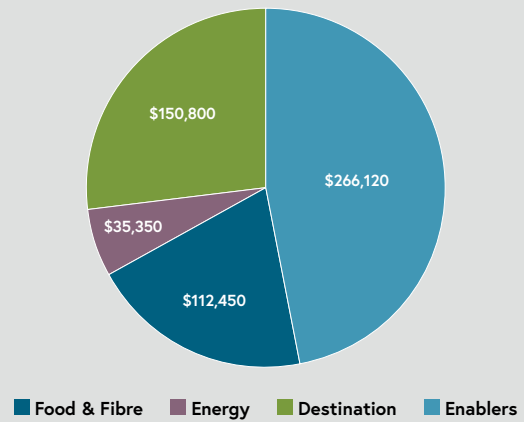
**Figure 3: Major budget focus areas excluding Major Events Fund**

Māori partnerships and Māori enterprise support are included as core components of each budget area.



**Figure 4: This pie chart illustrates the allocation of funds across Strategic focus areas after overhead expenses (incl. salaries) have been subtracted from the total budget. For more details on Strategic focus areas refer back to Performance Framework on page 5.**

Budget allocation across Strategic Focus Areas



# NPDC investment into Venture Taranaki

The Trust requests the following investment from the New Plymouth District Council (per the draft Long-term Plan 2024-34). It is anticipated that inflation increases and associated cost of delivery may have a significant impact on the ability of Venture Taranaki to deliver at the current levels using the inflation rate applied.

Budget	Event Fund	Econ Development & Visitor Industry	Tapuae Roa / ED Implementation	Total funding requested
2024-25	\$840,482	\$3,270,330	\$404,080	<b>\$4,514,892</b>
2025-26	\$856,422	\$3,419,154	\$520,243	<b>\$4,795,819</b>
2026-27	\$871,850	\$3,531,341	\$532,850	<b>\$4,936,041</b>
2027-28	\$888,378	\$3,646,893	\$645,836	<b>\$5,181,107</b>
2028-29	\$904,474	\$3,765,912	\$459,211	<b>\$5,129,597</b>
2029-30	\$919,847	\$3,878,889	\$472,987	<b>\$5,271,723</b>
2030-31	\$935,467	\$3,995,256	\$487,177	<b>\$5,417,900</b>
2031-32	\$951,335	\$4,115,113	\$501,792	<b>\$5,568,240</b>
2032-33	\$967,533	\$4,238,567	\$516,846	<b>\$5,722,946</b>
2033-34	\$983,981	\$4,365,724	\$532,351	<b>\$5,882,056</b>

## REMUNERATION

Venture Taranaki is committed to being a good employer as per the definition for a local authority under section 36 of the Local Government Act 2002. Venture Taranaki will meet these obligations and where and when possible and appropriate align practices, including remuneration, with NPDC.

## MAJOR EVENTS FUND

The annual Event Fund investment must only be used to deliver the Major Event Fund objectives to support tourism and vibrancy by attracting visitors to the region and promoting Taranaki nationally and internationally. Where the total of the Funding under this Agreement and any other money received by Venture Taranaki to support the Major Event Fund exceeds the amount of money committed to deliver the Major Event Fund objectives, Venture Taranaki must notify NPDC to seek permission to extend the timeframe of the funding into following year. If an extension is not granted, Venture Taranaki must upon request refund to NPDC the excess amount.

## TAPUAE ROA – EMERGENT OPPORTUNITIES FUND

Venture Taranaki is guided by the vision, outcomes, and strategic priorities of NPDC as its shareholder. Together with the integrated regional vision, priorities, and actions from Tapuae Roa - Taranaki's 2017 Regional Economic Development Strategy, the 2019 Taranaki 2050 Roadmap, and the Taranaki lwi Recovery Strategy, these form an integral part of the strategic context for Venture Taranaki.

