



Priority One
Tauranga
Moana

**PRIORITY ONE
WESTERN BAY OF PLENTY
INCORPORATED**

Annual Report 2021/22



TE PAI ME TE WHAI RAWA O TAURANGA MOANA KI TE AO

The prosperity and splendour
of Tauranga Moana to the world

**Enabling
business success**
Championing
business success.

Fostering innovation
Creating an ecosystem
where new ideas
can flourish.

WHAT WE DO
Creating a
prosperous and
sustainable
region

**Attracting talent
and investment**
Enticing the
best people and
businesses to
our region.

Focusing on education
Developing the skills
and talent to drive us
forward. Strengthening
opportunities for
Māori success.

Priority One is supported by businesses
and the following strategic partners:



CONTENTS

Ngā Rārangi Upoko

01

CEO/CHAIR REPORT

Te Pūrongo o te Tāhūhū Rangapū/Tiamana

03

WESTERN BAY OF PLENTY METRICS

Ngā ngahuru ohaoha o Te Tai Hauauru o te Moana o Toi

05

ACHIEVEMENTS

Ngā paetae

09

WORTHY MENTIONS

Ngā kōrero whaitake

12

FINANCIAL STATEMENTS

Ngā tauākī pūtea

16

INDEPENDENT AUDITOR'S REPORT

Te Pūrongo a te Kaitātari Kaute Motuhake

CEO / CHAIR REPORT

Te Pūrongo o te Tāhūhū
Rangapū/Tiamana




Simon Clarke Chair




Nigel Tutt Chief Executive

2021/22 has seen a continuance of the uncertain economic conditions that we have become accustomed to during the past two years, with the impact of COVID restrictions gradually replaced by labour challenges as the primary cause for concern in the economy. Despite this, the Western BOP economy has continued to perform strongly, evidenced by GDP, jobs, and income growth.

What has become clear over the past year is that our region is in a time of exciting 'step change' transition as we catch up on desperately needed infrastructure and build a region that will deliver higher living standards. This step change is caused by several factors coming together at once:

- Strong and stable governance in the form of Tauranga City Council's commission has helped to accelerate progress through a willingness to address core infrastructure growth issues and a delivery-based mindset.
- The continued popularity of the Western Bay of Plenty as an attractive place to do business, led by the Port of Tauranga, Aotearoa's main import / export hub. Migration to the area remains strong, with the population continuing to grow as people seek better lifestyles and meaningful employment.
- A healthy and diversified business sector that continues to achieve market success, particularly in exports. While challenged by staff availability, horticulture remains a strong sector with excellent growth prospects; likewise, our manufacturing and technology exporters are in good shape.
- The transition of TECT to a community trust, which allows them to contribute even more to our community. In particular, the ability to invest in partnership with other entities benefits social and economic wellbeing.
- The continued growth of the University of Waikato's footprint in the CBD and the courses it offers. This is only the beginning, and we expect that continued expansion in the coming years will dramatically change our city's vibrancy alongside better business outcomes.
- The rejuvenation of Tauranga's CBD as a place to live, work and study is led by twenty catalyst developments. Our CBD Blueprint details these, including Thirty-Eight Elizabeth, Latitude Apartments, High Court, and the Civic Precinct. The Blueprint, at the time of printing, outlined \$1.5 billion worth of investment in the city, which we continue to build on and now is estimated at over \$2 billion worth of investment over the next decade.
- A strong and engaged business community willing to invest (through rate increases) and support the significant infrastructure investments.
- A willingness to work collaboratively with local Iwi /hapu and trusts to both address previous grievances and proactively work together for the future to strengthen our cultural heritage and the Māori economy.

This time of transition means that Priority One's role in understanding our region's future needs and helping to deliver economic outcomes and projects is more important than ever. Our work to strengthen Priority One over the past two years, including our new membership structure, longer-term funding agreements with councils and strengthened management, means that we are well placed to play a significant role in this transition.

The willingness to engage and invest in broadening the economic benefit to our community has been admirable. We are proud of the success of our members, in particular, the growth of the start-up community and the resilience shown in challenging times across our industries.

Access to talent for businesses is the most significant economic barrier that we must address now, with extremely low unemployment rates presenting capacity barriers for employers to grow.

Ensuring that our region remains an attractive place for talent in the future and addressing this with employers collaboratively and intelligently, will form a major component of Priority One's work plan over the next year.

