

Open

Board Pack (Papers Only) Thursday 21 December 2017

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OPEN
December 2017

Chief Executive Review of December 2017

Report to Auckland Tourism, Events and Economic Development Limited Board

Purpose

The purpose of this report is to update the ATEED Board on key activities undertaken during the month.

Strategy development

Destination Auckland strategy

The Industry Leaders' Group met for the third time to consider the draft strategy findings. The group was supportive of the direction being taken.

Following this, a second round of consultation with the key groups engaged in the early stages of development has been undertaken to further test the thinking and direction being proposed, with strong support for the direction being taken.

Stafford and Associates is currently producing a second draft of the strategy that will be reviewed internally prior to the Christmas break. Final changes will be incorporated before the January Board meeting.

APTR Governance

At its 14 December meeting, Council's Governing Body unanimously supported the APTR governance model proposed as a result of the working group and subsequent consultation process. The recommendations passed were that the Governing Body:

- a) Approve option six which is to:
 - i) Appoint a director with accommodation sector expertise to fill a future ATEED Board vacancy.
 - ii) Request that ATEED establish a sub-committee to make recommendations on visitor attraction and major events activities, and which includes representation for accommodation provider targeted ratepayers.
- b) Request that ATEED establish the sub-committee prior to the end of the 2017/18 financial year.
- c) Approve the key points for the sub-committee's terms of reference (Attachment F) that cover the following matters:
 - Establishment and authority
 - Purpose
 - Composition and organisation
 - Meetings
 - Reporting and review.
- d) Request that ATEED includes the key points in the sub-committee's terms of reference, noting that the ATEED Board must approve the final terms of reference.
- e) Request that ATEED continues to work closely with Auckland Council staff and the sector to establish and implement its sub-committee.

- f) Thank the members of the working group on governance options for the APTR for their input, time, and expertise.

The Terms of Reference referred to in *Recommendation c.* is an abbreviated version of those considered by the Board at the November meeting.

Management will continue to work with Council staff on the establishment of the sub-committee and report on progress in February.

Stakeholder engagement

Central government stakeholder engagement

Central government stakeholders have been sent a copy of the Mayor's proposal on the 10-year budget and plan. Meetings have been held to progress ATEED's work programme with New Zealand Trade & Enterprise (NZTE), Ministry of Business, Innovation & Employment (MBIE), Callaghan Innovation and the Ministry of Education. ATEED is collaborating with the Ministry of Foreign Affairs and Trade (MFAT) on information and pre and post Auckland visits by trade officials. MBIE is leading work with Auckland Council on successfully growing Auckland at pace and scale, a joint (central and local government) urban development strategy, and the sharing of data and assumptions through an Auckland Forecasting Network.

Māori stakeholder engagement

ATEED continues to engage with potential sponsors and collaborators in the private and public sectors to support and help shape the future of the Tāmaki Herenga Waka Festival. These have included Air New Zealand, Fonterra, Radio Waatea, Moana New Zealand, Callaghan Innovation, Te Wānanga o Aotearoa, Māori Television, NZTE, and KPMG. Meetings with Auckland iwi to introduce ATEED's Chief Executive are ongoing, and this month included Ngāti Paoa. There was also engagement with Ngāti Tamaterā to gather feedback on the Destination Auckland strategy. A meeting was also held with the Mana Whenua Kaitiaki Forum Working Group on economic development. Sir Pita Sharples also attended this meeting.

Governing Body and local boards

ATEED has provided a range of advice and information to local boards covering local economic development and tourism initiatives to support their preparations and planning for the Long Term Plan. Councillors have been working through the Long Term Plan, particularly getting agreement to the key items that will be included in the public consultation. ATEED introduced the Destination Strategy to Councillors at an Environment and Community Committee workshop, and to local board chairs at the Local Board Chair Forum. Individual councillors have met ATEED's GM Destination, and GM Business Attraction and Investment for various ward-based interests.

