



Annual Report

2015/16



NorthlandInc

Growing Northland's Economy

Kia tupu ai te ōhanga o Te Tai Tokerau

OUR VISION

Northland is one of the most prosperous regions in New Zealand delivering employment and business opportunities for locals in a fair and equitable society and a healthy and productive environment.

OUR MISSION

To strengthen, diversify and grow the Northland Economy.

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Board Biographies



Karleen Everitt

Karleen has extensive networks both nationally and regionally in the Māori economic space and is proud to call Tai Tokerau home. She serves on the NorthTec Council and the Kaikohekohe Education Trust. She holds a Master of Management from the University of Auckland Business School and is currently studying towards a PhD in Indigenous Business Leadership. Karleen is the CEO and Director of Manaaki Solutions, an indigenous events and project management business established in 2006.



Irene Durham

Irene's broad business experience spans law, finance, investment, advisory, business coaching and consulting. Irene is a successful business owner and has been specialising in private and SME sectors in NZ and overseas for more than 20 years. She is highly regarded as a consultant, strategic planner, and coach to entrepreneurial individuals and groups.

Irene is an experienced chairman, trustee, director, board member and strategic thinker and currently holds directorships and trustee roles in NZ within the charitable, public and private sectors. Irene was NZ Business Woman of the Year in 1998/99 and holds a Degree in Management.



Jeroen Jongejans

Jeroen arrived in NZ in 1979 as a Dutch emigrant with just a backpack and he's still here. Jeroen has been involved in various industries from oil refineries to boatbuilding, a stint in the education sector, and over the last 20 odd years has been heavily involved in the tourism industry. His business, Dive! Tutukaka, has won numerous regional, national and international awards and his passion for innovative, sustainable business is shared by his staff. Jeroen has spent significant time on various boards, from Conservation, Chamber of Commerce, Tourism Industry NZ, plus a stint on the Whangārei District Council. With a GDip Bus in entrepreneurship and innovation it is obvious where his passion lies!



Sarah Petersen

Sarah holds a Bachelor of Management studies from the University of Waikato. She has been a Chartered Accountant since 2002, and after working at Ernst & Young moved into commercial organisations working in the telecommunications and education consultancy sectors. She is a former member of the Executive Committee for Auckland Export and currently serves as a Trustee for Make-A-Wish New Zealand. Sarah has experience in establishing start-up operations, growing export services and licensing intellectual property internationally.



Warren Moyes

Warren joined the Northland Inc Board in April 2014, and was elected as chair in July 2014. Warren has had extensive experience in corporate governance which includes Northpower, NorthTec, Tonga Power, West Coast Energy, Whangārei Tourism Trust, ASB Bank & Community Trust.

Warren attained a Bachelor of Arts (University of California, Berkeley) and is accredited with FinSD postnominal (Institute of Directors). With many sporting achievements under his belt, Warren has represented New Zealand Yachting and Universities Rugby, and currently enjoys yachting, golf, fishing and hunting.

Chairman's Overview

It has been another very busy year for Northland's Economic Development Agency, work has been underpinned by the launch and progress on projects in the Tai Tokerau Northland Economic Action Plan (Action Plan) launched in February 2016 by Government ministers and Northland Inc in Kerikeri.

It has been pleasing to see how central and local government agencies, together with business and Māori partners, have come together to implement the Action Plan. Looking forward and working together on common agendas like this will be the key to Northland's economic success. In this respect I am proud of our team who have worked very hard establishing good working relationships across the region and with central government agencies.

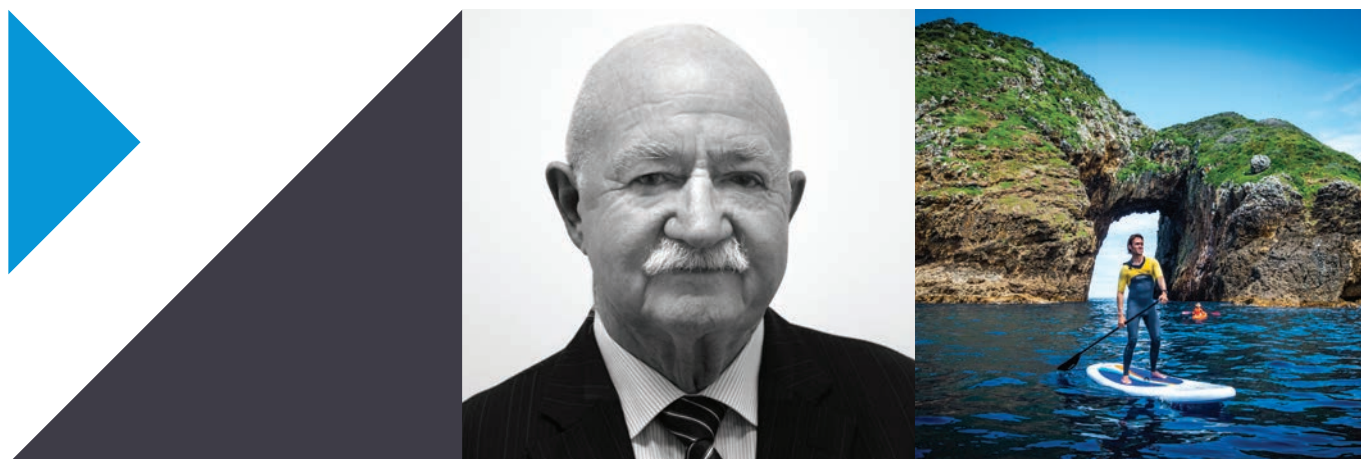
It has also been satisfying to see successful outcomes in other areas of Northland Inc work programmes outlined in this report. These, along with the Northland Regional Council (NRC) Investment and Growth Reserve (IGR) provide strong platforms to support tourism, business development, investment and economic development in Tai Tokerau.

I would like to thank our Chief Executive Officer David Wilson and the talented team that he leads for all their hard work and I look forward to another year of significant progress strengthening and diversifying Northland's economy.

I would also like to take this opportunity to thank my fellow board members and the NRC for their encouragement, support and advice which has made it possible for Northland Inc to carry out this vital work for the region.

Warren Moyes

Chairman





CEO's Overview

Thank you for taking the time to read the Northland Inc Annual Report to 30 June 2016. I am very proud of the progress we have made this year both within our organisation and through the support of our many collaborators who, like us, want nothing more than the Northland economy to be one that provides real opportunity for our communities.

We have worked hard as an organisation to strengthen our areas of work and the services we provide through our established work programmes. As an example, the Regional Business Partnership contract with New Zealand Trade and Enterprise (NZTE) and Callaghan Innovation was extended for a further five years with increased capacity.

A fifth work programme has been established this year to support the implementation of the Action Plan. A high level advisory group has been established as has a working group chaired by Northland Inc. These groups are facilitated by a portfolio manager, a position

established as a partnership between the Ministry of Business, Innovation and Employment (MBIE) and Northland Inc.