Venture Taranaki plays an important role in the implementation of the regional strategy and its associated goals and actions. Focused investment from NPDC ("Tapuae Roa funding") enables Venture Taranaki to undertake or facilitate specific actions within the remit or purview of Venture Taranaki. The Emergent Opportunities Fund within Tapuae Roa funding is intended to support specific emerging initiatives and projects that meet the criteria and align with Tapuae Roa strategy. The size of the Emergent Opportunities Fund is determined at the start of the financial year, and dependent on operational expense requirements and input from NPDC, as laid out in the SOE. \$100,000 was allocated to the Emergent Opportunities Fund for the year of 2022-23. Where the total of the fund exceeds the amount of money committed to deliver the Tapuae Roa objectives, VTT must notify NPDC to seek permission to extend the timeframe of the funding into the following year. If an extension is not granted VTT must upon request refund to NPDC the excess amount.

# Forecast statement of revenue and expenses<sup>1</sup>

## VENTURE TARANAKI TRUST

### Prospective Statement of Financial Position

As at 30 June

	2025	2026	2027
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$1,257,534	\$1,004,298	\$1,064,480
Trade and other receivables	\$124,500	\$114,500	\$114,500
Other current assets	\$110,000	\$105,000	\$105,000
Investments	\$100,000	\$100,000	\$100,000
<i>Total current assets</i>	\$1,592,034	\$1,323,798	\$1,383,980
<b>Non-current assets</b>			
Intangible assets	\$0	\$48,000 <sup>2</sup>	\$16,000
Property, plant and equipment	\$182,614	\$177,850	\$149,668
<i>Total non-current assets</i>	\$182,614	\$225,850	\$165,668
<b>Total Assets</b>	\$1,774,648	\$1,549,648	\$1,549,648
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	\$250,000	\$275,000	\$275,000
Employee entitlements	\$250,000	\$200,000	\$200,000
Revenue received in advance	\$500,000	\$300,000	\$300,000
Other current liabilities	\$0	\$0	\$0
<i>Total current liabilities</i>	\$1,000,000	\$775,000	\$775,000
<b>Net Assets</b>	\$774,648	\$774,648	\$774,648
<b>Total Equity</b>	\$774,648	\$774,648	\$774,648

<sup>1</sup> See the Statement of Accounting Policies (p.16) for more details

<sup>2</sup> Website upgrade 2025/26

## VENTURE TARANAKI TRUST

# Prospective Statement of Comprehensive Revenue and Expenses

For the year ended 30 June

	2025	2026	2027
<b>Revenue</b>			
Grant revenue	\$6,103,040	\$5,614,129	\$5,533,190
Other revenue	\$80,612	\$82,224	\$83,868
Interest revenue	\$40,000	\$40,000	\$40,000
<i>Total revenue</i>	\$6,223,651	\$5,736,353	\$5,657,059
<b>Expenses</b>			
Personnel costs	\$2,946,403	\$2,845,773	\$2,865,392
Depreciation and amortisation	\$53,106	\$86,764	\$110,182
Operating expenditure	\$2,129,660	\$1,737,274	\$1,593,210
Grants	\$890,482	\$856,422	\$871,850
Trustees fees	\$204,000	\$210,120	\$216,424
<i>Total expenses</i>	\$6,223,651	\$5,736,353	\$5,657,059
Surplus before taxation	\$0	\$0	\$0
Income tax expense	\$0	\$0	\$0
Surplus after taxation	\$0	\$0	\$0
Other comprehensive revenue and expenses	\$0	\$0	\$0
<b>Total comprehensive revenue and expenses</b>	\$0	\$0	\$0

## VENTURE TARANAKI TRUST

# Prospective Statement of Changes in Equity

For the year ended 30 June 2025

	2025	2026	2027
<b>Balance at 1 July</b>	\$774,648	\$774,648	\$774,648
Total comprehensive revenue and expense for the year	\$0	\$0	\$0
<b>Balance at 30 June</b>	\$774,648	\$774,648	\$774,648