Statement of Intent KPIs

As at 30 November, ATEED continued to make good progress on the targets set out in the Statement of Intent (SOI) 2017-19. Progress against KPIs is included in the attached KPI Scorecard (Appendix 1). To the end of November, all but the following three are on track to be achieved by year-end:

Grow the visitor economy

- The Auckland Convention Bureau KPI *value of business event bids won in the financial year* has been changed to amber this month, as it currently stands at \$8.9m with seven months of the year to go to achieve the target of \$22m.

Promote Auckland's global identity

- ATEED is unlikely to achieve the target for visits to www.aucklandnz.com. As at 30 November, the number of visits stood at 880,000 (the annual target is 3.8m). The Digital team is working with a search engine optimisation (SEO) partner to identify keyword opportunities that will increase targeted traffic over the long term (six-month timeframe), however it is unlikely that we will achieve the annual target for this financial year. The status has been changed to red (off-

track) having been reported as amber since September. There will not be any specific action taken to address this given the KPI set will be revised, and consider this KPI to have low validity.

- The associated measure “percentage of visitors located outside of Auckland” is also tracking marginally below target and classified as being amber. The Digital team is working with a search engine marketing partner to identify opportunities to deliver additional ‘excluding Auckland’ traffic through paid advertising. This is a short-term tactical response, while longer term solutions are identified.

ATEED strategic priorities

Build a culture of innovation and entrepreneurship

GridAKL programme

There are now 86 businesses and 159 residents located across GridAKL properties, with 68 at Lysaght, 18 at 12 Madden Street, and the first tenant has moved into the Mason Brothers building. There were 69 events held at GridAKL last month. These KPIs are noted in Appendix 1 and are on track.

Business awards

Following a full review of the Local Economic Growth, and Business and Enterprise teams’ engagement in the Westpac Auckland Business Awards programme, ATEED has formally agreed a revised agreement for the 2018 programme with the Auckland Chamber of Commerce. ATEED will continue to partner with the Chamber to deliver the programme, however under the new arrangements, the chamber will deliver the awards using its own resource (not ATEED resources), including all workshops, business coaching, marketing material and all associated administrative support. ATEED will contribute \$90,000 towards the delivery of the awards, and will continue to nominate companies that are considered to be suitable for the programme. ATEED will continue to be recognised as a delivery partner, maintain an equal branding presence, nominate a guest speaker at the event dinners, and will continue to receive an allocation of two tables at the regional gala dinners and four tables at the ‘Best of the Best’ dinner each year.

Tripartite Economic Summit – Guangzhou 2017

The third annual Tripartite summit was held in Guangzhou, China from 8-10 November. ATEED contracted an Auckland delegate to produce a [video](#) which captures the highlights of the summit, as well as interviews of five other delegates from design, F&B, digital, creative sectors and mana whenua. One of the delegates said in the video, “there are so many opportunities. It (Tripartite) gave us leads that we would never be able to render ourselves. Without the support of ATEED, it would be something quite different...the legacy of this trip will enable us to move forward into emerging territories for New Zealand as leaders in some of these fields”. A full report on the summit, including results from the delegates’ survey will be presented at the January Board meeting.

Upcoming ATEED-supported business events

ATEED hosted ABAC Welcome Event	1 February
Digital Nations Summit	19 – 20 February
Techweek Launch	21 February
ASB Lantern Forum Breakfast	2 March
Local Economic Development Masterclass	22 – 23 March

Grow and attract skilled talent

Young Enterprise Scheme (YES)

Following the annual review of the activities that ATEED supports to ensure the best aligned to our mandate, from 1 January 2018, the Auckland Chamber of Commerce will become the new delivery partner for the flagship Young Enterprise Scheme (YES), as ATEED looks to take on a strategic role.

Attract business and investment

RFP / Studio Operator

The RFP has been rescheduled to be sent out on 8 January 2018, with an operator in place by 1 May 2018. The process has involved oversight by Council's Procurement Manager, who will be the point of contact for the RFP process.