Other highlights include Hawaiki putting a contract in force to lay an international submarine fibre cable running between the USA, Hawaii, Mangawhai and Australia. This will provide increased competition, connectivity and resilience for New Zealand in ultra-fast broadband, and an opportunity for Northland to diversify its economy.

The Orchard collaborative workspace has secured NRC and MBIE funding and is in the process of finalising a site. This is a new model for collaborative workspaces with support services for business provided onsite through co-location of Northland Inc and the NZ Chambers of Commerce Northland. We are busy building other support mechanisms in finance, research and investment to support innovation and entrepreneurship in Northland.

The business plan for the Extension 350 project received central government support through the Ministry of Primary Industries (MPI), and the economic impact analysis that Northland Inc developed was fundamental in gaining central government support of \$4-million for the

Hundertwasser Art Centre and Wairau Māori Art Gallery project in Whangārei.

Efforts in building partnerships and collaborative working relationships are fundamental to taking advantage of the opportunities before us. We realise that we cannot do this alone. I would like to thank the many agencies and people who have supported us this year. I am very proud of our team who have brought passion and excitement to their work.

I'd also like to thank our board for their support of the management and staff at Northland Inc. We have a talented and diverse board that works extremely well together providing guidance and support to our team. Thanks must go to our Chair who has gone 'above and beyond' to support us in our endeavours once again.

We look forward to working with you in building a strong and resilient economy in Northland.

David Wilson

Chief Executive Officer

Key Statistics

Population of **168,300**

1.4% increase in 2015,
3.7% of national total



GDP **5% increase** in 2015

\$5.966b



Mean Income
in 2015 **\$49,550**

3.4% increase in 2015

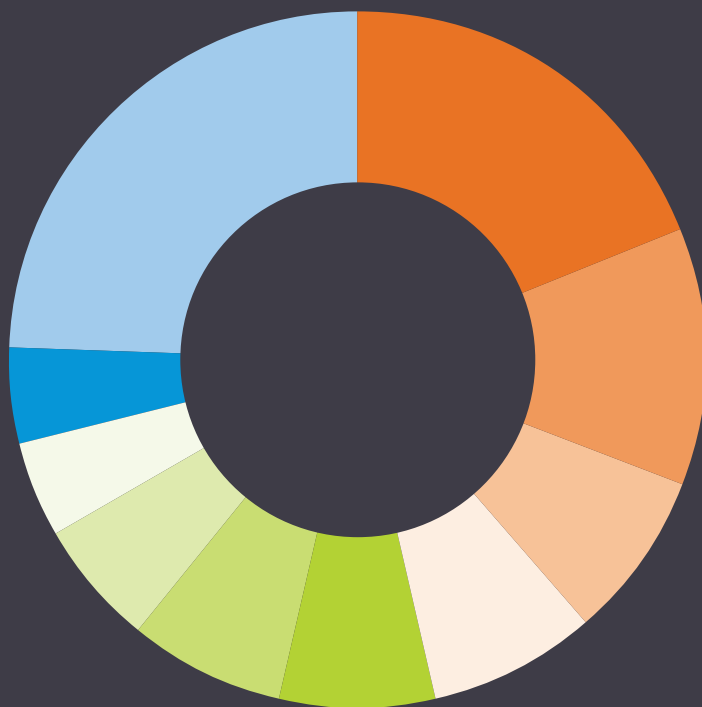
Knowledge Intensive Employment **17,539 jobs**



27% of total employment compared to 32% nationally

Industry by proportion of GDP

- Manufacturing
- Agriculture, Forestry and Fishing
- Retail, Hiring, Real Estate
- Owner-Occupied Property Operation
- Unallocated
- Health and Social Assistance
- Construction
- Retail Trade
- Education and Training
- All others



Employment
growth **2.6%**
increase in
2015

Productivity
growth in 2015

2.3% **vs** 1.2%
NORTHLAND NEW ZEALAND

Tourism total
annual spend
\$936m

20,118
business units
3.7% of national total

A woman wearing a green hard hat, orange high-visibility shirt, blue pants, and blue gloves is crouching on a gravel surface. She is holding a small white container and a yellow tool. In the background, there is a complex industrial structure with pipes and metal frameworks. A large blue diagonal line runs across the upper right portion of the image.

► Investment & Infrastructure



Hawaiki Cable

Due to go live in June 2018, the Hawaiki submarine cable will be the fastest and largest data link between the United States, Australia and New Zealand via Hawaii and the Pacific. The cable will offer more than 30 terabits capacity, a considerable increase to that currently available to New Zealand.

Northland Inc expressed full support to Hawaiki throughout the project. Confirmation of construction commencing for the cable is significant not only for Hawaiki, but also for Northland as the cable is confirmed to come ashore at Mangawhai. There were a number of reasons for choosing Northland as the landing site including; increased security of supply, being well removed from New Zealand's existing submarine cables to provide added resilience, access to multiple existing land-based data transfer networks and backhaul to Auckland, and the availability of 'green' power for future developments.

As a carrier-neutral cable system, this represents a new era of international connectivity benefitting businesses and consumers across the Pacific region and, for Northland, the project is a critical piece of infrastructure. With increased competitiveness and diversity in our connections to the rest of the world, Northland and New Zealand will benefit from increased attraction for information and communications technology, digital, science and knowledge-based industries. At a regional level the Hawaiki Cable project strengthens Northland's case for greater broadband capacity in the second phase of central government's Ultra-Fast and Rural Broadband initiatives and also aligns with the Northland Digital Enablement Plan (DEP).

Digital Enablement Plan

Northland Inc produced the Digital Broadband Registration of Interest and DEP on behalf of the region's four councils. The DEP identifies Mobile Black Spots and aims to extend the range of both the Ultra-Fast and Rural Broadband internet access across Northland. A Digital Leadership Group has been formed for the region and a number of projects are now underway to support the implementation of the DEP.

The combination of these digital infrastructure projects provides significant opportunities for diversifying the Northland economy and supporting innovation in Northland's traditional sectors.

Manea; Footprints of Kupe

Developed by the Te Hua o te Kōwhiri Trust, this project would establish a heritage centre located in Opononi. Based on 1,000 years of Māori history pertaining to Te Hokianga-a-Kupe, the returning place of Kupe, the project will celebrate the journeys of Kupe, his departure, the stories of repopulation and progression of his descendants. This tourism attraction will acknowledge the local culture and places of historical significance.

This project has been recommended by the Northland Inc Board for funding through the IGR and the project managers are currently seeking confirmation of other funding sources. The heritage centre dedicated to this fascinating part of Māori history could represent a significant draw card for visitors to the Hokianga.

The Orchard

Northland Inc is establishing a co-working space in Whangārei. 'The Orchard' workspace will provide a focal point for start-up and small to medium businesses to grow by fostering a culture of working together, sharing knowledge and providing support for each other. The shared space users will benefit from Northland Inc and the NZ Chambers of Commerce Northland co-locating in the open office area.

The aim is to not only provide a serviced co-working environment with a focus on building a strong business community, but also to increase visibility and accessibility to the business support services available through the Regional Business Partnership (RBP) including NZTE business capability vouchers, Callaghan Innovation services and Business Mentors New Zealand. This project was recommended by the Northland Inc Board for funding through the IGR.