WE ARE PROUD OF THE
SUCCESS OF OUR MEMBERS





WESTERN BAY OF PLENTY METRICS

Ngā ngahuru ohaoha o Te Tai
Hauauru o te Moana o Toi



Unemployment
3.9%

vs NZ 4.7%



Housing affordability
10.8x

mean household income
vs NZ 8.8 x mean household income



Population
213,300

up 2% in 2021
vs NZ 5,122,600 up 0.6%



Māori unemployment
5.3%

vs NZ 8.3%



Mean annual income
\$59,461

vs NZ \$65,910



Filled jobs
104,227

up 1.7% in 2021



Rental affordability
26.6%

mean weekly rent /
mean household income
vs NZ 22.1%



Māori mean
annual income
\$54,414

vs NZ \$58,343



Emissions
43%

of WBOP gross total carbon emissions
are from transportation* (2020/21)
*excluding forestry

2021/22 ACHIEVEMENTS

Ngā paetae

Talent

- Ara Rau skills and employment hub has directly and indirectly supported over 200 people during the 2021/22 year into sustainable employment or training-to-work pathways. This work included three industry open days to support people into construction and infrastructure careers. The success of Ara Rau emphasises the importance of supporting people at risk of long-term disengagement from the labour market by appropriate intervention and help from supportive employers.
- Priority One, in collaboration with member businesses, is focused on bridging the existing skills gap in our workforce and preparing for the Future of Work (FOW). We held a FOW forum with Deputy Prime Minister, Grant Robertson in February and have worked with members to develop a series of activations supporting the development, retention, and attraction of talent to the region. During 2021/22, we consulted over 25 technology and professional services businesses to understand their challenges and are now working to implement key initiatives as part of a collaborative Sector Talent Plan (STP).



- In 2021, Priority One delivered a national student insights study which found Tauranga ranked highly as a destination where young people would choose to work. To take advantage of this, we have developed and are delivering the Tauranga Tertiary Destination 'UniverCity' Action Plan alongside the University of Waikato and Tauranga City Council. This plan is set to grow Tauranga's reputation as a tertiary destination, with a goal of attracting over 5000 students to study in Tauranga, and position the city as a study-to-work destination. The agreed plan covers:
 - Accessible transport and accommodation
 - Creation of a unique atmosphere and urban culture
 - Certainty of career pathway
 - Developing a strong city identity and attraction brand.
- Priority One has delivered several initiatives in collaboration with the University of Waikato around scholarships and degree offerings to further support a pipeline of talent for the region's businesses. These initiatives include the design of a new scholarship pilot which links students with local employment areas of importance within our region. The first of a range of initiatives is a Tauranga City Council Scholarship, which has been planned and will be delivered for summer 2022 with a focus on civil engineering, environmental science, and planning. Priority One and the University of Waikato have also been working together during 2021/22 to establish a platform to launch a fourth-year engineering offering with a strategic focus on mechatronics, mechanical engineering, and civil engineering, to support the demand for talent in this space. The fourth-year offering has been confirmed and will be delivered from early 2023.
- We must position Tauranga as a global destination for talent, business, and tourism. The recent reopening of borders has meant we can reconnect with the world, bringing in international delegates with the Heads of Mission Tour in June 2022. Hosted by Priority One on behalf of Tauranga City Council and supported by the Ministry of Foreign Affairs and Trade, the delegation consisted of Aotearoa New Zealand and Australian-based Heads of Mission, Ambassadors and High Commissioners from 37 countries - the largest domestic delegation of foreign diplomats in recent history. Hosting the diplomats was invaluable for enhancing important international relationships, connecting local businesses to offshore opportunities, and proactively re-engaging with overseas markets after a challenging period.

Innovation

- The University of Waikato, with support from Priority One, has opened the first research and development (R&D) lab specifically focused on engineering and technology for the primary industries. The lab, located in Mount Maunganui, offers industry the opportunity to work with University of Waikato staff and students on R&D projects involving automation, robotics, artificial intelligence, aquaculture, and marine biotechnology and is another step on our collaborative journey as a region toward establishing Tauranga as a global destination for innovation. The lab is home to a number of key research projects.



City Centre

- Priority One has led the development of Tauranga's CBD Blueprint, which identifies over \$1.5 billion in private sector investment into the city centre and key developments happening in the CBD over the next eight years. The Blueprint, the first of its kind for Tauranga, is the result of fostering relationships with key developers and city stakeholders and captures the magnitude of committed development in the CBD while promoting the reinstatement of Tauranga's city centre as a civic, commercial, and cultural capital of the Bay of Plenty. The Blueprint lays the foundation for further development. It will be used to update and encourage additional private and commercial developments and residential accommodation in the city centre, to ensure we are building a city that meets the needs of residents for today, and tomorrow.

