

POSITIVELY WELLINGTON BUSINESS

REVIEW OF 2006/07 ANNUAL REPORT

1. Introduction

Positively Wellington Business (PWB) has submitted its audited annual report for the year to 30 June 2007.

2. Key Issues

The Trust ceased operations on 30 June 2007 and began a winding up process, making way for the new Regional Economic Development Agency Limited (REDAL) to allow it to implement the economic initiatives of the Wellington Regional Strategy (WRS)

3. Performance

a. Financial

Statement of Financial Performance

\$ '000	FY Actual	FY Budget	2005/06 Actual
Income	4,174	3,928	4,382
Expenditure	4,167	3,921	4,318
Net Surplus Before Wind Up	7	7	64
Wind Up Expenses	137	-	-
Net (deficit) / surplus	(129)	7	64

Statement of Financial Position

\$ '000	FY Actual	FY Budget	2005/06 Actual
Current assets	1,010	679	1,263
Non current assets	-	161	156
Current liabilities	852	392	924
Non current liabilities	-	211	210
Equity	158	237	284
Current ratio	1.2 : 1	1.7 : 1	1.4 : 1
Equity ratio	16%	28%	20%

Statement of Cash Flows

\$ '000	FY Actual	FY Budget	2005/06 Actual
Operating	(103)	117	2
Investing	(71)	(119)	(31)
Financing	-	-	-
Net	(174)	(2)	(29)
Closing balance	626	615	801

Note: the Trust's financial statements have been prepared using NZ IFRS and comparatives for the previous year have been restated to NZ IFRS accordingly.

The Trust ceased operations on 30 June 2007, and it is envisaged that the Trust will be wound up prior to 30 June 2008. As the Trust is not a going concern, the financial statements have been prepared on a disestablishment basis and all assets have been recorded at net realisable value.

b. KPIs

SECTOR	INCREASE IN SECTORS CONTRIBUTION TO REGIONAL GDP		GROWTH IN NUMBER OF BUSINESSES	GROWTH IN NUMBER OF JOBS	EMPLOYMEN T LOCATION QUOTIENTS
	TARGET: ABOVE NATIONAL AVERAGE				
	NATIONAL AVERAGE	WELLINGTON REGION	TARGET: POSITIVE GROWTH	TARGET: POSITIVE GROWTH	TARGET: ABOVE NATIONAL AVERAGE OF 1
Education	6.9%	5.5%	2.0%	4.9%	1.2
Information Communication Technology	11.1%	1.9%	9.0%	4.0%	1.8
Professional / Services Engineering	14.7%	13.7%	4.0%	11.5%	1.1
Creative and Film	2.5%	2.9%	4.0%	2.5%	1.2
Manufacturing	0.0%	1.2%	-0.6%	1.5%	0.7

The above Macro measures relate to the performance of sectors in the Wellington region targeted by PWB through its sector growth programme.

4. Key items from the year

- PWB hit all of its core quantitative performance targets
- PWB was awarded the 2007 Vero Excellence Award for Business Support
- PWB was a committed and active stakeholder in the process of bringing together the Wellington Regional Strategy.

5. Governance

The Trustees are in the process of having their appointments terminated as a direct result of the Trust being wound up.

6. Comments Regarding Council

Council are acknowledged in the Annual Report, and commended for having the vision to incorporate PWB in 2001, to take a unified approach to addressing economic development issues and opportunities in the Wellington region.

7. Future Plans / Issues

PWB, REDAL and Wellington City Council (WCC) have agreed to the following transitional arrangements as outlined in the Winding up Deed:

- Employees of PWB have been employed by REDAL from 1 July 2007; PWB will provide an indemnity in regard to any redundancies of former PWB staff that have transferred to REDAL
- REDAL will purchase all fixed assets and intangible assets from PWB
- All Trademarks will be transferred to REDAL
- REDAL will re-imburse the Trust for all prepayments paid by the Trust on behalf of REDAL prior to 30 June 2007
- Ongoing contracts, including premises leases are being transferred to REDAL
- Creative HQ Resident agreements will be assigned to REDAL
- PWB's Deferred Income will be transferred to REDAL

8. Conclusion

It is important for REDAL and Council to work openly and collaboratively to achieve desired mutual outcomes, and avoid any unnecessary duplication of effort.

As at 30 June 2007, Council has an outstanding loan to PWB of \$210,545. Some part of this loan may be required to cover the redundancy indemnity arising from the PWB wind up. This outcome is incorporated within the Wind up Deed, and the amount of the loan to be paid back to Council will probably not be known until 2008.