The business case for The Orchard has been completed and funding support from the NRC (\$70,000) and MBIE (\$70,000) has been secured.

Waitangi Mountain Bike Park

The Waitangi Mountain Bike Park project is to create a world class mountain bike facility which embraces and celebrates the cultural heritage of the Waitangi Endowment Forest area.

Led by community charitable trust Focus Paihia, the Waitangi Mountain Bike Park aims to create a widely accessible, year-round, land-based sports activity. Targeting both locals and visitors, the park will open up the Waitangi Forest and attract substantially more use of this magnificent area.

Focus Paihia has aspirational objectives for the park including considerable economic contributions and job creation as well as positive social and community benefits for the wider Bay of Islands community. This project has been recommended by the Northland Inc Board for funding through the IGR.

OTHER ACTIVITY

Over this 12 month period, feasibility and business case funding was also approved for a number of other projects and initiatives including:

BUSINESS CASES

Kawakawa Hundertwasser Visitor Centre

A proposal to create a 'town square' type space in the centre of Kawakawa is currently being developed. The proposal would see the current Hundertwasser building extended and include the Hundertwasser toilets, visitor centre, library, post office and park with vintage railway and cycleway links. Having these attractions together in one space would provide a real heart for the community and would create a mix of areas for locals and visitors alike to enjoy.

Extension 350

Extension 350 is an innovative programme designed to lift the on-farm performance and profitability of 350 Northland farms through sharing knowledge to improve farm systems. The initiative is modelled on a number of clusters of five farms. Advice and direction is provided to the Target Farmer by an expert consultant and this relationship is supported and encouraged by a Mentor Farmer. The result will be positive on-farm change by each Target Farmer who is then expected to interact and influence a surrounding group of Associated Farmers, further spreading the benefits throughout the farming community. The pilot scheme which ran at Candy Farm in Okaihau from 2011 to 2014 saw local farmers Alister and Lyn Candy make management changes which have resulted in greater resilience and an increase in profits of around \$180,000 per annum. Beef + Lamb, DairyNZ, Northland Inc through the NRC IGR and MPI will be jointly funding the project.

Cape Brett Walkway

The Rawhiti 3B2 Ahu Whenua Trust (3B2) are investigating the potential development opportunities utilising their assets, with a view to sustainable and balanced economic development. The project is an initiative by 3B2 to develop high quality guided walking tours to Cape Brett. The business case was co-funded with Te Puni Kokiri.



Tai Tokerau Northland Economic Action Plan

Following the Regional Growth Study (RGS) in 2015 the Action Plan was launched in February 2016. The Action Plan turns the opportunities for economic growth identified by the RGS into tangible actions to sustainably grow incomes, jobs and investment in Northland. The Action Plan represents a partnership between industry, Iwi/Māori, and central and local government. Each has a part to play.

An advisory group has been established to guide the implementation of the Action Plan and a working group, chaired by Northland Inc, is charged with portfolio management and implementation. It has been pleasing to see a wide range of stakeholders working together on projects that will benefit the region's economy and improve prosperity. A focus on 'getting things done' has been extremely helpful, as has having a region-wide view of the economic development projects in play and the agencies involved. The working group has identified some gaps in strategy and action for the region which will be addressed in a refresh of the Action Plan in 2017.

Since its launch the Action Plan continues to be well supported by the private sector, central and local government. We are seeing benefits in the flow of information and cooperation between agencies involved. The Action Plan is an effective tool for industry sectors to influence the implementation of the various projects. This level of collaboration is mission critical to the execution of the Action Plan. Progress updates are provided quarterly to stakeholders, including the Regional Economic Development Ministers; a 1 year review is planned for 2017. The Action Plan is doing its job to bind the collective efforts to improve Northland's economic performance.

FEASIBILITY STUDIES

Waipoua Forest Tourism

This project is for the production of a coherent and integrated tourism strategy for Te Roroa which incorporates the Waipoua Forest and surrounding assets. Part of the impetus for this strategic appraisal is the Northland Inc sponsored Twin Coast Discovery reinvigoration project. Te Roroa has a keen interest in this route and the series of pou being constructed and situated along the route. The idea is to use the pou as a point of information dispersal of product and inform visitors of tourism product and accommodation options.

Whaingaroa Tourism

Investigation into the construction of infrastructure to enable tourists to experience the Whaingaroa Harbour environs has begun. The opportunities being explored include; the pa site at Kaeo, the revamped site at the former Lanes Timber Mill in Totara North and associated facilities in anticipation of the Chinese tourists visiting the Peppers Carrington Estate in Karikari. The erection of pou as part of the Twin Coast Discovery route are to be explored alongside complementary physical infrastructure and added value attractions.

Ngawha Forestry

An opportunity analysis of the potential for a wood processing facility in Northland was completed in March 2015. This identified that a world class integrated cut-of-log sawmill and mechanical pulpmill, located at the Ngawha geothermal field near Kaikohe, was a viable opportunity of scale for the region's wood processing industry.

In its initial concept the facility was envisaged as having a capital value of approximately \$750-million and would use geothermally generated electricity and heat to process 0.8 to 1 million m³ of industrial and pulp grade logs. It was also based on the development of an 'energy park' within the vicinity of Top Energy's geothermal power plant near Ngawha. NZTE and Northland Inc, in collaboration with MPI, engaged Indufor to undertake a more detailed assessment of this opportunity. The objective is to evaluate the potential for establishing a sustainable and profitable integrated sawmill and pulpmill complex at Ngawha.





Kaurinui Tourism Product

The Hundertwasser Foundation wish to develop a tourism offering at Frederick Hundertwasser's home, Kaurinui, in Kawakawa. This funding will provide advice and assistance on how to develop such a tourism product including; nature and frequency of tours, building an appropriate scale café and toilet facilities funded by the foundation.

Small Enterprise Loan Fund

Northland Inc are investigating the set up of a loan fund in conjunction with the NRC IGR and the Tindall Foundation for small to medium sized businesses in Northland. This aims to potentially fill a gap that we are seeing within the Callaghan Innovation service. Enterprises will have market-ready products and services that contribute to creating an entrepreneurial society and business culture in Northland. The scoping study funding is to provide a recommendation for the best operating structure.

Northland Inc has also facilitated the following:

- Independent peer review of the Bay of Islands Vintage Railway business case
- Release of an RFP for the completion of an Investment Memorandum and financial transactions for Kingfish Aquaculture Production at Bream Bay.

Hundertwasser Art Centre with Wairau Māori Art Gallery

Northland Inc have been supporting the Hundertwasser Art Centre (HAC) and Wairau Māori Art Gallery throughout the life of the project. The HAC will provide access to a permanently revolving collection of Hundertwasser art and the Wairua Māori Art Gallery will provide a cultural exhibition venue. In association with the Whangārei Art Museum Trust it will house collections of demonstrated importance to the region.

The HAC is an opportunity to put Whangārei on the world stage, become a catalyst for business growth particularly in the tourism and hospitality sectors and create employment both directly and indirectly. The building will be regarded as of Regional and National significance.