Screen Auckland

About 70 Council film permits were issued in November, and approximately 156 logged enquiries including 42 unpermitted film activity.

In November, an MoU was signed by Screen Auckland and other regional film offices (RFOs) and the NZFC. The MoU provides tools for positive collaboration, with the goal of ensuring a cohesive and client-focused service for international screen sector clients, as well as efficiencies for all joint activity.

In addition to the above, the Screen Auckland team is reviewing the film permitting process to ensure that health and safety requirements are fully embedded. Work has also begun to update the Auckland Film Protocol that was last revised in 2015. The protocol promotes a film-friendly culture the Auckland Council group and sets out the conduct expected of film crews when filming in public spaces. The development of a screen strategy has also been initiated.

Grow the visitor economy

APEC 2021

Ongoing work includes progressing the development of a city map with partners across the Council family, which identifies current and future venues, accommodation options and the planned capital works between now and 2021 to provide a view of what the city will look like in the lead up to and at the time of the event.

Government officials were provided with a draft budget which included line items of potential core city costs which would be recovered from central government. The event layout and size of the footprint will determine the cost/value of these items, which therefore cannot be quantified until central government provides greater confirmation of likely conference and accommodation venues.

Work to scope an Auckland leverage and legacy programme has been deferred until the New Year.

36th America's Cup (AC36)

The team base shortlist of options was considered by the Governing Body on 23 November, and the large Halsey Street extension was ruled out, leaving two options for consideration: Wynyard Basin, and a dispersed option on Wynyard Point. A final decision on Auckland's option was made at the 14 December Governing Body meeting to enable a planning consent application to be made early next year. The Governing Body approved the Wynyard Basin option.

Tourism

Cruise

On 23 November, the Governing Body gave approval for a double mooring dolphin connected to Queens Wharf, subject to approval of resource consent. The dolphin, available for the 2019/20 cruise season, will allow more 350-metre cruise ships to visit Auckland, providing a boost to the \$220m and 4000 local jobs the cruise industry already adds to the region's economy.

Major events

Upcoming events (over the next three months):

Event	Date/s	Venue
ASB Classic	1-13 January	ASB Tennis Stadium
Tāmaki Herenga Waka Festival	27-29 January	Viaduct Events Centre

Event	Date/s	Venue
Auckland Pride Parade	17 February	Ponsonby
Auckland Lantern Festival	1-4 March	Auckland Domain
Splore Music and Arts Festival	23-25 February	Tapapakanga Regional Park
Volvo Ocean Race 2018	24 February – 18 March	Auckland Viaduct Harbour
Pasifika Festival	24-25 March	Western Springs

Health & Safety (H&S)



Incidents: Four incidents were reported in November:

1. A staff member received a minor bruise to the head resulting from contact with the corner of a newly installed stand-up desk next to him. No first aid was required. A set of drawers was relocated to allow more space, and it was recommended that staff be advised of the potential hazards when changing workstations.
2. A senior manager had an asthma attack and a raised heart rate which they believed stemmed from the strong sulfuric smell on Level 7. They weren't able to relieve the shortness of breath and went home to use their Ventolin inhaler, the attack was quickly brought under control. The landlord and Business Services Manager investigated all possible sources in the building, including plumbing and HVAC systems. No source was discovered and the smell disseminated.
3. A small fire in the forest of the Kumeu Film Studio was quickly brought under control by the fire brigade. Following an investigation, it appeared to have been purposely lit. There were no injuries or any signs of trespassing, therefore no further action was required.
4. A staff member was in a car accident while travelling in a taxi on their way back to the office from a work meeting. No injuries were sustained by the staff member and police were called to the scene. No further action was taken.

Near misses: Nil.

Unsafe condition/hazard: Nil.

People and organisation changes

Destination

Rebecca Temple will be acting as Head of Major Events until Stuart Turner starts in the New Year.

