

Clutha Development Incorporated

Annual Report
For the year ended 30 June 2022

Performance Report

Clutha Development Incorporated
For the year ended 30 June 2022

■ ■ Contents	2
■ ■ Entity Information	3
■ ■ Statement of Service Performance	4-5
■ ■ Statement of Financial Performance	6
■ ■ Statement of Financial Position	7
■ ■ Statement of Cash Flows	8
■ ■ Statement of Accounting Policies	9
■ ■ Notes to the Performance Report	9-11
■ ■ Statement of Property, Plant & Equipment and Depreciation	12-13
■ ■ Independent Auditors' Report	14-16

Entity Information

Clutha Development Incorporated For the year ended 30 June 2022

Legal Name:

Clutha Development Incorporated

Purpose:

To support a vibrant, sustainable economy and promote the Clutha District as a great place to live, work, invest and visit.

Entity Type:

Incorporated Society

Registration Numbers:

Incorporation Number: 2627652

NZ Business Number: 9429043273768

Inland Revenue: 117-253-511

Entity Structure:**Society Structure:**

The management committee (the Executive) is appointed by the members of the Annual General Meeting.

Trustees:

Bridget Tweed	(chairperson)
Will Clarke	(deputy chairperson)
Hamish Anderson	
Matt Brooking	(resigned August 2022)
Simon Davies	
Josh Hurring	
Jared McPhee	
Noelene Scott	
Craig Whiteside	(resigned October 2021)

Operational Structure:

The Society has six employees including:

- Chief Executive
- Strategic Projects Manager
- Business Development Manager
- Administration – Project Support
- Destination Marketing & Support Manager
- Business Support Coordinator

Physical Address:

16 James Street Balclutha 9230

Postal Address:

PO Box 216, Balclutha 9240

Contact Details:

03 418 4048

info@cluthanz.com

Accountants:

Shand Thomson

Auditors:

Saxton Chartered Accountants

Bankers:

Westpac Bank

Solicitors:

Sumpter Moore

Main Sources of the Entity's Cash & Resources:

Central/local government contracts

Donations

Grants.

Main Methods Used by the Entity to Raise Funds:

Activities are funded through contracts, membership fees, donations and grants to specific projects.

Reliance on Volunteers, Donated Goods & Services:

Volunteers contribute to the Society at the governance level and apply their knowledge and expertise to support projects.

Relationship between Clutha Development Incorporated and the Clutha Community Trust

Clutha Development Incorporated is the employer and contractor for the majority of services provided.

The Executive Committee are also trustees of the Clutha Community Trust that attracts funding for activities that meet the charitable purposes of the Trust.

There is a memorandum of understanding between Clutha Development Incorporated and the Clutha Community Trust that allows the Society to deliver the charitable activities.

Statement of Service Performance

Clutha Development Incorporated For the year ended 30 June 2022

Description of the Entity's Outcomes:

More Quality Housing

- The district has a well functioning, dynamic housing system
- Homes meet the needs of Clutha District residents

Living and Working

- Attracting people to live and work in the Clutha District
- Business support and wellbeing
- Management of Clutha as a destination

Our Environmental Footprint

- Changing land use by reducing the environmental footprint
- Prioritising community wellbeing by making the Clutha District a great place to live, work and play

Description & Quantification of the Entity's Outputs:

Outputs:

2022

2021

More Quality Housing:

Kaitangata Land & House package

- Information prospectus developed
- Meeting facilitated in Tapanui to discuss the model

- Initiative and investment to create businesses and jobs

Filling Our Jobs:

Attracting people to Live and Work in the Clutha District

- 490 jobs advertised
- Recruitment issues & barriers identified through a business survey

- 498 jobs advertised
- CV development & job seeker support

Business Support and Wellbeing:

Business support and industry initiatives

- Regular visits to businesses across the district

- Assisting 27 business start ups
- Establishing business networks

Clutha Destination Strategy:

Destination Clutha

- Completed multi-day walking track feasibility study
- Updated the Catlins Te Akau Tai Toka Community Tourism strategy
- Conducted 566 visitor surveys

Statement of Service Performance (continued)