The project is seen as a tourist attraction that will bring tourist dollars into the city and thus contribute much needed wealth to the area. The economic impacts are: Estimated Visitor numbers 168,000/annum; Direct Economic Impact (Construction) \$28-million; Operating Revenue \$1.8-million/annum and operating surplus of >\$500,000/annum; Ongoing economic impact of \$22-million/annum. Wider benefits: Increased and widened product offering for visitors (including cruise ships); Addresses Northlands tourism seasonality curve; Catalyst for 4-star hotel development; Catalyst for Town Basin cultural and amenity development.

INVESTMENT AND INFRASTRUCTURE KPI RESULTS

Tai Tokerau Northland Economic Action Plan

2015/16

KPI: The Northland Economic Action Plan implementation is underway.

Result: Achieved.

2014/15

KPI: The Northland 2025 Regional Action Plan developed.

Result: Not Achieved.

Comment: The Action Plan was close to completion at year end but due to a more extensive information gathering process it was not finalised. The Action Plan was launched in February 2016.

Investment and Growth Reserve

2015/16

KPI: A minimum of four Northland Inc Board recommendations made to the Northland Regional Council Investment and Growth Reserve for funding.

Result: Not achieved, three projects recommended.

Comment: The specific target of Northland Inc Board IGR funding recommendations was not achieved with three projects being recommended instead of four. While it represents a "not achieved" in regard to the specific KPI, there is a positive outcome in terms of economic development projects proceeding without IGR funding.

2014/15

KPI: Investments made in strengthening and diversifying the Northland economy facilitated by Northland Inc – board recommendations made on a minimum of four projects.

Result: Achieved, six projects recommended.



Business ► Innovation and Growth

Northland Inc has been successful in winning an extended RBP contract with NZTE and Callaghan Innovation. The contract is now in place until July 2021 (3.5 years with 2-year right of renewal) and represents an increase in funding of 39% per annum, a total value of \$2.148-million (including GST) over the period of the contract.

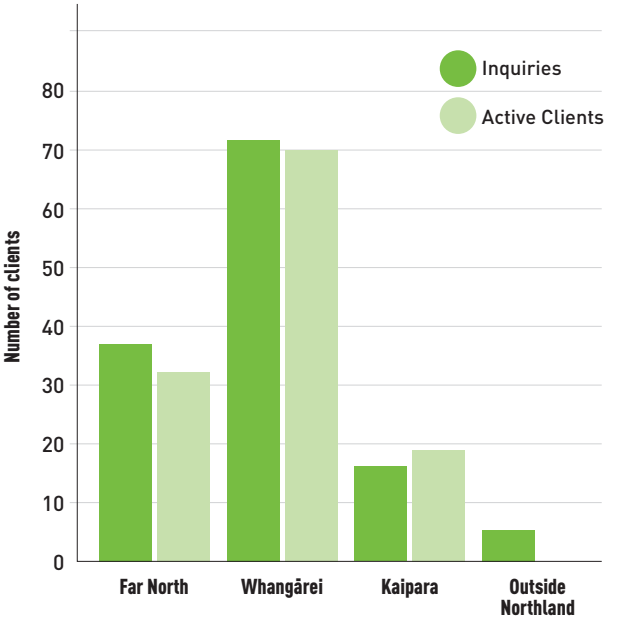
The renewed RBP contract now incorporates Business Mentors New Zealand and represents better cross organisation integration with full access to services for Māori Economic Development. It also signifies a new partnership agreement with the NZ Chambers of Commerce Northland.

A new Customer Relationship Management system has been implemented which underpins the structure of the engagement processes initiated last year by centralising the reporting of organisational activities.



Client Engagement and Investment Overview

The 12 month period has seen stronger business engagement across the region with 252 unique business engagements, this equates to 130 inquiries and 122 businesses actively engaged. Client engagement satisfaction was well above the targeted 30% excellence rating with our clients returning an excellence rating of 50%.



	Active	Inquires	Total
Māori	23	22	45
Female	37	49	86

NZTE Capability Development Vouchers

Demand has continued to be very strong for the NZTE voucher capability support. \$164,117 was 50% match funded by company contributions (private sector investment) representing a total investment of \$328,234.

REGIONAL SPREAD:

Far North	Whangārei	Kaipara	Total
\$45,415	\$228,782	\$54,038	\$328,234



Callaghan Innovation (CI)

This year we experienced a significant increase in appetite for innovation across the region which resulted in a strong pipeline of opportunity for innovation support. In total there were support requests to the value of \$1,704,065 submitted to Callaghan Innovation across their suite of funding options. This resulted in \$52,641 of Callaghan Innovation investment, and \$105,114 of private sector investment, a total of \$157,755 invested into the region across 6 projects.

Challenges during the reporting period highlighted the changes in ministerial direction which govern Callaghan Innovation investment decisions where emphasis was placed on companies having identified research and development resources. Callaghan Innovation are also placing more emphasis on the raft of services they provide rather than a focus on grants.

Total Pipeline projects	32
Total Pipeline Project Value	\$4,894,718
Total Value Submitted to CI	\$1,704,065
Total Value Approved by CI	\$157,755

Business Mentor
New Zealand Programme

The business mentor programme is a new and complementary addition to the RBP services. The programme has been well utilised since its introduction earlier in the year and indications show there will continue to be strong demand for the service. Overall 57 mentor matches were made with a good spread across the region.

REGIONAL SPREAD:

Far North	Whangārei	Kaipara	Total
16	30	11	57

Landing Pad Investment Programme

Northland Inc and the Whangārei District Council have been sharing services and working collaboratively to support greater investment activity in Northland. During this period activity has included marketing campaigns to attract skilled labour, encouragement of business growth within the region and attracting inward investment.

The early stages of this programme have increased exposure for the region both domestically and internationally as an appealing place to invest and as a result, there has been genuine investor interest in the region. In summary since inception:

- 22 investors have been hosted in the region
- 3 investment focused events were held
- 4 companies entered due diligence to attract investment
- 1 interested party hosted

Events and Workshops

During the year we facilitated a lower number of events than we have previously. This was a calculated decision to reserve the scheduling of various activities for the impending opening of The Orchard. A key part of the strategy to build The Orchard community is to host a regular series of informative workshops and events.

Over the 12 month period there were four seminars held which saw a total of approximately 125 attendees;

- Foreign Direct Investment
- Clusters 101
- How to win International Government Business
- Regional Research Institute

In addition, Northland Inc has held two workshops with Regional Service Providers, as part of the RBP, to strengthen service provision.

OTHER HIGHLIGHTS

We've been working hard to create an ecosystem of support for businesses throughout Northland.


Start-up Cafés

The new Start-up Café initiative was launched in April 2016 with the aim of reaching more early stage businesses across the region. Additionally, the Start-up Cafés present a tactical way of confirming the regional appetite for extending The Orchard network beyond Whangārei. Members of the Business Innovation and Growth team travel to six locations across Northland on a regular basis and conduct free business advisory sessions at local cafés. The concept is gaining momentum with 28 new and multiple follow up engagements recorded since inception.