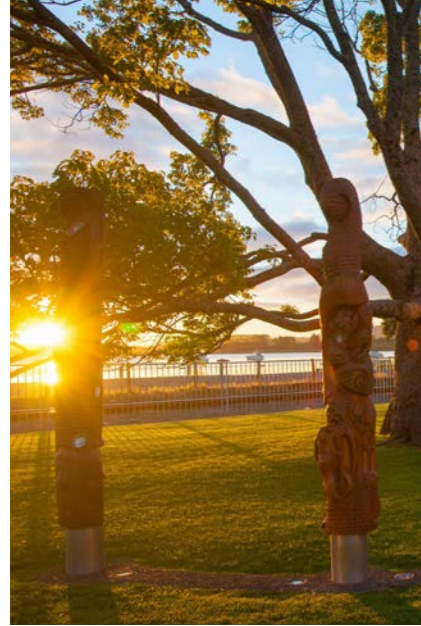
Sustainability

- Throughout the Western Bay of Plenty, transportation contributes 43% of all carbon emissions, the most of any sector. Therefore, we must look for alternative ways to fuel our transport sectors across heavy machinery, port infrastructure, material handling, freight, and public transport. Priority One has led the facilitation of 15 stakeholders to form a group called Hydrogen X – Aotearoa New Zealand's first hydrogen ecosystem. Over the past 12 months, many of the stakeholders have established a solid commercial position across several major platforms. These include the production and delivery of hydrogen, the conversion of existing diesel vehicles through electrification and the integration of hydrogen technologies and the establishment of Aotearoa New Zealand's first hydrogen education and training facility, through Te Pukenga, based here in the Western Bay of Plenty and commencing late 2023.



2021/22 ACHIEVEMENTS

Ngā paetae



Māori Economic Development

- Priority One and Toi Kai Rawa (our region's Māori economic development agency), continue to actively support Māori economic development. In the last financial year, we have delivered several workshops through Ara Rau to support the capability of Māori and Pacifica business owners and increase employment opportunities for Māori. Ara Rau has also worked closely with local Iwi to support their training and employment initiatives. Toi Kai Rawa continues to implement its STEAM (science, technology, engineering, arts, and mathematics) strategy, improving Māori education outcomes and creating pathways into skilled employment.

Infrastructure

- A lack of investment has seen a shortage of quality facilities in Tauranga city. Priority One, in collaboration with Tauranga City Council, Bay of Plenty Regional Council and Sport New Zealand, undertook the latest phase of a feasibility study investigating a community stadium for the benefit of Tauranga and the wider region. The concept of a multi-use boutique stadium on the Tauranga Domain was found to be feasible and the next phase, including a business case, is due to be completed by the end of 2022.
- The Western Bay of Plenty Infrastructure Forum was established in early 2022 in partnership with the EMA, Tauranga Business Chamber, Port of Tauranga, Ballance Agri-nutrients, Urban Task Force, Tauranga Māori Business Association, Tranzliquid and Zespri as a platform to highlight the infrastructure needs of this region. The group exists to actively discuss key challenges and advocate for the infrastructure needs critical for business success.