Recommendations

1. The report be received.

Attachments

1. ATEED SOI KPI scorecard

Signatory

Nick Hill, ATEED Chief Executive

Appendix 1: ATEED SOI KPI scorecard for year-ending November 2017

ATEED KPI Scorecard						Nov-17
ATEED SOI KPIs	Measurement	Date of Measure/latest available result date	Latest Result	Annual Target to 30 June 2018	Status	
Build a culture of innovation and entrepreneurship						
Number of businesses taking up tenancy at GridAKL (Wynyard Quarter Innovation Precinct) (cumulative) and percentage "innovation-led" ¹	Number & (%)	30-Nov-17	86 (81%)	100 (70%)		●
Number of individual entrepreneurs supported through an ATEED delivered or funded entrepreneurship programme	Number	30-Jun-17		1500		Annual measure
Level of advocacy by stakeholders involved in the provision of business advice, start-up, training & mentoring programmes. ²	Index	30-Nov-17	+45	+50		●
Number of actively managed business through Regional Business Partner programme	Number	30-Nov-17	458	750		●
Number of businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP Measure)	Number	30-Jun-17		3000		Annual measure
Number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)	Number	30-Jun-17		120		Annual measure
Attract business and investment						
Facilitation of the establishment, or significant expansion, of multinational and local companies in target sectors (LTP Measure)	Number	6-Dec-17	0	5		●
Number of intensively account managed customers in ATEED Aftercare programme (Aroha Auckland)	Number	6-Dec-17	60	85		●
Total GDP contribution of deals effected with ATEED involvement	\$ (million)	6-Dec-17	52.6	59.6		●
Value of investment deals effected by ATEED within the financial year	\$ (million)	6-Dec-17	89.7	292		●
Grow and retain skilled talent						
Number of 'live' signatories to the Youth Traction Hub Employers Pledge (LTP Measure)	Number	31-Oct-17	69	50		●
Number of young people enabled into employment as a result of ATEED and partner activity (Youth - incl. Māori and Pacific youth)	Number	31-Oct-17	500	500		●
Number of expressions of interest from skilled migrants in working and living in Auckland resulting from ATEED Marketing activity (Talent) - via LinkedIn	Number	7-Nov-17	1000+ -	1500		●
Growth in value of international student spend to Auckland	\$ (billion)	31-Dec-16	TBC	2.306		Annual measure
Grow the visitor economy						
Number of international business event bids submitted or supported	Number	7-Nov-17	19	35		●
Business event bid win/loss ratio (based on results received in financial year) ⁴	%	7-Nov-17	56	60		●
Value of business event bids won in financial year	\$ (million)	7-Nov-17	8.9	22		●
Percentage of customers satisfied with visitor information centres and services (LTP Measure)	%	30-Nov-17	97	85		●
Contribution to regional GDP from major events invested in (LTP measure)	\$ (million)	7-Nov-17	6.2	49		●
Percentage of Aucklanders who agree events make Auckland a great place to live (engender pride and sense of place)	%	30-Jun-17	TBC	80		Annual measure
Visitor nights generated by major events invested in	Number	7-Nov-17	60,690	165,000		●
Percentage of customers satisfied with delivered major events (LTP measure)	%	7-Nov-17	86	85		●
Build Auckland's global brand identity						
Total visits to www.aucklandnz.com (LTP Measure)	Number (million)	30-Nov-17	0.88	3.8		●
Percentage of visitors to www.aucklandnz.com located outside of Auckland	%	30-Nov-17	43.36	50		●
Local economic development						
Percentage of approved local economic development projects delivered by ATEED using local board "Locally Driven Initiatives" (LDI) funding.	%	30-Sep-17	In progress	70		Annual measure
Mana whenua engagement						
Percentage Mana Whenua satisfaction with quality of engagement	%	31-Jul-17		Maintain / Improve		Annual measure
Monitoring indicator						
Spend by visitors in Auckland ³	\$ (million)	31-Oct-17	2451	6617		●
Key: ● On track / Target exceeded ● Off track ● Potential for Slippage ● No recent result						
1 Innovation-led is defined as businesses developing new or improved technologies or services 2 New measure replacing the previous percentage stakeholders satisfied with provision of business advice, start-up, training & mentoring programmes (LTP Measure). The change reflects the new methodology (Net Promoter Score) adopted by NZTE for the Regional Business Partners programme. The new metric captures stakeholder satisfaction, loyalty and advocacy. A NPS of +50 can be considered as excellent. 3 We are reporting year to date figures from July each FY to provide an accumulative view. 4 Calculated as wins divided by wins + losses. Does not account for bids pending, not proceeded with, cancelled or not submitted						