Internships

Support for two NorthTec interns has been provided with one going on to full time employment and the other exploring the potential for 3D printing expertise in the Northland region.



A man and a woman are standing in a vineyard, holding glasses of white wine and looking at each other. They are positioned in the lower center of the frame. The vineyard rows stretch out behind them, leading to a line of trees and distant hills. The sky is filled with dramatic, colorful clouds in shades of orange, yellow, and purple, indicating a sunset or sunrise. A large green triangle is overlaid on the bottom left corner of the image.

**Northland is home to
internationally award winning
food and wine delights**

OTHER HIGHLIGHTS CONTINUED

Regional Research

MBIE called for expressions of interest for developing Regional Research Institutes (RRI) across the country. The RRI criteria was focused around market led research and private sector investment in research and development (R&D). Northland Inc undertook a feasibility study to identify if there was an opportunity to develop an RRI in Northland.

The feasibility study identified that there was currently not strong research capability in Northland and R&D intensity (recorded private sector spending on R&D) was low. With this in mind we did not apply for funding in this round preferring instead to support a Regional Research Office (RRO). The RRO is designed as a direct channel to R&D facilities and expertise from New Zealand and around the world to support Northland businesses.

Our experience is that while registered R&D intensity is low, Northland businesses simply get on with the job and are extremely innovative inherently and that a defined domain for R&D expertise would not be helpful, rather we will focus our efforts on business/market/demand-led projects and finding the most appropriate support from New Zealand's innovation system initially. We believe strong research domains and future business innovation opportunities will emerge from this approach.

Business Coalitions Programme

The Business Coalitions Programme has been formalised and has continued to develop this year. Aiming to support industry groups interested in potential benefits to be gained by a whole of sector approach, the two existing groups have received continued support and three new groups have been formed.

EXISTING

- Food and Beverage Coalition
 - Support for 9 producers to attend the Taste of Auckland food show
 - International exposure in Haikou
- International Education Cluster

NEW

- Te Taitokerau Miere Collective (Manuka Honey)
- First Region Lumber (Wood processing)
- Tourism International Marketing Group

BUSINESS INNOVATION AND GROWTH KPI RESULTS

Business Engagement

2015/16

KPI: A minimum of 150 unique business engagements.

Result: Achieved, 252.

2014/15

KPI: A minimum of 150 unique business engagements.

Result: Achieved, 199 unique business engagements.

Callaghan Innovation and New Zealand Trade and Enterprise funding into Northland

2015/16

KPI: \$1.5m invested in building capacity and supporting innovation in Northland firms.

(Regional Business Partnership Voucher funding: \$150,000; Callaghan Innovation investment \$540,000 plus leveraged private sector investment \$810,000).

Result: Not achieved.

Comment: Realised investment into Northland was \$485,989 (Regional Business Partnership Voucher funding: \$164,117; Callaghan Innovation investment \$52,641 plus leveraged private sector investment \$269,231).

While the business engagement exceeded targets this year, the level of investment was not achieved. Investment from Callaghan Innovation was lower than forecast and largely beyond Northland Inc's control. A number of the pipeline projects are still live and are being worked through with the companies prior to submission to the investment committee. One large investment application submitted is still working through investment committee processes and the decision has not been made.

2014/15

KPI: \$500,000 invested in building capacity in Northland firms (Regional Business Partnership Funding: NZTE \$150,000 & Callaghan Innovation \$350,000).

Result: Achieved, \$1,061,932 invested.



Māori ► Economic Development



Tai Tokerau Māori Economic Development Plan (TTMED)

Priority has been placed on the advancement of the TTMED plan, 'He Whenua, He Tangata, He Oranga', developed by the Iwi Chief Executives Consortium. Engagement and efforts by Northland Inc over the past year have been in the following key areas of activity;

- Ensuring that TTMED objectives are met through projects in the Action Plan;
- Identifying the existing Māori land holdings and their economic activity;
- Working directly with Māori businesses including Ahu Whenua Trusts;
- Developing a more coordinated approach to funding provision.

Challenges have been encountered when reconciling the project-based approach of the Action Plan with the higher level strategic outcomes sought by TTMED. Some of these aspirational outcomes inevitably fall outside the influence of Northland Inc and are best negotiated directly between Iwi and the Crown. However, many projects in the Action Plan align with TTMED objectives.

OTHER ACTIVITY HIGHLIGHTS

There continues to be positive progress in projects that will enable better outcomes for Māori. Through beneficial usage of land and water, increased access to digital networks, better prepared young people entering the work force and improved road networks across the Northland region.

Tourism

TE ROROA

The Northland Inc Board has recommended co-funding to assist Te Roroa Commercial Development Company with a tourism strategy for their assets, in particular, the Waipoua Kauri Forest.

WHAINGAROA

The Northland Inc Board recommended co-funding for the development of a tourism strategy for Te Runanga o Whaingaroa including use of assets distributed around the Whaingaroa such as the harbour, former pa sites in Kaeo, walking tracks to St Paul's and the Dukes Nose, the former Lanes Timber Mill and boat yards. A key target market envisaged by the Runanga are Chinese tourists staying at Carrington Peppers Resort at Karikari Beach.

RAWHITI 3B2 AHU WHENUA TRUST

The Northland Inc Board recommended, on a co-funding basis with Te Puni Kokiri, to fund the development of a strategy for the Rawhiti peninsula. Targeting the 'glamping' sector of the tourism market, the intent is to develop a walking track network on a 1400-Ha block of undeveloped native flora taking in spectacular coastal vistas. Significant supporting interest has been shown from existing accommodation suppliers in the Russell township.

Apiculture

The honey industry continues to provide a steady source of income for a number of whanau based businesses across Tai Tokerau. Some of these companies are looking at transitioning from small to medium enterprises to fully established industrial facilities projecting multi-million dollar turnovers.

MPI is leading research into specific compounds which determine the bioactivity level in Manuka honey. A key driver for this work is protecting New Zealand's international reputation as a manufacturer by ensuring correlation between production statistics and retail sales.

TAI TOKERAU MIERE COALITION

Northland Inc is looking to extend support for an apiculturist group, initially comprised of Te Roroa Honey Ltd, Te Rarawa Asset Holding Company, the Ngati Wai Trust Board, Ngati Hine Forestry Trust and Prime Holdings.

The support is part of a strategy to generate a land to brand opportunity for apiculturists in the Northland region. The group formation fits in the Business Coalition programme led by the Business Innovation and Growth team.

MĀORI ECONOMIC DEVELOPMENT KPI RESULTS

Partnership Projects

2015/16

KPI: A minimum of two Board recommendations to partner with Iwi, hapu and/or Māori collective organisations on economic development projects

Result: Achieved, five projects.

2014/15

KPI: Minimum of two partner projects with Iwi, hapu and/or Māori collective organisations.

Result: Achieved, three projects.

A man and a woman are sitting on a grassy cliff edge, looking out over a vibrant turquoise ocean. The man is wearing a red t-shirt, orange shorts, a white cap, and a backpack. The woman is wearing a striped shirt. In the background, a sandy beach and a rocky coastline are visible under a clear blue sky. A large blue diagonal graphic element is on the right side of the image.