BUILDING A CITY THAT MEETS
THE NEEDS OF RESIDENTS FOR
TODAY, AND TOMORROW

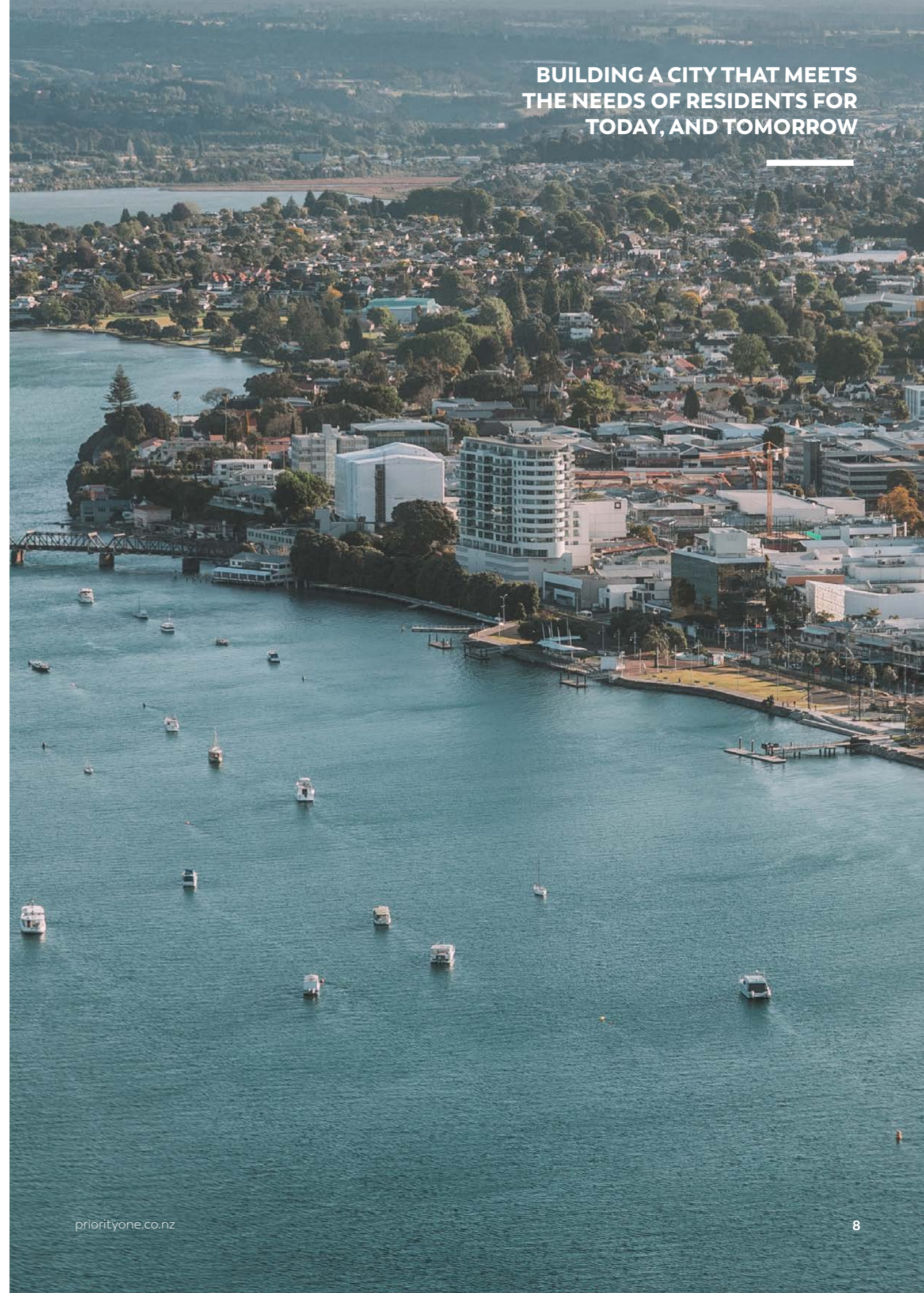




Image credit: Love Kiwis

WORTHY MENTIONS ACROSS THE REGION

Ngā kōrero whaitake

Kiwifruit Breeding Centre

Horticulture plays a vital role in the Western Bay of Plenty economy, and the recent establishment of the Kiwifruit Breeding Centre, a 50/50 joint venture between Zespri and Plant & Food Research, is pivotal for the industry. The centre exists to boost innovation to create healthier, better tasting and more sustainability-focused varieties and to extend our position as the world's leading innovator in kiwifruit.

**Priority One
acknowledges and
thanks all members and
funding partners for
their ongoing support.**

City in transition

Tauranga City Council has recently approved the city's long-term plan, setting the foundation for investment into the infrastructure that the city has been lacking, a pivotal time for the city. The Civic Precinct, Cameron Road upgrade and waterfront developments are all examples of crucial public sector investment needed to support the private investment into the city centre and the work alongside the Priority One CBD Blueprint.



Business attraction

Tauranga continues to perform well from a business growth and attraction perspective. Winstone Wallboards, part of Fletcher Building, worked with Priority One to identify Tauranga as the suitable location for their \$400 million GIB manufacturing plant. This forms part of the rapidly developing Tauriko Business Estate.

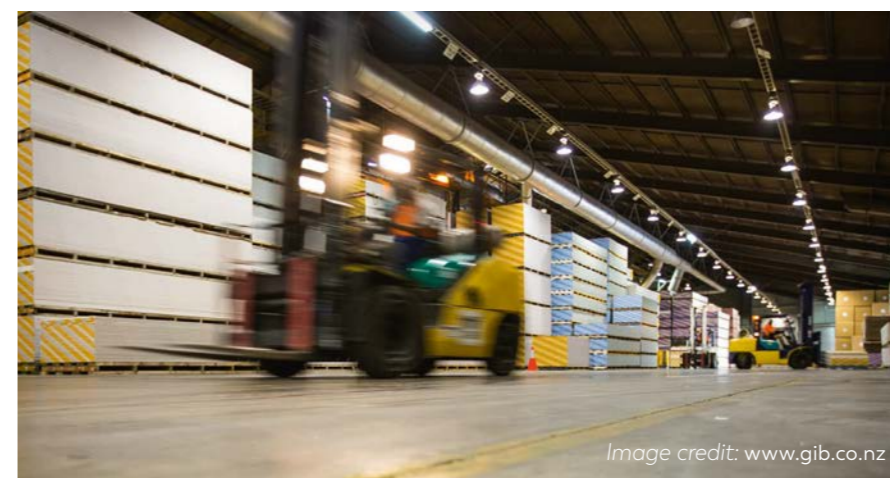
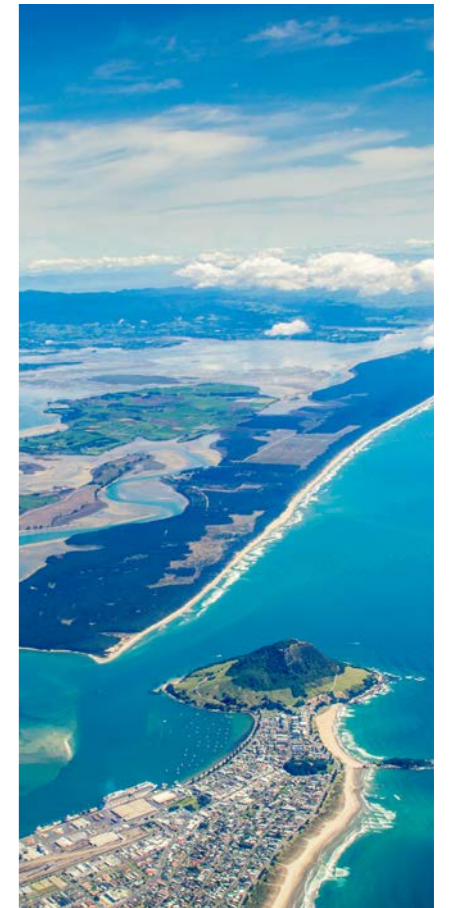