## VENTURE TARANAKI TRUST

# Prospective Statement of Cash Flows

For the year ended 30 June

	2025	2026	2027
<b>Cash flows from operating activities</b>			
Receipts from grants and other income	\$6,036,652	\$5,546,353	\$5,657,059
Payments to suppliers and employees	-\$6,170,545	-\$5,669,589	-\$5,546,876
Goods and services tax (net)	\$35,500	\$0	\$0
<b>Net cash flows from operating activities</b>	-\$98,394	-\$123,236	\$110,182
<b>Cash flows from investing activities</b>			
Receipts from sales of property, plant and equipment	\$0	\$0	\$0
Purchase of property, plant and equipment and intangible assets	-\$75,720	-\$130,000	-\$50,000
Receipts from sale of investments	\$0	\$0	\$0
Purchase of investments	\$400,000 <sup>3</sup>	\$0	\$0
<b>Net cash flows (used in) investment activities</b>	\$324,280	-\$130,000	-\$50,000
<b>Net decrease/increase in cash and cash equivalents</b>	\$225,886	-\$253,236	\$60,182
<b>Cash and cash equivalents at the beginning of the year</b>	\$1,031,648	\$1,257,534	\$1,004,298
<b>Cash and cash equivalents at the end of the year</b>	\$1,257,534	\$1,004,298	\$1,064,480

Note: Venture Taranaki Trust have nil cash flows from financing activities.

<sup>3</sup> Term deposit

# Appendices

1. Venture Taranaki Trust Deed
2. Relationship between NPDC and Venture Taranaki
3. Statement of Accounting Policies

## 1. Venture Taranaki Trust Deed

Click here to [read](#).

## 2. Relationship Between NPDC and Venture Taranaki

Venture Taranaki Trust is committed to a positive and constructive relationship with New Plymouth District Council as its shareholder. The following mechanisms will continue to be used to ensure this relationship enables open and honest sharing of information and the support of appropriate performance monitoring and accountability to the Council and the community:

- A shared focus on the development of the district and region, guided by the integrated regional vision, priorities and actions from Tapuae Roa and the Taranaki 2050 Roadmap.
- A shared focus on high quality service delivery guided by the key performance indicators set out in the SOI.
- Continuing the 'no surprises' approach that Venture Taranaki Trust's relationship with its shareholders is founded upon.
- Remaining cognizant of Council's sensitive expenditure policy.
- Six-monthly governance workshops between the Venture Taranaki Trust Board and New Plymouth District Councillors to discuss developments in the economy and Venture Taranaki's progress on the projects and activities in this Statement of Intent.

- Regular meetings between Venture Taranaki Trust and New Plymouth District Council CEOs.
- The Chief Executive of New Plymouth District Council (or their delegate) attending and participating as an observer at Venture Taranaki Trust Board meetings.
- Venture Taranaki Trust will always act in a manner consistent with the statutory obligations of NPDC and also those pursuant to agreements with third parties (including iwi, hapū or other Māori organisations).

Venture Taranaki Trust will also provide information to its shareholder that meets the requirement of all relevant statutes, including, the *Charitable Trusts Act 1957*, the *Local Government Act 2002* and the *Financial Reporting Act 2013*, to enable shareholders to make an informed assessment of the organisation's performance, including:

- An annual Statement of Intent in accordance with Section 64 of the Local Government Act 2002.
- Quarterly reports within two months of the end of each quarter in accordance with Section 66 of the Local Government Act 2002.
- An annual report within three months of the end of the financial year in accordance with Sections 67, 68 and 69 of the Local Government Act 2002.



# 3. Statement of Accounting Policies

## REPORTING ENTITY

Venture Taranaki Trust is a Charitable Trust incorporated in New Zealand under a Trust Deed dated 27 May 1998 and is domiciled in New Zealand. The Trust commenced operations on 1 July 1998.

The Trust is a wholly owned subsidiary of New Plymouth District Council and is a Council Controlled Organisation as defined in Part 1 Section 6 of the *Local Government Act 2002*.

The Trust is a Public Benefit Entity (PBE) for financial reporting purposes.