Regional ▶ Promotions and Tourism



Destination Marketing

An extended marketing programme was initiated by the NRC (\$260,500) and the Northland tourism industry funded an International Marketing Group (\$32,500).

Highlights of the extended marketing programme included;

- Northland's presence at the annual TRENZ international buyer-seller exchange in May was more than double that of 2015 with 14 businesses in attendance. This included three first-time businesses incentivised by Northland Inc under the programme.
- Two trade visits to Australia were undertaken as part of an extended offshore trade marketing programme with planning currently underway for visits to India, the USA and South America.
- Northland was again featured in the Tourism New Zealand-led North Island Touring Campaign within Australia aimed at encouraging shoulder season visitation. The promotional campaign launched in July 2015 and ran for 6 weeks, and consisted of TV commercials, print, digital, out of home advertising, trade, social media, and an international media programme.
- Refreshed marketing collateral was delivered including a Trade Product Directory, Chinese Trade Product Directory, Visitor Guide and on-going website enhancements. Contractor Big Fish Media, attracted industry investment in these promotional projects totalling \$155,437, an increase of 9% on the previous year.
- The Northland image library was updated with fresh content through two 'campaign-style' photoshoots, each with a specific focus. The result is new imagery of key locations and Māori cultural tourism.
- The production of a new Conference Planner and attendance at the Meetings and Conveners trade shows promoted Northland's conference offerings.
- Online promotion of Northland specifically to Chinese consumers via Weibo and WeChat social media platforms.

An International Marketing Group of 13 operators co-funded \$32,500 towards a new joint venture with Northland Inc; an offshore trade marketing programme focused on Australia, the USA, China, Latin America and India.

Twin Coast Discovery

Work is underway with 17 local community, tourism and business groups throughout Northland to create compelling side-journeys throughout Northland, encouraging increased length of stay, wider regional spread and increased expenditure to boost visitor spend across the region.

Work on the Twin Coast Discovery project continued centred on development of the Byway concept to promote more in-depth exploration by visitors to Northland. As a result of the workshop series which tested concepts with those operating in the tourism industry, an application process saw 17 applications for Byway route development from promotional groups throughout Northland. The applications have been grouped into 3 categories for further development.

Work on a Twin Coast Discovery programme business case commenced with the New Zealand Transport Agency to increase central government investment in physical road and transport improvements which will benefit visitors in their understanding of what Northland has to offer. Improvements will include; town and community entranceways, signage, interpretation, roadside pullover areas, and route aesthetic improvements.

Pou Trail

Funding criteria for Pou Trail development has been designed and is ready to go to potential applicants. An RFP was released to market in June for the next major stage of the programme; the interpretation and marketing components.

REGIONAL PROMOTIONS AND TOURISM KPI RESULTS

Website Performance

2016/15

KPI: A minimum of 10% annual increase in [Google Analytics] sessions on www.northlandnz.com

Result: Not achieved

Comment: Necessary website platform migration work was undertaken in FY 2014-15, and we were aware this may negatively affect site visitor numbers by as much as 20%. We moved to address this issue by increasing the website budget (for maintenance and enhancements) and in 2016/17 will be employing a Digital Channel Manager. The new SOI looks to widen the KPIs to include reports on website visits (sessions) and click-through referrals to the site. Additional to website traffic 'equivalent advertising value' will be measured that captures the value of free media coverage generated by Northland Inc hosted media visits.

Year on year sessions* 2013 - 2016

Northlandnz.com	(July 1 2013 – July 1 2014)	159,027 sessions	
Northlandnz.com	(July 1 2014 – July 1 2015)	228,434 sessions	43.65% increase
Northlandnz.com	(July 1 2015 – July 1 2016)	208,062 sessions	8.92% decrease

*Sessions: Total number of Sessions within the date range.

A session is the period time a user is actively engaged with your website, app, etc. All usage data [Screen Views, Events, Ecommerce, etc.] is associated with a session.

2014/15

KPI: Minimum of 5% increase in website traffic on northlandnz.com

Result: Achieved, 39% increase.



**Tourism operators
invested \$155,347 in
marketing collateral, a 9%
increase from 2015**



Financial Statements

For The Year Ended 30 June 2016

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CORPORATE SERVICES

Annual Budget

2015/16

KPI: Prudent financial management

Result: Achieved, budget prudently managed.

2014/15

KPI: Financial – comply with annual budget

Result: Achieved, budget complied with.

Entity Information

As at 30 June 2016

LEGAL NAME OF ENTITY

Northland Inc Limited

TYPE OF ENTITY AND LEGAL BASIS

Northland Inc Limited is a company registered under the Companies Act 1993. The company is controlled by Northland Regional Council and is a council-controlled organisation as defined by section 6 of the Local Government Act 2002.

REGISTRATION NUMBER

857377

COMPANY'S PURPOSE

The Company's principal activity during the year was the development of the economy in Northland and review of funding opportunities for the Investment and Growth Reserve.

STRUCTURE OF COMPANY'S OPERATIONS

The Company comprises a Board of five Directors who oversee the governance of the Company, a Chief Executive Officer who is responsible for the day to day operations of the Company and reporting to the Directors, and eight other full-time and three part-time staff who support the Chief Executive Officer in delivering against the Company's objectives. The Directors are appointed by the Northland Regional Council.

MAIN SOURCES OF THE COMPANY'S CASH AND RESOURCES

Operating grants are received from the Northland Regional Council and this is the primary source of funding to the Company.

DIRECTORS

Irene Durham
Karleen Everitt
Jeroen Jongejans
Warren Moyes
Sarah Petersen

ACCOUNTANTS

Crowe Horwath (NZ) Limited
Level 1, Crowe Horwath House,
57 Willis Street
Wellington 6011

SHAREHOLDER

Northland Regional Council - 100
Total Ordinary Shares - 100

Independent Auditor's Report

To the readers of Northland Inc Limited's financial statements and performance information for the year ended 30 June 2016

The Auditor-General is the auditor of Northland Inc Limited (the company). The Auditor-General has appointed me, Karen MacKenzie, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of the company on her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the company on pages 31 to 42, that comprise the statement of financial position as at 30 June 2016, the statement of financial performance, and statement of cash flows for the year ended on that date and the statement of accounting policies and notes to the financial statements that include other explanatory information; and
- the performance information of the company on pages 9 to 24.

In our opinion:

- the financial statements of the company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2016; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Simple Format Reporting Standard – Accrual (Public Sector).
- the performance information of the company presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2016.

Our audit was completed on 15 September 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and explain our independence.

The attached Accounting Policies and Notes form an integral part of these financial statements

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the company's financial statements and performance information in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the appropriateness of the reported performance information within the company's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and fair presentation of financial statements for the company that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparation of the performance information for the company.