Image credit: www.gib.co.nz

TAURANGA CONTINUES TO BE A PLACE OF INTEREST FOR BUSINESSES LOOKING TO RELOCATE



Strong membership support

Priority One has revised and strengthened our membership structure during the past year. This is needed to ensure future sustainability and impact. Priority One's structure is unique within Aotearoa New Zealand and allows us to be an independent voice for business and have a strong and productive relationship with councils. We acknowledge and express gratitude to all our members for your support and feedback as we undertook this process and thank you all for your ongoing support.

FINANCIAL STATEMENTS

Ngā tauākī pūtea



for the year ended 30 June 2022



Report contents

	Page
Directory	3
Financial statements	
Statement of Comprehensive Revenue and Expense	4
Statement of Changes in Net Assets	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 15
Auditors report	
Auditors report	16 - 18

Directory

as at 30 June 2022

Purpose Priority One Western Bay of Plenty Incorporated ('the Society') is incorporated under the Incorporated Societies Act 1908. Its purpose is to develop the economy of the Western Bay of Plenty region by building a vibrant economy that retains and attracts talented, skilled and creative people and the businesses that need them.

Chair Simon Clarke (re-elected 1 January 2022)

Deputy Chair Te Horipo Karaitiana (appointed 1 November 2021)
Kylie Boyd (retired 22 October 2021)

Executive Board As at 30 June 2022:
Marty Grenfell
Scott McKenzie
Fiona McTavish
Steven Saunders
Kevin Palmer
Peter Tinholt
Dan Kneebone
Richard Hopkins
Wayne Beilby
Jon Murie
John Holyoake
Chistina Finlayson
Laura Murphy

Resigned/retired during the year ended 30 June 2022:
Miriam Taris
Matire Duncan

Auditors Baker Tilly Staples Rodway Audit Limited
Level 1, 247 Cameron Road
Tauranga 3110

Bankers ANZ
SBS

Business Address Ground Floor, 29 Grey Street
Tauranga 3110

Registered Office Holland Beckett Lawyers
The Hub on Cameron
525 Cameron Road
Tauranga 3110

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Membership Fees	3	470,623	303,805
Funding Revenue	3	2,856,437	2,641,489
Interest Received		3,605	2,489
Dividend income		41,867	-
Other Income		5,698	27,779
Total Revenue		3,378,229	2,975,562
Operating and Project Expenses		1,566,439	1,446,193
Employee Benefits Expense	4	1,209,779	1,005,504
Administration Expenses	5	488,709	368,632
Total Expenses		3,264,927	2,820,330
Net Surplus/(Deficit)		113,301	155,232
Other Comprehensive Revenue and Expense for the Year			
Gain/(loss) in fair value movement of investment in WNT Ventures	8	(24,439)	155,747
		(24,439)	155,747
Total comprehensive revenue and expense		88,862	310,979

Statement of Changes in Net Assets

For the year ended 30 June 2022

	Investment fair value reserve	Accumulated Funds	Total Equity
Balance at 1 July 2020	143,096	568,325	711,421
Total Comprehensive Revenue and Expense			
Surplus/(Deficit) for the year	-	155,232	155,232
Other Comprehensive Revenue	155,747	-	155,747
Total Comprehensive Revenue and Expense	155,747	155,232	310,979
Balance at 30 June 2021	298,843	723,557	1,022,400
Total Comprehensive Revenue and Expense			
Surplus/(Deficit) for the year	-	113,301	113,301
Other Comprehensive Revenue	(24,439)	-	(24,439)
Total Comprehensive Revenue and Expense	(24,439)	113,301	88,862
Balance at 30 June 2022	274,404	836,858	1,111,262

Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
Current Assets			
Cash and Cash Equivalents	6	772,004	1,084,378
Short term deposits	6	70,856	70,205
Trade and Other Receivables	7	501,794	163,681
		1,344,654	1,318,264
Non-current Assets			
Investments	8	347,788	372,327
Property, Plant and Equipment	9	54,907	75,119
		402,694	447,445
Total Assets		1,747,349	1,765,709
Current Liabilities			
Accounts Payable	10	229,843	277,634
Employee Entitlements	11	51,367	55,442
Deferred Revenue		354,876	377,734
Provisions	12	-	32,500
		636,086	743,310
Total Liabilities		636,086	743,310
Net Assets		1,111,262	1,022,399
Equity		1,111,262	1,022,399