## BASIS OF PREPARATION

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

### Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013 which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements have been prepared in accordance with Tier 2 Public Sector PBE Financial Reporting Standards as issued by the New Zealand External Reporting Board (XRB). The financial statements comply with International Public Sector Accounting Standards Reduced Disclosure Regime (IPSAS RDR) and other applicable Financial Reporting Standards as appropriate to Public Sector PBEs.

The Trust is eligible to report in accordance with Tier 2 Public Sector PBE Accounting Standards on the basis that it does not have public accountability and annual expenditure exceeds \$2 million but does not exceed \$30 million.

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

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

#### Government grants

Grants received from the New Plymouth District Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust's trust deed. The Trust also receives other government assistance for specific purposes, and these grants usually contain restrictions on their use.

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

#### Interest income

Interest income is recognised using the effective interest method.

#### Foreign currency transactions

Foreign currency transactions are translated into NZ\$ (the functional currency) using the spot exchange rate at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

### B. Grant Expenditure

Grants are made up of funding provided to applicants meeting criteria for specific activities, such as major events and the Participatory Science Platform project. Non-discretionary grants are those grants awarded if the grant meets the specified criteria. They are expensed when an application that meets the specified criteria for the grant has been received. The Trust's non-discretionary grants have no conditions that need to be fulfilled to receive the grant.

Discretionary grants are those grants where the Trust has no obligation to award the grant on receipt of the grant application. For discretionary grants without substantive conditions, the total committed funding is expensed when the grant is approved and the approval has been communicated to the applicant. Discretionary grants with substantive conditions are expensed at the earlier of the grant payment date or when the grant conditions have been satisfied.

### **C. 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.

### **D. Cash and cash equivalents**

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

### **E. Receivables**

Trade and other receivables are initially measured at fair value and subsequently at fair value less any provision for impairment. The amount of impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected which is determined on an analysis of the Trust's losses in previous periods and review of specific debtors.

#### *Loans and receivables*

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

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

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense. The loans are subsequently measured at amortised cost using the effective interest method.

### **F. Impairment of financial assets**

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

### **G. Intangibles**

#### *Software acquisition*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and improvements of Venture Taranaki's websites are recognised as an asset when incurred as the websites generate future economic benefits.

#### *Amortisation*

Computer software licenses are amortised on a straight-line basis over their estimated useful life of two and a half years. Amortisation begins when the asset is available for use and ceases at the date when the asset is disposed of. The amortisation charge for each year is recognised in surplus or deficit.

### **H. Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

#### *Additions*

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably. In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value when control over the asset is obtained.

#### *Disposals*

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are presented net in the surplus or deficit.

#### *Subsequent costs*

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised as an expense as they are incurred.

#### *Depreciation*

Depreciation is provided on a straight line basis at rates calculated to allocate the assets cost less estimated residual value, over the estimated useful life of the asset.

Major depreciation periods are:

- Leasehold alterations 10 years
- Fixtures and fittings 10 years
- Office equipment 3-10 years
- Motor vehicles 3 years
- Other fixed assets 4-10 years

The residual value and useful life of an asset are reviewed, and adjusted if applicable, at each financial year end.

### **I. Impairment of property, plant, and equipment and intangible assets**

Property, plant, and equipment and intangible assets are reviewed for indicators of impairment as at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

## **J. Trade and other payables**

Trade and other payables are stated at cost. Trade and other payables are noninterest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

## **K. Employee Entitlements**

### ***Short-term employee entitlements***

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

## **L. Provisions**

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in "finance costs".

## **M. Goods and Services Tax (GST)**

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed exclusive of GST.

## **N. Income Tax**

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

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets

and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

## **O. Critical accounting estimates and assumptions**

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

**venture**  
TARANAKI  
Te Puna Umanga

**Taranaki Regional Development Agency**

50 Devon Street West, PO Box 670  
New Plymouth 4340, New Zealand

T+64 6 759 5150  
E [info@venture.org.nz](mailto:info@venture.org.nz)

[taranaki.co.nz](http://taranaki.co.nz)

An initiative of



Te Kaunihera-ā-Rohe o Ngāmotu

**New Plymouth  
District Council**