OPEN
December 2017

Finance Report, month ending November 2017

Report to Auckland Tourism, Events and Economic Development Chairman and Board

Summary Income Statement For the Period Ended 30 November 2017												TABLE 1
												\$000's
Month			Year to Date			Full Year						
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Revised Budget*	Deferrals*	Budget	Last Year	
			Net operational expenses:									
427	587	160	Business Attraction & Investment	1,885	2,291	406	4,579	5,050	513	4,537	2,549	
1,032	314	(718)	Major Events	6,257	5,596	(661)	12,928	13,488	483	12,929	11,739	
988	1,045	57	Destination	4,900	4,943	43	12,821	11,319	55	12,200	7,759	
937	1,088	151	Business, Innovation and Skills	4,549	5,043	494	13,951	12,986	779	11,990	11,642	
73	72	(1)	Stakeholder Relations	202	200	(2)	707	642		0	0	
603	755	152	Corporate	3,388	3,524	136	7,025	8,152	574	7,579	9,088	
4,059	3,860	(199)	ATEED net deficit	21,182	21,597	415	52,552	51,637	2,404	49,234	46,016	
6	0	(6)	World Masters Games 2017 Ltd, net deficit	(5)	(33)	(28)	(33)	140	140	0	1,427	
4,065	3,860	(205)	Operating deficit before Council funding	21,177	21,564	387	52,519	51,777	2,544	49,234	47,443	
			Approved opex funding				51,301			47,791	46,856	
			Opex converted to capex (BA&I)				238			0	0	
			Operating Deficit				(1,456)			(1,443)	(588)	
			Capex funding				6,537			657	2,975	
			Surplus				5,081			(786)	2,387	

Key Points

Current month's financial results

ATEED is tracking \$0.4m behind Forecast1. The underspend relating to projects is due to lower activation costs in Grid AKL of \$0.2m, lower occupancy costs relating to turnover based rental in the Kumeu Film Studio, underspend of \$0.1m in the Transformation Project and revenue received earlier than planned for the Auckland Film Studio of \$0.1m.

These have been offset by sponsorship paid earlier due to milestones being reached for ITM Auckland Supersprint (V8s) and McKayson NZ Open (LPGA).

Revised Forecast

There have been movements in the actual timing of activities and these changes are captured in our Forecast 2 which was completed in November. A separate forecast paper is being presented to the Board for consideration. In the latest forecast, ATEED is within the approved funding from Auckland Council, and no overspend is projected.

*Increase in revised budget of \$2.5m is due to underspend in key projects from the last financial year deferred to this financial year. Increase in approved opex funding includes this \$2.5m and an additional \$1m for ATEED to deliver on local economic development work programs for the Local Boards.

ATEED total net favourable variance of \$0.4m.

Business Attraction and Investment (BA&I): November YTD underspend is \$0.4m lower than forecast. This is due to revenue of \$0.1m received earlier than planned for the Auckland Film Studio, a timing underspend of \$0.1m in the AR/VR Garage project, deferral of spend of \$0.1m for the Fintech Project and savings in travel and marketing costs. These have been reprioritised in our latest forecast.

Major Events: November YTD overspend is \$0.7m higher than forecast. This is due to Government funding for Volvo Ocean Race of \$0.4m not yet received, sponsorship payments for the V8s of \$0.3m and LPGA of \$0.2m paid earlier than planned due to milestones reached. These are offset by timing related underspend in the NZRU Rugby fixtures of \$0.1m, the NRL Double Header of \$0.1m, together with stallholder revenue for the Lantern festival of \$0.1m received earlier than planned.

