

POSITIVELY WELLINGTON BUSINESS ANNUAL REPORT 2005/06 REVIEW

1. Introduction

Positively Wellington Business (PWB) has submitted its audited annual report for the year to 30 June 2006.

2. Key Issue

At year end PWB had \$801,000 in cash. Should PWB be wound up and this money remain it will not be able to be distributed to its founders (e.g. WCC). If necessary, officers will work with PWB to ensure that the transition is managed so that a satisfactory outcome is achieved.

3. Performance

a. Financial

Statement of Financial Performance

\$ '000	FY Actual	FY Budget	2004/05 Actual
Income	4,382	4,232	5,247
Expenditure	4,318	4,227	5,135
Operating surplus	64	4	112

In the prior year the income and expenditure were inflated due to the effect of receiving a New Zealand Trade and Enterprise MRI grant. The 2005/06 income and expenditure is in line with 2003/04 and other earlier years.

Statement of Financial Position

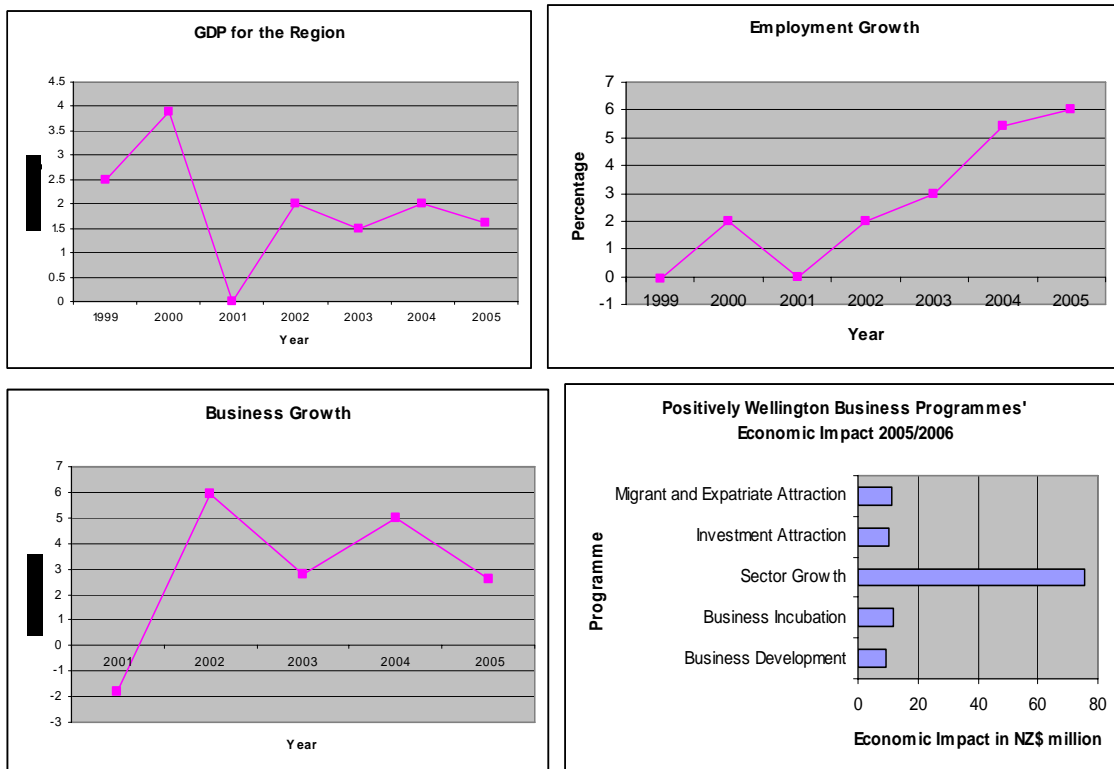
\$ '000	FY Actual	2004/05 Actual
Current assets	1,263	1,243
Non-current assets	156	203
Current liabilities	924	1,016
Non current liabilities	210	210
Equity	284	220
Current ratio	1.4:1	1.2:1
Equity ratio	20%	15%

Statement of Cash Flows

\$ '000	FY Actual	2004/05 Actual
Operating	2	408
Investing	(31)	(134)
Financing		(1)
Net	(29)	274
Closing balance	801	830

Note the issue mentioned above regarding PWB's cash balance.

b. Trends



The trend graphs above demonstrate how difficult it is to accurately measure PWB's performance.

c. KPIs

KEY PERFORMANCE INDICATOR	TARGET	ACTUAL
Work within the approved budget and business plan.	To be achieved	Achieved
Work within and report on the approved strategic plan and statement of intent	To be achieved	Achieved
Regional annual economic growth (GDP) by targeted sector:	Positive growth within	

Education ICT Professional Engineering Creative and Film Manufacturing Biotechnology	each sector	14.6% 7.0% 7.7% 3.4% 3.2% No category within NZ Statistics data
Regional annual growth in number of companies by targeted sector: Education ICT Professional Engineering Creative and Film Manufacturing Biotechnology	Positive growth within each sector	-0.5% 2.2% 3.1% 2.7% -0.5% No category within NZ Statistics data
Regional annual growth in number of jobs by targeted sector: Education ICT Professional Engineering Creative and Film Manufacturing Biotechnology	Positive growth within each sector	-0.3% 6.0% 7.3% -1.2% 2.1% No category within NZ Statistics data

4. Key items from the year

PWB have undergone a significant organisational restructure during the year. The purpose of this was to enable it to deliver on the upcoming Wellington Regional Strategy.

While at one stage PWB were forecasting that the restructure would mean that they would exceed their budget targets, they managed to come in under budget for the year.

5. Governance

Robert Gray and Kim Wicksteed both came to the end of their terms during the year and Rick Christie joined the board during the year.

6. Comments Regarding Council

The Chair states that he is grateful to the five stakeholding Councils for their ongoing commitment to the regional approach to economic development

7. Future Plans / Issues

The key issue for the future is the potential implementation of the Wellington Regional Strategy (WRS) and the transition that this could require for PWB. If the WRS is implemented the transition will need to be managed including ensuring that decisions are not made by PWB that commit the next entity.

Council officers have offered to provide support with staff consultation on the WRS. To date this has not been requested by PWB.

8. Conclusion

PWB are managing the uncertainty around the potential implementation of the WRS. The decision on the WRS will assist in determining their future.