Chair
19 September 2022



Chief Executive
19 September 2022

Statement of Cash Flows

For the year ended 30 June 2022

Note	2022 \$	2021 \$
Cash flows from operating activities		
<i>Cash was provided from:</i>		
Membership receipts	374,890	324,788
Funding received	2,577,900	2,541,908
Interest	3,376	3,039
Dividends	41,867	588
Other operating receipts	5,698	27,192
	3,003,729	2,897,514
<i>Cash was applied to:</i>		
Employee and Supplier Payments	(3,270,411)	(2,670,509)
	(3,270,411)	(2,670,509)
Net cash flow - operating activities	(266,682)	227,005
Cash flows from investing activities		
<i>Cash was provided from:</i>		
Capital proceeds from investment distribution	-	133,000
Proceeds from sale of investments	-	15,000
	-	148,000
<i>Cash was applied to:</i>		
Purchase of investments	(32,500)	-
Purchase of short term deposits	(651)	(1,504)
Purchase of property, plant and equipment	(12,541)	(13,267)
Payments to finance leases	-	(4,364)
	(45,692)	(19,135)
Net cash flow - investing activities	(45,692)	128,865
Net cash flow for the year from all activities	(312,374)	355,870
Cash at beginning of year	1,084,378	728,508
Cash at end of year	772,004	1,084,378
<i>Represented by:</i>		
Cash on hand and at bank	6	772,004
		1,084,378

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the year ended 30 June 2022

1 Reporting Entity

Priority One Western Bay of Plenty Inc. ('the Society') is incorporated under the Incorporated Society's Act 1908. Its mission is to develop the economy of the Western Bay of Plenty region. It was incorporated on 20th April 2001.

The Society is considered a public benefit entity for the purposes of financial reporting in accordance with External Reporting Standard A1 *Application of the Accounting Standards Framework*.

Its purpose is to develop the economy of the Western Bay of Plenty region by building a vibrant economy that retains and attracts talented, skilled and creative people and the businesses that need them.

2 Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

(a) Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Principles ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards, as appropriate for Tier 2 not-for-profit public benefit entities. The entity has elected to report in accordance with the Tier 2 standards, taking advantage of all disclosure concessions as it is not publicly accountable and has expenses less than \$30 million.

These financial statements were authorised for issue by the Executive Board on 19 September 2022.

(b) Measurement Basis

The financial statements have been prepared on the basis of historical cost, apart from investments which are carried at fair value.

(c) Functional Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar (\$).

(d) Goods and Services Tax

All balances are presented net of goods and services tax (GST), except for receivables and payables which are presented inclusive of GST.

(e) Income tax

Priority One is exempt from income tax under CW 40(1) of the Income Tax Act 2007.

Notes to the Financial Statements

For the year ended 30 June 2022

3 Revenue

Membership Fees	2022	2021
Exchange Revenue	\$	\$
Membership Fees	470,623	303,805
	470,623	303,805

Funding Revenue	2022	2021
Non Exchange Revenue	\$	\$
Local Authority Funding	1,665,244	1,874,089
INSTEP Funding	141,525	126,500
Project Funding	1,049,668	640,900
	2,856,437	2,641,489

In the year, the Society received a grant of \$45,000 for the INSTEP programme from BayTrust. As there was no spending on the programme in line with the grant conditions during the year, the full amount has been included in the deferred revenue current liability, with the expectation the funds are to be spent in the next 12 months.

Policies

Membership fees are recognised when invoiced, which is on the date of the member's joining anniversary. Membership fees in-kind are recognised at the end of the year in which the corresponding expenditure has been incurred.

Local Authority Funding - Funding income is recognised as income when it becomes receivable, at the fair value of the amount receivable, unless the Society is required to repay the funding income if requirements are not met. A liability is recognised to the extent that such milestones in the contract are unfulfilled at the end of the reporting period.

Grants - Grant income is only able to be deferred when there is a use or return obligation and the conditions have not yet been met. Included within INSTEP funding and project funding are grants which are recognised initially as deferred income (at the fair value of the consideration received) and then recognised as income when there is reasonable assurance that they will be received and that Priority One will comply with the conditions associated with the grant.

Notes to the Financial Statements

For the year ended 30 June 2022

4 Employee Benefits

	2022	2021
	\$	\$
Wages and Salaries	1,136,495	978,057
Other employee benefits	73,284	27,447
	1,209,779	1,005,504

5 Administration Expenses

	2022	2021
	\$	\$
<i>Included within Administration expenses are the following:</i>		
Audit Fees	15,000	13,700
Depreciation	21,388	22,264
Rent & Car park lease payments	133,963	134,708

6 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash and Bank Balances	772,004	1,084,378
	772,004	1,084,378

Policies

Cash and cash equivalents are cash balances that are short term in nature (with an original maturity of three months or less) for the purposes of the Statement of Cash Flows, and are classified as a Loans and Receivables financial asset.

Short Term Deposits have maturities between 90 days and 1 year and are shown as current assets, and are not included as cash and cash equivalents.

7 Trade and Other Receivables

	2022	2021
	\$	\$
Accounts Receivable (Exchange transactions)	463,164	114,653
Accrued interest	538	309
GST Refund	-	4,464
Prepayments	38,092	44,255
	501,794	163,681

Accounts receivable are shown net of allowances for bad and doubtful debts of \$nil (2021: \$nil).