Clutha Development Incorporated For the year ended 30 June 2022

Outputs:	2022	2021
Industry Capability and Product Development Activities:	<ul style="list-style-type: none">■ Visitor booking platform developed on Cluthanz.com■ Developing tour route for southern region	<ul style="list-style-type: none">■ Attended Clutha Country Training and Development awards
Destination Marketing Activities:		
'Stay a while' campaign	<ul style="list-style-type: none">■ Trade manual/video developed for representation at KiwiLink event North American Trade Show in Los Angeles■ Featured articles on Clutha in NZME	<ul style="list-style-type: none">■ 7,721 downloads of My Little Local Clutha App & 85 businesses added

Note: Clutha District Council

A significant percentage of the Society's income is funded by the Clutha District Council. The Service Provider Specification 2015/2025 (reviewed June 2018) details the following objectives:

- Providing contract deliverables on time and on budget
- Integrated and coordinated market presence and profile, utilising best-practice channels including specifically e-business channels
- An appropriate organisational structure and resources
- An appropriate governance structure
- Clear operating guidelines where there are overlapping roles, including public statements
- Increasing self-funded proportion of the economic development activity such that Council becomes a partner rather than the primary funder
- Collaboration with other agencies including EDA's and RTO's

The contract deliverables are goals and principles from the Clutha Economic Development and Living and Working strategies. As part of the 2021 Long Term Plan process – a review of the above strategies was undertaken and combined into the Living and Working in Clutha Strategy 2021 -2031.

The Clutha District Council – Clutha Development Incorporated Service Level Agreement 2021 -2024 was adopted by Council in June 2021 and takes affect from 1 July 2021.

Statement of Financial Performance

Clutha Development Incorporated For the year ended 30 June 2022

	NOTE	2022	2021	2020
Revenue				
Donations, Fundraising & Similar Revenue	4	981,195	850,692	580,581
Subscriptions from Members	4	20,000	-	3,200
Revenue from Providing Goods & Services	4	5,295	3,405	4,585
Interest Revenue	4	903	3,118	3,328
Total Revenue		1,007,393	857,215	591,694
Less Expenses				
Employment Related Costs	5	428,474	386,790	382,523
Costs Related to Providing Goods & Services	5, 6	544,747	374,627	220,537
Donations Made	7	4,000	-	-
Other Expenses	5	11,104	18,319	17,849
Total Expenses		988,325	779,736	620,909
Net Surplus(Deficit)		19,068	77,479	(29,215)

This information should be read in conjunction with the notes to the performance report.

Statement of Financial Position

Clutha Development Incorporated

As at 30 June 2022

	NOTE	2022	2021	2020
Assets				
Non Current Assets				
Property, Plant + Equipment		25,218	32,491	27,052
Current Assets				
Bank Accounts and Cash	8	838,474	603,698	294,886
Accounts Receivable		198,105	68,689	64,406
Total Current Assets		1,036,579	672,387	359,292
Total Assets		1,061,797	704,878	386,344
Less Current Liabilities				
Accounts Payable		65,705	58,067	47,095
Goods & Services Tax Payable		16,955	7,669	12,192
Funding Received in Advance	9	581,534	260,607	26,000
Total Current Liabilities		664,194	326,343	85,288
Net Assets Equal to Accumulated Funds		397,603	378,535	301,056
Trustees' Equity				
Opening Balance		378,535	301,056	330,271
Plus				
Net Surplus(Deficit) for the Year		19,068	77,479	(29,215)
Trustees' Equity		397,603	378,535	301,056

Bridget Tweed (Chairman) Will Clarke (Deputy Chairperson)

10 October 2022

This information should be read in conjunction with the notes to the performance report.

Statement of Cash Flows

Clutha Development Incorporated For the Year ended 30 June 2022

	2022	2021	2020
Cash Flows from Operating Activities			
Cash was Received from:			
Donations, Fundraising & Other Similar Receipts	1,194,882	1,081,575	691,582
Fees, Subscriptions & Other Receipts from Members	20,000	-	-
Investment Receipts (interest)	903	6,523	5,498
Net GST	(5,407)	(2,895)	(2,355)
Total	1,210,378	1,085,203	694,725
Cash was Applied to:			
Payments to Suppliers & Employees	971,770	752,633	635,397
Net Cash Flows from Operating Activities	238,608	332,570	59,328
Cash Flows from Investing & Financing Activities			
Cash was Applied to:			
Payments to Acquire Property, Plant & Equipment	3,832	23,758	5,815
Cash Flows from Other Investing and Financing Activities	565	2,971	2,157
Net Cash Flows to Investing and Financing Activities	(4,397)	(26,729)	(7,972)
Net Increase in Cash Held	234,211	305,841	51,356
Opening Cash & Bank Balances	443,164	137,323	85,967
Closing Cash & Bank Balances	677,375	443,164	137,323
Represented By			
Westpac Current Account	677,375	443,164	137,323
Total Cash at Bank	677,375	443,164	137,323

Statement of Accounting Policies & Notes to the Performance Report

Clutha Development Incorporated

For the year ended 30 June 2022

Statement of Accounting Policies

Reporting Entity

Clutha Development Incorporated is an incorporated society under the Incorporated Societies Act 1908. It was established under the constitution dated 24 June 2015 and registered 2 July 2015.