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

The Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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



Karen MacKenzie
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

Statement of Financial Performance

For the Year Ended 30 June 2016

	Note	2016 \$	Budget \$	2015 \$
Revenue				
Grants	1	1,275,815	1,275,815	1,255,000
Revenue From Providing Goods and Services	1	884,624	1,171,000	692,991
Interest, Dividends and Other Investment Revenue	1	6,495	-	2,514
Other Revenue	1	120	-	-
Total Revenue		2,167,054	2,446,815	1,950,505
Expenses				
Employee Related Costs	2	932,854	907,375	800,397
Operating Lease Expense		65,132	71,835	73,589
Depreciation	7	34,464	27,000	30,244
Other Expenses	2	1,107,237	1,430,605	1,023,614
Finance Costs	3	3,357	-	5,509
Expenses		2,143,044	2,436,815	1,933,353
Surplus Before Taxation		24,010	10,000	17,152
Current Tax		-	-	(2,416)
Prior Period Tax Adjustments		(17,876)	-	-
Income Tax Expense/(Benefit)		(17,876)	-	(2,416)
Surplus After Taxation		41,886	10,000	19,568

The attached Accounting Policies and Notes form an integral part of these financial statements

Statement of Financial Position

For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash Balances	4	429,871	19,757
Debtors and Prepayments	5	136,857	226,116
Investments	6	-	200,000
Total Current Assets		566,728	445,873
Non Current Assets			
Property, Plant and Equipment	7	95,782	103,398
Deferred Tax Asset		-	16,723
Total Non Current Assets		95,782	120,121
Total Assets		662,510	565,994
Current Liabilities			
Creditors and Accrued Expenses	8	468,496	404,091
Employee Costs Payable	9	47,839	29,571
Borrowings	10	26,137	28,042
Total Current Liabilities		542,472	461,704
Non Current Liabilities			
Borrowings	10	7,304	33,441
Total Non Current Liabilities		7,304	33,441
Total Liabilities		549,776	495,145
Net Assets		112,734	70,849
Accumulated Funds			
Contributed Capital	11	100	100
Retained Surplus	11	112,634	70,749
Total Accumulated Funds	11	112,734	70,849

The Board present the approved financial statements.
Approved for and on behalf of the Board on 15 September 2016.

Director

Director

The attached Accounting Policies and Notes form an integral part of these financial statements

Statement of Cashflows

For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Cash Flows From Operating Activities			
Cash Was Received From:			
Northland Regional Council Funding		1,624,728	1,370,559
District Council Operating Grants		105,000	105,000
Receipts From Other Revenue		719,584	449,573
Interest, Dividends and Other Investment Revenue		6,495	2,514
Net Movement in GST		29,041	(658)
Cash Was Applied To:			
Payments to Suppliers and Employees		(2,253,884)	(1,811,763)
Taxation		34,599	(36,095)
Net Cash Flows From Operating Activities		265,563	79,130
Cash Flows From Investing and Financing Activities			
Cash was Received From:			
Receipts Sale of Fixed Assets		-	-
Proceeds from Investments		200,000	-
Proceeds from Borrowings		-	60,000
Cash was Applied to:			
Payment for Purchase of Fixed Assets		(27,407)	(73,839)
Payment for Investments		-	(200,000)
Repayment of Borrowings		(28,042)	(20,932)
Total Cash Flows From Investing and Financing Activities		144,551	(234,771)
Net Increase/(Decrease) in Cash		410,114	(155,641)
Opening Cash Balance		19,757	175,398
Closing Cash Balance		429,871	19,757
Represented by:			
Bank Accounts and Cash	4	429,871	19,757
Net Cash Balance		429,871	19,757

The attached Accounting Policies and Notes form an integral part of these financial statements

Statement of Accounting Policies

For the Year Ended 30 June 2016

REPORTING ENTITY

Northland Inc Limited is a company registered under the Companies Act 1993 and was incorporated on 9 July 1997.

BASIS OF PREPARATION

The Directors have elected to apply Tier 3 PBE Simple Format Reporting - Accrual (PSFR-A) on the basis that the company is not publicly accountable and although in the current financial year expenses have exceeded \$2m, Northland Inc Ltd may continue to report in accordance with Tier 3 for this annual reporting period and the following.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared under the assumption that Northland Inc Ltd will continue to operate as a going concern in the foreseeable future.

REVENUE

Agency Revenue:

Revenue includes only amounts received and receivable by the company on its own account. Amounts collected on behalf of others (that is, as agent of another entity) are not revenue of the company. However, if there is a commission involved in this collection arrangement the commission received is recorded as revenue.

Grants:

Council, government and non-governmental grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of Services:

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Interest and Dividend Revenue:

Interest revenue is recorded as it is earned during the year. Dividend revenue is recognised when the dividend is declared.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the company, the asset is impaired if the value to the company in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight line or diminishing value basis at rates that will write off the cost of the assets over their useful lives.

DEPRECIATION

Depreciation is charged to the Statement of Financial Performance at the same rates as are allowed by the Income Tax Act 2007 over the estimated useful lives of each item of property, plant and equipment.

The method and rates applied are as follows:

Asset Class	Method	Rate
Vehicles	DV	26 - 36%
Office Equipment	SL, DV	5 - 67%
Leased Equipment	SL, DV	25 - 60%

INCOME TAX

Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

BANK ACCOUNTS AND CASH

Bank accounts and cash in the Statement of Cashflows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

TRADE AND OTHER RECEIVABLES

Accounts Receivable are recorded at expected realisable values as determined by the Directors.

GOODS AND SERVICES TAX (GST)

All revenue and expense transactions are recorded net of GST. Where applicable, all assets and liabilities have been stated net of GST with the exception of receivables and payables which are stated inclusive of GST.

EMPLOYEE RELATED COSTS

Wages, salaries and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries and leave entitlements.

Superannuation contributions are recorded as an expense as staff provide services.

ADVERTISING, MARKETING, ADMINISTRATION, OVERHEAD AND FUNDRAISING COSTS

These are expensed when the related service has been received.

The attached Accounting Policies and Notes form an integral part of these financial statements

LEASE EXPENSE

Lease payments are recognised as an expense on a straight-line basis over the lease term.

INVESTMENTS

Investments comprise investments in term deposits with banks.

Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

CREDITORS AND ACCRUED EXPENSES

Creditors and accrued expenses are measured at the amount owed.

EMPLOYEE COSTS PAYABLE

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. A liability and expense for long service leave and retirement gratuities is recognised when the entitlement becomes available to the employee.

LOANS

Loans are recognised at the amount borrowed from the lender. Loan balances include any interest accrued at year end that has not yet been paid.

PROVISIONS

The Company recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

BUDGET FIGURES

The budget figures are derived from the Statement of Intent as approved by the Directors at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Directors in preparing these financial statements.

TIER 2 PBE ACCOUNTING STANDARDS APPLIED

The Company has not applied any Tier 2 Accounting Standards in preparing its financial statements.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies. All accounting policies have been applied on a basis consistent with those used in previous years.



