



New Zealand
**Venture
Investment
Fund**

Start-up capital for New Zealand technology companies



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Case Study

Short and sharp UV boosts results

Agri-tech company BioLumic has developed UV technology which improves the performance and yield of crops.

BioLumic's test crops of lettuce, grown in different conditions in places like Britain, Spain and Mexico, increased yields by up to 40 per cent. The technology's uniqueness – developed by the founders at Massey University – is the short duration of its UV treatments – between one to two weeks for seedlings and a matter of minutes for seeds. Once the plants have been treated, they do not need any further treatment for the rest of their lives.

www.biolumic.com



Highlights

STRONG YEAR

\$18.3m

Strong year for cash realisations
\$18.3 million returned to NZVIF

**OVERALL ANGEL
INVESTMENT HITS OVER**

\$100m

\$11.2m

Value of NZVIF investments increased
by \$11.2 million

\$300m

With VIF 1.0 winding down, Crown commits
to a new \$300 million fund of funds program

44

SCIF – 190 investments
reviewed, \$9.6 million
invested into 44 companies



Chairman and CEO report

Murray Gribben — *Chairman*



The past year has been notable for both the government’s move to address the shortage of Series A and B investment and the impressive continuing growth of angel investment. While new start-ups are being well served by seed and angel investment, the big gap in New Zealand’s capital markets is where companies are looking to scale up with Series A and B rounds typically requiring between \$2 million and \$20 million capital injections in order to grow.



Richard Dellabarca — *Chief Executive*

As our shareholding Ministers have outlined, New Zealand needs fast growing firms to be operating in a healthy, well-capitalised start-up ecosystem so that more of our aspirational start-ups can compete and succeed globally from New Zealand.

To achieve this, this year’s Budget allocated \$240 million of new capital to a venture capital fund-of-fund. In all, \$300 million will be available to be invested through a new commercially run fund-of-funds model to address the capital gap for New Zealand entities and to develop New Zealand’s venture capital markets to function more effectively over time. This \$300 million comes from two sources. The first is \$60 million of existing NZVIF assets. The second is by redirecting \$240 million of contributions from the New Zealand Superannuation Fund (NZSF) over five years. The new fund is to be known as the Venture Capital Fund (VCF).

The addition of \$300 million in this market will be leveraged several times over by investments from private sector players – so we expect that with matching private capital, we will see a total investment deployed into growth opportunities of potentially up to around \$1 billion over the next 10 – 15 years.

The model involves the Guardians of New Zealand Superannuation (the Crown entity managing the \$43 billion NZSF) appointing NZVIF to manage the VCF, with NZVIF in turn appointing a number of private sector venture capital fund managers. These fund managers, which will include both domestic and international investors, will select the companies to invest in.

\$300 Million.

THE ADDITION OF \$300 MILLION IN THIS MARKET WILL BE LEVERAGED SEVERAL TIMES OVER BY INVESTMENTS FROM PRIVATE SECTOR PLAYERS.

\$9.6 Million.

SCIF INVESTED \$9.6 MILLION OVER THE 12 MONTHS. THE BROADER NEW ZEALAND ANGEL SECTOR MEANWHILE SAW ITS ANNUAL INVESTMENT LEVELS SOAR TO OVER \$110 MILLION IN CALENDAR YEAR 2018.

The funds will be committed over an estimated five years as investment managers meet the appointment thresholds and identify suitable companies to invest in. They will be required to source private capital in order to receive NZVIF funding.

Since the May announcement, the Treasury, the Ministry of Business, Innovation and Employment, the Guardians and NZVIF have been working together to progress the required legislative changes, formulation of relevant policy, and design the governance frameworks for the new fund. Legislation is projected to be in place in before the end of calendar year 2019, with the process of making initial capital commitments commencing in Q1 2020.

There has been a lot of market interest in the initiative, from both international and domestic fund managers, which has already been an observable positive benefit for the New Zealand eco-system. Ministers, Officials and the Guardians desire to see a range of fund types and sizes supporting New Zealand's high growth companies.