Basis of Preparation

Clutha Development Incorporated has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting – Accrual (Not-for-Profit) on the basis that it does not have public accountability and has total annual expenses less than \$2,000,000. All transactions in the performance report are reported using the accrual basis and historical cost basis of accounting. The performance report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

The financials and other statements are presented in New Zealand dollars and rounded to the nearest dollar.

Particular Accounting Policies

The following particular accounting policies adopted in the financial statements have a significant effect on the results and financial position.

Revenue & Expenses

All income items are recorded in the Statement of Financial Performance in the year that they are earned. All revenue and expenses from all sources are recorded in the Statement of Financial Performance.

Goods & Services Tax

The financial statements have been prepared on a “GST exclusive” basis with the exception of accounts receivable and accounts payable which are disclosed inclusively.

Income Tax

The entity is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts & Cash

Cash balances in the Statement of Cash Flows comprise of petty cash, cheque or savings accounts, deposits held at call and bank overdrafts.

Accounts Receivable

Accounts receivable have been recorded at their estimated net realisable value. All known bad debts have been written off, and no provision for doubtful debts is considered necessary.

Accounts Payable

Accounts payable are recognised at fair value.

Depreciation

Depreciation has been calculated for all assets on a diminishing value basis over their useful lives as follows:

Computer Equipment	3 years
Motor Vehicles	4 years
Plant & Equipment	10 years

Exceptional Items

Exceptional items are large income and/or expense items that do not arise as a result of normal business operations and are not expected to recur. Exceptional items are disclosed separately in the statement of financial performance.

Changes in Accounting Policies

There have been no significant changes in accounting policies from those applied last year.

Notes to the Performance Report

Note 1 - Contingent Liabilities

There were no contingent liabilities at balance date. (2021:nil)

Note 2 - Capital Commitments

Clutha Development Incorporated has a photocopier lease in place with Fuji Xerox for \$117 (GST exclusive) per month for 48 months from April 2021.

Clutha Development Incorporated lease their premises at 16 James Street from Johnstone Group (Balclutha) Ltd for \$33,000 (GST exclusive) per year.

There were no other capital commitments at balance date. (2021:nil)

Note 3 – Related Party Disclosures

The following transactions were entered into by the Trustees’ of the Society:

- The Society is insured by FMG Insurance.
- A donation and a membership were paid to Otago South River Care Inc during the year.
- Office space and administration support is provided by the Society to The Clutha Foundation on an “in kind” basis.
- A Suzuki Vitara vehicle was purchased from Balclutha Motors Group Ltd in the 2018 financial year.
- Balclutha Motors Group Ltd completed a warrant of fitness and a service on the Society’s vehicle during the year.
- The Society hires facilities from the Clutha Recreation Centre Inc as required.
- The Society receives a significant amount of its funding from the Clutha District Council.

Notes to the Performance Report (continued)

Clutha Development Incorporated

For the year ended 30 June 2022

Note 3 – Related Party Disclosures (continued)

During the year, membership fees were received from the following entities:

- FMG Insurance
- Havelock Hills Ltd
- Clarke Agri Ltd
- Hamish Anderson
- Toko Farms Ltd
- Mike Hurring Logging Ltd
- Balclutha Motors Group Ltd
- Clutha Recreation Centre Ltd
- T A Whiteside & Co Ltd

The Trustees relationships are as follows:

- Bridget Tweed is an employee of FMG Insurance and also a Trustee of the Otago Community Trust.
- Will Clarke is a Trustee of The Clutha Foundation and a Director and Shareholder of Clarke Agri Ltd.
- Hamish Anderson is a Trustee of The Clutha Foundation.
- Simon Davies is a Trustee of Otago South River Care Inc.
- Josh Hurring is an employee of Mike Hurring Logging Ltd.
- Jared McPhee is a Director and Shareholder of Balclutha Motors Group Ltd.
- Noelene Scott is the manager of the Clutha Recreation Centre Inc.
- Alison Ludemann is the representative for the Clutha District Council.
- Alison Ludemann is the administration manager of The Clutha Foundation.