Business, Innovation and Skills (BIS): November YTD underspend is \$0.5m lower than forecast. This is due to an underspend in the Grid AKL program of \$0.2m, \$0.1m in the Town Centre Revitalisation Project, \$0.1m in the Maori Economic Development work program and \$0.1m in the Kai Collaboration Project.

Corporate: November YTD underspend is \$0.1m lower than forecast due to timing of spend in the Transformation Project.

Income Statement

Income Statement									TABLE 2		
For the Period Ended 30 November 2017											
Month			Year to Date			Full Year			\$000's		
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year		
			Operational income								
107	507	(400)	Funding from Government	814	1,291	(477)	2,943	2,589	1,742		
142	40	102	Sponsorship	504	401	103	1,949	2,285	1,580		
1	5	(4)	Fees & Subscriptions	220	230	(10)	262	326	446		
142	142	(0)	i-Sites	588	600	(12)	1,977	340	2,502		
648	750	(102)	Sundry income	3,019	3,035	(15)	10,016	9,884	1,229		
1,040	1,444	(404)	Total Operating income	5,145	5,556	(412)	17,146	15,424	7,630		
1,837	1,950	112	Staff costs	9,210	9,325	114	22,852	20,921	20,728		
486	703	216	Professional fees, consultancy & contractors	2,870	3,204	334	9,981	7,959	7,004		
1,033	415	(618)	Grants & sponsorships	5,411	5,127	(284)	11,087	10,815	8,739		
137	135	(3)	Depreciation & amortisation	550	544	(6)	1,456	1,443	591		
43	43	(0)	Shared services and lease costs	215	215	(0)	501	516	2,141		
664	879	215	Occupancy	3,495	3,729	233	10,383	10,623	2,599		
155	217	63	Travel & entertainment	654	730	76	1,670	1,315	1,653		
426	251	(175)	General, admin & other	1,474	1,281	(193)	2,358	2,478	2,823		
317	712	395	Advertising, marketing & research	2,446	2,998	552	9,410	8,589	7,367		
5,099	5,304	205	Total Operating Expenditure	26,326	27,153	827	69,698	64,659	53,645		
4,059	3,860	(199)	ATEED Net deficit	21,182	21,597	415	52,552	49,234	46,016		

Total Operating income

YTD total operating income is \$0.4m lower than forecast.

Funding from Government, \$0.4m lower: This is due to government funding for Volvo Ocean Race of \$0.4m not yet received as documents sign off delayed. There is no risk to this revenue.

Total Operating Expenditure

YTD underspend of \$0.8m.

Professional fees, consultancy and contractors, \$0.3m lower: This is due to timing underspend of \$0.3m in BIS across the Skills and Employment projects, Grid AKL initiatives, and International Partnerships and Trade projects.

Grants & sponsorships, \$0.3m higher: This is due to sponsorship paid earlier than planned for the V8s of \$0.3m and the LPGA of \$0.2m. These are offset by timing related underspend in the NZRU Rugby fixtures of \$0.1m and the NRL Double Header of \$0.1m.

Occupancy, \$0.2m lower: This is due to rental payments for Mason Brothers and Madden Street (part of the GridAKL project), not incurred due to delays in the opening of the buildings, and the turnover based rental being lower than forecast for the Kumeu Film Studio.

General, admin and other, \$0.2m higher: This overspend is due to costs incurred earlier than planned for the Lantern Festival of \$0.1m, and spend for Diwali Festival and the Rugby League World of \$0.1m forecasted in advertising but incurred in general, admin and other.

Advertising, marketing and research, \$0.5m lower: This underspend is due to the timing of activity in Grid AKL of \$0.1m, the timing of costs for the V8s of \$0.1m, coupled with expenses of \$0.1m incurred in general, admin and other, but forecast in advertising, marketing and research. There is further underspend of \$0.2m in various projects in BA&I and Destination.