Attracting a range of investors into these funds (both from New Zealand and abroad) will be essential to building a healthy and sustainable investment environment. Over time it is hopeful that these funds will generate appropriate returns for the asset class which will make the sector attractive to domestic institutions, KiwiSaver fund managers, corporates, iwi, family offices, and retail investors.

In parallel with this new fund, we will continue to support the angel and seed stages of our early capital markets through the successful Seed Co-investment Fund (SCIF) programme. Ensuring we have a good pipeline of early-stage companies is an essential part of any well-functioning capital cycle, and crucial to the success of the new VCF.

Last financial year, SCIF invested \$9.6 million over the 12 months. The broader New Zealand angel sector meanwhile saw its annual investment levels soar to over \$110 million in calendar year 2018. While we remain well behind the likes of the United States (US) and the United Kingdom (UK) on both a per capita basis, and on our average investment amounts into start-ups, the growth in angel investment over the past decade has been impressive.

The SCIF investment follows the introduction of a more flexible fund mandate in 2017, allowing more investment flexibility to reflect the changing requirements of the early-stage investment ecosystem.

The eco-system is healthy but there remains significant work to do.

The changes gave SCIF far more flexibility in terms of how it invests and alongside whom. Raising the cap on what the fund can invest into any one company, and giving the fund more discretion on where it invests and who

it invests alongside, has enabled it to support companies across New Zealand. And allowing the fund to co-invest alongside qualified investors – in addition to the previous requirement that investment had to be via its angel group partners – has meant the fund's capital became available to a far broader range of New Zealand early-stage growth companies.

Under these new settings, the Crown desires SCIF to over time become self-sustaining, generating investment returns similar to its private sector partners. That said, SCIF will never be a pure financial investor consistent with a private sector mandate given its ongoing market development function.

The challenge ahead is to continue both SCIF and the broader angel sector's growth. With the venture capital fund-of-fund focusing on Series A and B rounds, we need a healthy pipeline of promising companies coming through to meet anticipated increase in demand for investable opportunity. The current pipeline sees hugely promising companies like Aroa, Ask Nicely, Auror, BioLumic, Dexibit, Engender, FaceMe, Fuel50, Montoux, Parrot Analytics and SwipedOn.

New Zealand has been producing a unicorn – a billion-dollar company – a year for the past decade spearheaded by companies like Xero and Rocket Lab. More recently, we have seen the development of Allbirds – co-founded by New Zealander Tim Brown – and the sale of Transaction Services Group – founded in 2004

by Murray Bolton – to a US private equity giant. This shows the eco-system is healthy but there remains significant work to do. We look forward to working with the eco-system to expand it further.

NZVIF is a small organisation with eight full-time and two part-time staff who run multiple programmes – SCIF, VIF, market development activities, as well as working to comply with the significant reporting obligations that all Crown owned entities operate within (despite our small team, we face the same reporting requirements of ACC and the Guardians). In addition, NZVIF has now been tasked with implementing the VCF in 2019/20.

The past year saw three staff depart to set up their own fund, which was unfortunately not a possible pathway internally given the mandate of NZVIF. The most significant of these being that of highly regarded Investment Director Aaron Tregaskis, who became synonymous with NZVIF over a 15-year period. We want to personally thank Aaron for all he has done for both NZVIF and the wider eco-system, and wish him the best with the next part of his journey. From our perspective, while always disappointed to have a highly regarded colleague leave, it is pleasing to see this sort of career progression out of a small agency for wider benefit of the eco-system and NZ Inc.

In addition, Bridget Unsworth departed after 9 years with NZVIF. As with Aaron, we wish to both acknowledge the contribution of Bridget to NZVIF and the wider eco-system, as well as wish her the best for the next part of her journey which we believe will be to the wider benefit of the eco-system and NZ Inc. We are fortunate that the team has been replaced by equally high-quality people, with a great blend of experience and skill sets to take NZVIF forward.

In what has been a very busy 12 months, we thank the NZVIF board and management team for their contribution to this year's performance and for their professionalism and commitment to achieving NZVIF's objectives. We have two new board members, Debbie Birch and Emma Loisel, who joined the board in November 2018 and have brought considerable experience, capability and energy to the organisation, and we look forward to working with them in the future.