Note 4 – Total Revenue

Classification	2022 \$	2021 \$
Donations, Fundraising & Similar Revenue		
Clutha Community Trust	-	11,970
Clutha District Council	552,000	533,996
Dunedin City Council Regional Events Fund	47,420	5,000
Ministry of Business, Innovation & Employment	267,706	186,647
Ministry of Social Development Heartland Services	108,126	100,583
Sundry Income/Sponsorship	5,943	12,496
Total Donations, Fundraising & Similar	\$981,195	\$850,692
Subscription from Members		
Fees	\$20,000	\$Nil
Revenue from Providing Goods & Services		
Office Rental	5,872	3,405
Resource Consents	(577)	-
Total Revenue from Goods & Services	\$5,295	\$3,405
Interest Revenue	\$903	\$3,118

Note 5 – Total Expenses

Classification	2022 \$	2021 \$
Employment Related Costs		
Accident Insurance	999	849
Salaries	427,475	385,942
Total Employment Related Costs	\$428,474	\$386,790
Costs Related to Providing Goods & Services		
Administration		
Accountancy	6,829	4,502
Advertising & Promotion	-	1,435
Audit Fee	2,455	3,313
Bank Charges	124	44
Cleaning	2,157	2,009
Communications	2,509	3,516
Consultancy & Advisory	1,399	-
Domestic Marketing	118,871	112,593
Electricity	3,621	3,851
Fines & Penalties	146	609
General	3,836	3,797
Insurance	5,562	6,808
Interest Inland Revenue Department	4	27
IT Costs	14,487	11,900
Marketing	4,437	6,640
Photocopy Lease	2,794	4,146
Rent	33,000	33,000
Repairs & Maintenance	-	1,547
Stationery	2,528	2,547
Subscriptions/Memberships	16,010	22,461
Training	1,440	408
Trustees' Expenses	2,175	2,649
Trustees' Honorarium	5,805	7,158
Vehicle Expenses	2,153	2,245
	232,342	237,205
Project		
Business Networks	7,528	13,567
Business Development & Support	96,991	59,629
Clutha Destination Plan	149,304	44,330
Clutha Regional Events	19,000	-
Environmental Sustainability	1,476	-
Heartland Services	190	-
Housing	130	-
Living & Working Projects	-	6,619
Project Clutha	-	107
Resource Consents	-	202
Trade Events	-	8,051
Workforce Skills	37,786	4,917
	312,405	137,422
Total Costs, Providing Goods & Services	\$544,747	\$374,627
Other Expenses		
Depreciation	11,104	18,052
Loss on Disposal of Computer Equipment	-	264
Loss on Disposal of Plant & Equipment	-	3
Total Other Expenses	\$11,104	\$18,319

Notes to the Performance Report (continued)

Clutha Development Incorporated For the year ended 30 June 2022

Note 6 – Trustees Honorarium

	2022 \$	2021 \$
Bridget Tweed	3,000	3,000
Craig Whiteside	-	700
Hamish Anderson	-	-
Jared McPhee	600	700
Matt Brooking	300	700
Josh Hurring	400	600
Noelene Scott	600	402
Simon Davies	905	1,056
Will Clarke	-	-
	<u>\$5,805</u>	<u>\$7,158</u>

Note 7 – Donations Made

	2022 \$	2021 \$
Forest & Bird South Otago	1,000	-
Otago South River Care Incorporated	1,000	-
Yellow-Eyed Penguin Trust	2,000	-
	<u>\$4,000</u>	<u>\$Nil</u>

Note 8 – Bank Accounts and Cash

	2022 \$	2021 \$
Westpac Current Account	677,375	443,164
Westpac Term Deposit	161,099	160,534
	<u>\$838,474</u>	<u>\$603,698</u>

Note 9 – Funding Received in Advance

	2022 \$	2021 \$
Clutha District Council	140,000	-
Great South	6,053	-
Ministry of Business Innovation & Employment	345,481	213,353
Otago Regional Economic Development	90,000	-
Regional Events Fund	-	47,254
	<u>\$581,534</u>	<u>\$260,607</u>

Note 10 – Property, Plant & Equipment

Fixed assets are stated at cost less accumulated depreciation.