Policy

Accounts receivable are initially measured at fair value, then adjusted for any impairment. Accounts receivable are classified as a Loan and Receivables financial asset.

Notes to the Financial Statements

For the year ended 30 June 2022

8 Investments

	2022 \$	2021 \$
Shares - PlantTech Research Institute Limited	-	100
WNT Ventures Limited Partnership	347,788	372,227
	347,788	372,327

Priority One sold its shares in PlantTech Research Institute Limited during the 2022 financial year to PlantTech Research Institute Incorporated, of which Priority One is a member (2021: a share of 10% is held in PlantTech Research Institute Limited).

In March 2022 the shareholders of PlantTech Research Institute Limited resolved to transfer all shares to PlantTech Research Institute Incorporated, of which Priority One is a member. Prior to the transfer a dividend was declared, Priority One received a net dividend of \$40,687. Under the restructure agreement all dividends were then to be immediately paid to the newly set up Society by way of a member's contribution. PlantTech Research Institute Limited is now 100% owned by PlantTech Research Institute Incorporated.

Priority One has entered into an agreement to invest up to \$350,000 over a period of one to five years in WNT Ventures Limited Partnership.

At balance date a share of 10% is held in WNT Ventures Limited Partnership (2021: 10%).

The fair value for WNT Ventures Limited Partnership is based on 10% of the net assets per unaudited financial statements prepared by WNT Ventures Limited Partnership, previously adjusted for calls not yet made. The final call was made in the current financial year.

Previously management has based their assessment of the fair value of the investment in the WNT Ventures Limited Partnership at balance date on information provided in audited financial statements of WNT Ventures Limited Partnership. In 2020, WNT Ventures Limited Partnership changed their reporting basis and no longer include fair value assessments in their audited financial statements. As with 2021, the estimate of fair value has been based on unaudited WNT Management estimates.

PlantTech Research Institute Limited and WNT Ventures Limited Partnership are both considered related parties. Refer Note 14.

Policy

Investments classified as "Available-for-sale financial assets" are designated at initial recognition at fair value through other comprehensive revenue and expense. They are initially measured at fair value plus transaction costs. They are subsequently measured at their fair value with gains and losses recognised in other comprehensive revenue and expense. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred within equity to accumulated surplus/(deficit).

Key sources of estimation uncertainty

Key sources of estimation uncertainty as at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include venture capital in start ups and fair value based on WNT Venture Limited Partnership's assessment of future expectations.

Notes to the Financial Statements

For the year ended 30 June 2022

9 Property, Plant and Equipment

	Computer and Office Equipment	Leasehold Improvements	Total
Cost			
Balance at 1 July 2020	133,406	135,084	268,490
Additions	13,267	-	13,267
Balance at 30 June 2021	146,673	135,084	281,757
Balance at 1 July 2021	146,673	135,084	281,757
Additions	12,534	-	12,534
Disposals	(16,690)	(54,595)	(71,285)
Balance at 30 June 2022	142,517	80,489	223,006
Depreciation			
Balance at 1 July 2020	(84,187)	(100,188)	(184,375)
Depreciation	(13,472)	(8,792)	(22,264)
Balance at 30 June 2021	(97,659)	(108,980)	(206,639)
Balance at 1 July 2021	(97,659)	(108,980)	(206,639)
Depreciation	(14,612)	(6,776)	(21,388)
Disposals	15,471	44,457	59,928
Balance at 30 June 2022	(96,800)	(71,299)	(168,099)
Carrying Amounts			
Balance at 30 June 2020	49,220	34,896	84,115
Balance at 30 June 2021	49,014	26,104	75,119
Balance at 30 June 2022	45,717	9,190	54,907

Policies

Measurement

All property plant and equipment are stated at cost less accumulated depreciation.

Depreciation

Depreciation is allocated over the estimated useful life of the asset. The following methods are used in the calculation of depreciation:

Leasehold Improvements	Straight line over remaining expected lease term
Computer & Office Equipment	1.5-12 years Straight Line

Notes to the Financial Statements

For the year ended 30 June 2022

10 Accounts Payable

		2022	2021
		\$	\$
Accounts Payable		188,980	216,658
Related Party Payable	13	7,100	41,961
GST payable		22,764	-
Accrued expenses		10,999	19,015
		229,843	277,634

Policy

Accounts payable are recognised at cost when the Society becomes obliged to make future payments resulting from the purchases of goods and services. Accounts payable are classed as an 'other amortised cost financial liability'.

11 Employee Entitlements

		2022	2021
		\$	\$
Short Term			
Accrued Wages, Salaries and Holiday Pay		51,367	55,442
		51,367	55,442

Policy

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

12 Provisions

		2022	2021
		\$	\$
Opening balance 1 July		32,500	57,000
Provisions made during the year		-	-
Provisions used during the year		(32,500)	(24,500)
Unused provisions reversed during the period		-	-
Closing balance 30 June		-	32,500
		2022	2021
		\$	\$
Current		-	32,500
Non-current		-	-
		-	32,500

Capital Call

Priority One had an agreement to commit \$350,000 to WNT Ventures Limited Partnership over 5 years as part of a capital call agreement. The contributions were made when requested by the Limited Partnership dependant on business needs. The final capital call was made during the current financial year.