Murray Gribben
Chairman



Richard Dellabarca
Chief Executive

Board of directors

The board of directors are appointed by the government to oversee the performance of the New Zealand Venture Investment Fund business.



Murray Gribben — *Chairman**

Murray Gribben's professional background is in corporate finance and investment management. He has broad knowledge of, and experience in, both the public and private investment markets. He has been involved in bringing businesses to the public markets, public to private acquisitions, large capital raising processes and investing in private equity, infrastructure and property assets. His earlier career was spent in investment banking and at the New Zealand Treasury.

He is currently chief executive of Crown Irrigation Investments Limited and was previously executive director at Willis Bond & Co, a property development and investment business. Prior to that Murray was Managing Director at AMP Capital Investors. Murray holds several governance positions.

**Reappointed as a Chairman in October 2019 for a further 1.9 years*



David Flacks — *Deputy Chairman*

David Flacks is an Auckland based lawyer and company director with extensive capital markets and governance experience. He is Chair of AFT Pharmaceuticals, Harmony Corporation and biotech start-up Upside Biotechnologies, and a director of the Vero group of companies and a number of not for profit organisations. Previously he was a partner of Bell Gully and senior executive at Carter Holt Harvey.



Debbie Birch — *Director**

Debbie Birch has significant financial, commercial and strategic investment experience gained in Asia, Australia and New Zealand with more than 30 years working in global capital markets. She is currently Chair of Taupo Moana Investments Limited and holds directorships on Tourism Holdings; RAL; Ngati Awa Group Holdings and subsidiaries; LGNZ Independent Assessment Board; Portfolio Management Services, Raukawa ki te Tonga AHC and is a Trustee of Wellington Free Ambulance Trust.

**Appointed on 1 November 2018 for 2.7 years*



Richard Hughes — *Director*

Richard Hughes has spent much of his career in the private equity industry in the United Kingdom, China, Australia and New Zealand, and has also held roles in emerging market venture capital funds in Africa, Central America, and Asia. He is a Chartered Accountant and graduated from Trinity College, Cambridge where he read Engineering.



Emma Loisel — *Director**

Emma Loisel has been a C-Suite business leader and Board member of blue chips, start-ups and high growth tech companies. Much of her career was spent in the UK where she built and sold three digital media and ad-tech companies. As an angel investor she invested a number of companies and remains Chair of her lead investment which she co-founded, Volcano Coffee Works. She holds a Masters in Criminology.

**Appointed on 1 November 2018 for 2.7 years*

UneeQ delivers results



UneeQ (formerly FaceMe) is an Auckland-based company developing AI technology which introduces an emotional connection into digital customer service communications and engagement.

It shifts the way we engage with companies from a simple computer voice to a far more human-like connection. The company's "conversation platform" technology is being backed by a range of investors, including Icehouse Ventures, Australian fund Alium Capital, and NZVIF.

www.digitalhumans.com



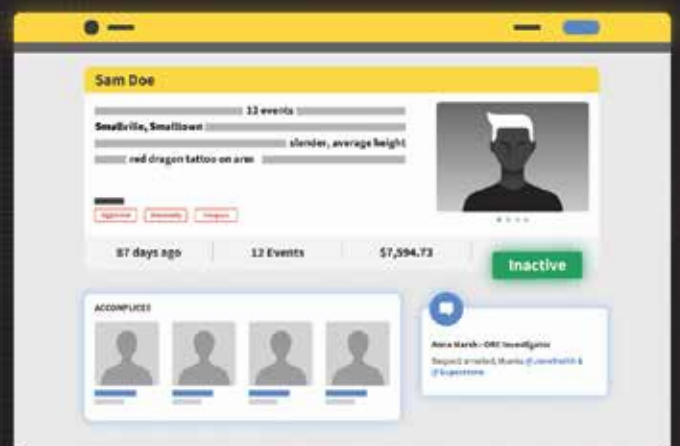
Stopping retail crime. For good.



Auror is the Retail Crime Intelligence Platform to report, solve and prevent crime.

Auror empowers some of the world's largest enterprise retailers with the tools and intelligence to stop prolific offenders and organised retail crime gangs from targeting their stores for good.

www.auror.co





Delivering a headstart in healing



Auckland based Aroa Biosurgery taps a uniquely New Zealand bio-resource to serve the world's most demanding medical market.