The attached Accounting Policies and Notes form an integral part of these financial statements

Notes to the Financial Statements

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
1. Analysis of Revenue		
Grants		
Northland Regional Council Funding	1,170,815	1,150,000
District Council Operating Grants	105,000	105,000
Total Grants	1,275,815	1,255,000
Revenue From Providing Goods and Services		
Revenue From Providing Goods and Services	884,624	692,991
Total Revenue from Providing Goods and Services	884,624	692,991
Interest, Dividends and Other Investment Revenue		
Interest Received	6,495	2,514
Total Interest, Dividends and Other Investment Revenue	6,495	2,514
Other Revenue		
Gain on Disposal of Fixed Assets	120	-
Total Other Revenue	120	-
Total Revenue	2,167,054	1,950,505

The attached Accounting Policies and Notes form an integral part of these financial statements

Notes to the Financial Statements

For the Year Ended 30 June 2016

2016

2015

\$

\$

2. Analysis of Expenses

Employee Related Costs

Salaries and Wages	906,051	773,763
Employer Superannuation Contributions	26,804	21,229
Increase/(Decrease) in Annual Leave Entitlement	-	5,405
Total	932,854	800,397

There were three employees who received remuneration totaling between \$100,000 - \$109,999 during the year and one employee with remuneration between \$160,000 - \$169,000 (2015: one \$160,000 - \$169,999).

Other Expenses

Audit Fee	26,778	26,362
Loss on Sale of Fixed Assets	178	797
Legal Fees	-	869
Motor Vehicle Expenses	36,156	34,101
Other Expenses	851,731	688,305
Fringe Benefit Tax	-	(23,000)
Project Consultants	112,166	154,189
Other Project Activity Costs	80,198	141,991
Total	1,107,237	1,023,614

3. Finance Costs

Interest - Bank	41	22
Interest - IRD	-	1,838
Interest - NRC Loan	3,316	3,640
Interest - Finance Leases	-	9
Total	3,357	5,509

Notes to the Financial Statements

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
4. Bank Balances		
Accelerater Account	376,891	355
Cheque Account	52,734	19,275
Project Account	246	127
Total Bank Balances	429,871	19,757

5. Debtors and Prepayments

Debtors	96,691	177,634
Income Tax Receivable	-	3,332
GST Receivable	-	2,026
Prepayments	40,166	43,124
Total Bank Balances	136,857	226,116

6. Investments

Bank Term Deposit	-	200,000
Total Investments	-	200,000

The attached Accounting Policies and Notes form an integral part of these financial statements

Notes to the Financial Statements

For the Year Ended 30 June 2016

7. Property, Plant and Equipment

	\$	\$	\$	\$	\$
	Opening Carrying Amount	Purchases	Sales/ Disposals	Current Year Depreciation	Closing Carrying Amount
2016					
Vehicles	74,720	19,129	-	(26,373)	67,476
Office Furniture and Equipment	28,678	8,278	(559)	(8,091)	28,306
Total	103,398	27,407	(559)	(34,464)	95,782
2015					
Vehicles	34,533	61,821	-	(21,634)	74,720
Office Furniture and Equipment	24,507	12,781	-	(8,610)	28,678
Leased Equipment	1,561	-	(1,561)	-	-
Total	60,601	74,602	(1,561)	(30,244)	103,398



The attached Accounting Policies and Notes form an integral part of these financial statements

Notes to the Financial Statements

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
8. Creditors and Accrued Expenses		
Accruals	64,705	141,509
Income in Advance	293,855	85,925
Trade Payables	82,921	176,657
GST Payable	27,015	-
Total Current Payables	468,496	404,091

9. Current Liabilities - Employee Costs Payable

Accrued Salaries & Wages	16,264	9,132
Provision for Holiday Pay - Opening Balance	20,439	-
Additional Provision	11,135	20,439
Total Current Liabilities - Provisions	47,839	29,571

10. Borrowings

Northland Regional Council Loan	33,441	61,483
Total Borrowings	33,441	61,483
Represented by:		
Current Portion	26,137	28,042
Non Current Portion	7,304	33,441
Total Borrowings	33,441	61,483

Description of material arrangements

The loans from Northland Regional Council are unsecured with interest rates payable on the outstanding balance as below:

- Loan one, which is repayable on 20/01/2017 has an interest rate of 6% per annum
- Loan two, which is repayable on 20/10/2017 has an interest rate of 7% per annum

Notes to the Financial Statements

For the Year Ended 30 June 2016

11. Accumulated Funds

	\$	\$	\$	\$
	Contributed Capital	Accumulated Surpluses or Deficits	Reserves	Total
2016				
Opening Balance	100	70,749	-	70,849
Net Surplus		41,886		41,886
Closing Balance	100	112,634	-	112,734
2015				
Opening Balance	100	51,181	-	51,281
Net Surplus		19,568		19,568
Closing Balance	100	70,749	-	70,849

All authorised shares have been issued and are paid up. All ordinary shares have equal voting rights and share equally in dividends and surpluses on winding up. The shares have a par value of \$1.00

12. Commitments

	2016 \$	2015 \$
Premises Leases	38,775	95,534
- Lease one expires 31 March 2017 with a right of renewal for one term of 5 years, 3 months and 5 days		
Equipment Lease	22,800	29,640
- Term of 5 years expiring 16 November 2019		
	61,575	125,174

13. Contingent Liabilities

There were no contingent liabilities at balance date (2015:Nil).

Notes to the Financial Statements

For the Year Ended 30 June 2016

14. Related Parties

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Company would have adopted in dealing with the party at arm's length in the same circumstances.

The Northland Regional Council own all of the 100 shares in Northland Inc Limited. Northland Inc Limited is a council controlled organisation of the Northland Regional Council.

Northland Regional Council

During the year Northland Inc Limited received grants of \$1,170,815 (2015:\$1,150,000) from the Northland Regional Council.

During the year Northland Inc Limited recognised revenue of \$304,988 (2015:\$220,559) from the Northland Regional Council for services provided in the normal course of business.

Northland Inc Ltd paid \$0, excluding GST (2015:\$0) to Northland Regional Council for services provided in the normal course of business.

Northland Inc Limited was loaned \$0 from Northland Regional Council (2015:\$60,000, 2014:\$25,000) and has repaid \$26,374 (2015:\$20,307, 2014:\$3,803) to Northland Regional Council for repayment of loan against two existing loans.

The balance owed to Northland Regional Council at reporting date for services provided in the normal course of business is \$0 (2015:\$0).

15. Events After Balance Date

There were no events that have occurred after balance date that would have a material impact on the financial statements (2015:Nil).

16. Grants and Funding Subject to Conditions

There were no grants and funding subject to use or return conditions.

17. Directors Fees for the Year

	2016	2015
	\$	\$
Irene Durham (paid through Durham Strategies Limited)	13,125	13,125
Sarah Petersen	13,125	13,125
Karleen Everitt (paid through Manaaki Solutions Limited)	13,125	13,125
Jeroen Jongejans (paid through Knight Line Limited)	13,125	13,125
Warren Moyes	22,000	22,000

The attached Accounting Policies and Notes form an integral part of these financial statements

NorthlandInc

Growing Northland's Economy

Kia tupu ai te ōhanga o Te Tai Tokerau

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