Policy

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Notes to the Financial Statements

For the year ended 30 June 2022

13 Related Party Transactions

(i) Key Management & Governance Personnel Remuneration

Priority One classifies its key management personnel in to the following categories:

- Directors
- Executives

Priority One had 18 directors during the year ended 30 June 2022 (2021: 20). Other than the Independent Chair, the directors did not receive any remuneration for their services.

The annual Independent Chair fee is determined by the Board and is currently set at \$30,000 (plus GST) per annum. Simon Clarke was reappointed by the Board with effect from 1 January 2022 and was paid Chair fees of \$30,000 (plus GST) in the financial year. All other Board members provided their services for free.

Executives are employees and are on standard employment contracts. Priority One had four Officers in this category during the year ended 30 June 2022 (2021: two). Remuneration of these Officers and the Independent Chair during the period amounted to \$613,173 (2021: \$412,038).

(ii) Transactions with other related parties

Priority One transacts with other related parties in the normal course of their business. Such entities include those related by virtue of common governance and management personnel.

During the year, Priority One made the following purchases from related parties and at year end, the following balances remained owing:

	Purchases 2022	Payable 2022	Purchases 2021	Payable 2021
	\$	\$	\$	\$
Toi Kai Rawa (Operating and Project Expenses)	71,400	-	175,751	39,029
Bay Venues Limited	15,061	4,225	-	-
Matua Governance Limited	30,000	2,875	7,175	2,875
	116,461	7,100	189,376	41,961

WNT Ventures Management Limited is considered a related party due to Steven Saunders (Director) also being a director of WNT Ventures Management Limited. Other than the investment of capital and receipt of distributions, there have been no transactions during the year (Refer Note 8).

PlantTech Research Institute Limited is considered a related party due to Steven Saunders (Director) and Nigel Tutt (Chief Executive) also being directors of PlantTech Research Institute Limited. Transactions relating to low value assets purchased, total \$300 (2021: \$Nil). PlantTech Research Institute Limited shares were transferred to PlantTech Research Institute Incorporated during the year. Refer to Note 8 for further details.

Toi Kai Rawa is considered a related party due to Priority One Director, Te Horipo Karaitiana also being on the board of Toi Kai Rawa.

Bay Venues Limited is considered a related party due to Priority One Chair, Simon Clarke also being the Chair of Bay Venues Limited (appointed July 2021).

Notes to the Financial Statements

For the year ended 30 June 2022

14 Commitments

An operating lease exists for ground floor of the property at 29 Grey Street Tauranga, with the current lease term expiring on 30 June 2023.

A number of operating leases are also held for office equipment and motor vehicles with periods up to three years.

Immaterial finance leases have been accounted for as operating leases and included in lease commitments disclosure.

Operating Lease Commitments	2022 \$	2021 \$
No later than one year	164,221	68,236
More than one year	17,433	61,272
	181,654	129,508

15 Contingent Liabilities

There were no contingent liabilities as at 30 June 2022 (2021: nil).

16 Subsequent events

There are no subsequent events to disclose.

INDEPENDENT AUDITOR'S REPORT

To the Members of Priority One Western Bay of Plenty

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Priority One Western Bay of Plenty ('the Society') on pages 4 to 15, which comprise the statement of financial position as at 30 June 2022, and the statement of comprehensive revenue and expense, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR').

Our report is made solely to the Members of the Society. Our audit work has been undertaken so that we might state to the Members of the Society those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the Society as a body, for our audit work, for our report or for the opinions we have formed.

Basis for Qualified Opinion

As described in Note 8 to the financial statements, the Society bases their assessment of the fair value of the investment in the WNT Ventures Limited Partnership ('WNT') at balance date on unaudited WNT Management estimates. Accordingly, there is insufficient appropriate audit evidence available to enable us to form an opinion on whether the carrying value of investment in WNT amounting to \$347,788 and the consequent impact on Other Comprehensive Income is materially correct.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 (Revised) *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Priority One Western Bay of Plenty.

Other Information

The Executive Board is responsible for the other information. The other information comprises the information included in the Society's annual report for the year ended 30 June 2022 (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Board for the Financial Statements

The Executive Board is responsible on behalf of the Society for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the Executive Board determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Board is responsible on behalf of the Society for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Board either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of Priority One Western Bay of Plenty for the year ended 30 June 2022 included on Priority One Western Bay of Plenty's website. The Executive Board of Priority One Western Bay of Plenty is responsible for the maintenance and integrity of Priority One Western Bay of Plenty's website. We have not been engaged to report on the integrity of

Priority One Western Bay of Plenty's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyper linked to or from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 19 September 2022 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Baker Tilly Staples Rodway

BAKER TILLY STAPLES RODWAY AUDIT LIMITED

Tauranga, New Zealand

19 September 2022



Priority One
Tauranga
Moana

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