Summary of major projects

Summary of Major Projects: Spend and/or (Revenue) > 0.5m								TABLE 3	
For the Period Ended 30 November 2017								\$000's	
Month				Year to Date			Full Year		
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year
Business, Innovation and Skills									
83	83	0	New Zealand Food Innovation Auckland	417	417	0	1,000	1,000	1,015
249	228	(21)	GridAKL	1,383	1,606	223	4,159	3,943	0
Major Events									
10	21	11	Tāmaki Herenga Waka Festival	19	23	4	506	500	514
5	0	(5)	Lions Tour 2017	684	591	(93)	591	595	268
8	(400)	(408)	Volvo Ocean Race Auckland Stop-over	898	490	(408)	2,309	2,137	134
405	98	(307)	ITM Auckland Supersprint	1,285	980	(305)	1,314	1,758	2,097
0	0	0	Downer NRL Auckland Nines	0	0	0	0	2,000	2,868
203	0	(203)	McKayson NZ Open (LPGA)	1,080	875	(205)	1,075	1,050	0
0	50	50	Trade marketing - Premium	0	85	85	755	0	0
0	0	0	NRL Double header	0	100	100	575	0	0
Total of all Major Events Projects				5,356	4,644	(712)	10,262	10,600	9,642

- Grid AKL is \$0.2m lower than forecast due to timing of activation costs.
- Lion's Tour is \$0.1m higher due to revenue of \$0.1m accounted for twice in the forecast.
- Volvo Ocean Race Auckland Stop over is \$0.4m higher due to timing of funding from government.
- McKayson NZ Open (LPGA) is \$0.2m higher due to sponsorship paid earlier than planned.
- NRL Double Header is \$0.1m lower than forecast due to delays with the contract.

Summary Statement of Financial Position

Statement of Financial Position, ATEED Group		
As at 30 November 2017		
TABLE 4	YTD	\$000's Jun-17
Current assets		
Cash and cash equivalents	1,852	3,410
Receivables and prepayments	17,717	13,469
Other current assets, including iSite inventory	52	24
Total current assets	19,621	16,903
Current liabilities	19,228	16,353
Working capital	393	550
Non-current assets		
Receivables and prepayments (non-current)	63	73
Property, plant and equipment	17,913	12,883
Investment in Joint Venture, The FoodBow l	2,104	2,067
Total con-current assets	20,080	15,023
Non-current liabilities	64	64
NET ASSETS	20,409	15,509
EQUITY	20,409	15,419
Capex spend	5,360	657
Total commitments	\$88m	\$29.5m

- Cash and cash equivalents: Decrease mainly due to the timing of the cash sweeps.
- Receivables and prepayments: Increase mainly due to timing of intercompany settlement, scheduled for December.
- Current liabilities: Increase in related party payables due to the timing of intercompany settlement.
- Property Plant and Equipment: Increase of \$5m due to capital spend for the fit out of Grid AKL buildings.
- The significant increase in future total commitments is largely due to operating lease costs of \$50m for the Grid AKL program over a twelve year period.

Receivables (000)'s

Aged debtors	Current	1 month	2 month	3 month	4 months+	Total
ATEED's debtors	132	596	117	93	1,421	2,360

Debtors greater than 2 months	2 month	3 month	4 months+	Total	Comments
Biz Dojo	69	69	304	441	Net debt at 30 November is \$405k including interest and payables to Biz Dojo. This is being dealt with by the Executive team.
Other	48	25	128		Greater than 4 months - These relate to 35 debtors. All debtors are being actively managed to recover these funds.
NZTE			988		Invoiced annually but payment is made monthly. No exposure.
Total	117	93	1,421	441	

Recommendation

It is recommended that the Board note the Finance Report for the period ended 30 November 2017.

Signatories

Manager: Avika Singh, Finance Manager

GM: Joy Buckingham, Chief Financial Officer