Note 11 – COVID-19 Virus

The COVID-19 virus pandemic, which resulted in lockdowns throughout New Zealand in 2020 and 2021, is not expected to have a significant impact on the future activities of the Trust.

Statement of Property, Plant & Equipment and Depreciation

Clutha Development Incorporated For the year ended 30 June 2022

NAME	COST	OPENING VALUE	PURCHASES	SALE PRICE	DEP RECOVERED	LOSS	DEPRECIATION	EFFECTIVE LIFE	METHOD	CLOSING ACCUM DEP	CLOSING VALUE
Computer Equipment											
21.5" Screens (13)	1,596	-	-	-	-	-	-	3	SL	1,596	-
Datacom Computers	1,235	-	-	-	-	-	-	3	SL	1,235	-
Hard Drive	1,329	554	-	-	-	-	443	3	SL	1,218	111
HD Prodesk (PC10)	1,433	995	-	-	-	-	478	3	SL	915	517
HP Elitebook Laptop (LP05)	2,055	1,370	-	-	-	-	685	3	SL	1,370	685
HP Elitebook Laptops (LP06, LP07) & Thunderbolt	5,330	5,182	-	-	-	-	1,777	3	SL	1,925	3,405
HP Prodesk 400 G3 Mini (PC09, PC08, PC06)	5,309	-	-	-	-	-	-	3	SL	5,309	-
iPad Air 2	625	-	-	-	-	-	-	3	SL	625	-
iPhone 13 128GB	1,243	-	1,243	-	-	-	69	3	SL	69	1,174
OPPO Find X5	1,390	-	1,390	-	-	-	77	3	SL	77	1,313
Samsung Galaxy S21	1,199	-	1,199	-	-	-	133	3	SL	133	1,066
Website Design & Development	23,560	-	-	-	-	-	-	3	SL	23,560	-
Total Computer Equipment	46,304	8,101	3,832	-	-	-	3,662			38,032	8,271
Motor Vehicles											
2018 Suzuki Vitara	23,652	5,420	-	-	-	-	5,420	4	SL	23,652	-
Total Motor Vehicles	23,652	5,420	-	-	-	-	5,420			23,652	-
Plant & Equipment											

This information should be read in conjunction with the notes to the financial statements.

Statement of Property, Plant & Equipment and Depreciation

NAME	COST	OPENING VALUE	PURCHASES	SALE PRICE	DEP RECOVERED	LOSS	DEPRECIATION	EFFECTIVE LIFE	METHOD	CLOSING ACCUM DEP	CLOSING VALUE
Buro Chair	14	10	-	-	-	-	1	10	SL	5	9
Couches (2)	609	523	-	-	-	-	61	10	SL	147	462
Criterion 3 Drawer Cabinet	17	12	-	-	-	-	2	10	SL	7	10
Criterion Blue & Silver Workstation	11	8	-	-	-	-	1	10	SL	4	6
Criterion Chair	9	6	-	-	-	-	1	10	SL	4	5
Criterion Desk	18	13	-	-	-	-	2	10	SL	7	11
Cupboard	13	9	-	-	-	-	1	10	SL	5	8
Desk & Drawers	261	180	-	-	-	-	26	10	SL	107	154
Dining Suite	1,024	879	-	-	-	-	102	10	SL	247	777
Extension Ladder	4	3	-	-	-	-	-	10	SL	1	2
Gullotine	4	3	-	-	-	-	-	10	SL	1	2
Kitchenette	2,853	2,449	-	-	-	-	285	10	SL	689	2,164
Magnetice Matrix Whiteboard	4	3	-	-	-	-	-	10	SL	1	2
Mobile Filing Cabinet	5	4	-	-	-	-	1	10	SL	2	3
Office Chair	10	7	-	-	-	-	1	10	SL	4	6
Shredder	8	5	-	-	-	-	1	10	SL	3	5
Smart Board	14,940	14,566	-	-	-	-	1,494	10	SL	1,867	13,072
Tower File	6	4	-	-	-	-	1	10	SL	3	4
Westinghouse Fridge/Freezer	384	266	-	-	-	-	38	10	SL	157	228
Workstation	29	20	-	-	-	-	3	10	SL	11	17
Total Plant & Equipment	20,223	18,970	-	-	-	-	2,021			3,272	16,947
Total	90,178	32,490	3,832	-	-	-	11,104			64,961	25,218

This information should be read in conjunction with the notes to the financial statements.