Ten years of investment in R&D and developing products and markets are starting to pay off for a supportive family of shareholders, including the New Zealand Venture Investment Fund.

Aroa manufactures biomaterials for tissue regeneration marketed under brands such as Endoform™ and Ovitex™ which are processed from sheep rumens.

The products have already been used in more than 5 million complex wounds and surgical soft

tissue repair applications in the demanding US market. Over the past year, the company has seen rapid growth off a low base in Germany, Austria, Thailand, Canada, Jordan, India and South America, and turned its maiden profit.

The coming year will see Aroa pursue further growth, by leveraging its own 30-strong US based sales team, introducing new products and planning to raise further capital for growth.

www.aroabio.com

Investment report

In the 2019 year the primary focus for NZVIF was executing on our investment strategy and starting to validate that this strategy can deliver returns.

The Seed Co-investment Fund (SCIF) continued to operate under the revised investment mandate of August 2017 and there were promising signs that these changes are having the desired effect. The flexibility to invest alongside a range of investors resulted in significantly higher volume and quality of deal flow than under the prior mandate. In addition, a number of portfolio companies successfully raised Series A capital in the 2019 year and under the revised mandate SCIF was able to take up their pre-emptive rights in these rounds. This is in line with the overall strategy of weighting more of the portfolio into companies that are chasing global opportunities and that have the potential to deliver outsized returns, and ultimately contribute to building a self-sustaining programme.

The high number of portfolio companies that raised Series A capital in the 2019 year resulted in the self-imposed investment caps of \$8 million per annum and \$1.5 million per company becoming a barrier to SCIF executing on the strategy to follow-on into companies that are performing well. As a consequence of six portfolio companies wanting NZVIF to follow-on in subsequent rounds, NZVIF therefore applied for, and was granted, an exemption to exceed the \$8 million cap in the 2019 year and the \$1.5 million cap for a specific company, in order to support the growth strategies of these portfolio companies.

The Venture Investment Fund (VIF) programme, which commenced in 2002, continues to focus on realising returns from existing investments. This strategy is expected to continue as the fund is not expected to make any new investments going forward under that programme, with the focus for the next financial year on execution of the \$300 million VCF announced in the May 2019 budget.

Investment Activity

SCIF invested \$9.6 million into 44 companies over the 2018/19 year. NZVIF reviewed 190 investment opportunities during the year and invested into 21 new companies. The increase in total dollars invested compared with prior years was driven by large follow-on investments with the number of investments made actually decreasing slightly year on year. Our existing co-investment angel partners remain an important source of quality deal flow with 53% of our investments being made into companies that were brought to us by these partners.

VIF allocated a total of \$1.5 million under existing Limited Partner commitments during the 2018/19 year. With only GD1 Fund II actively making new investments, this level of activity was in line with expectation.

Investment Realisations

NZVIF had another strong year for cash realisations from the sale of investments, with \$18.3 million being returned to NZVIF during 2018/19. This continues the significant change in trend since NZVIF moved to a more active investment mandate in August 2017 versus the previous passive mandate.

VIF contributed \$13.0 million of this with a number of funds operating in realisation mode. Cash was returned from a number of investments including ikeGPS, Omni, Orion, PowerbyProxi, and Pukeko Pictures. SCIF contributed \$5.3 million in realisations with these returns driven largely by exits from our investments in Biomatters, Engender, Sharesight, and SwipedOn.

Investment Performance

The value of NZVIF investments increased by \$11.2 million over the past year, representing a significant increase in performance over the previous period. This increase was driven by realised gains from sale of investments across both SCIF and VIF as well as increases in the value of the SCIF portfolio companies that successfully raised further capital. The value of the Crown's investment in NZVIF has increased by 1.7% per annum over the past 5 years. As the balance of the SCIF portfolio continues to shift towards high-growth opportunities that are showing good market traction, we would hope to see that return profile increase for the Crown over the medium term.

Investment performance and activity

Impact one — Increased levels of private capital invested into high growth companies

Measures	30 June 2018 Actual	30 June 2019 Actual	Full year SOI Forecast 2018/19
1. Total amount invested by the market into NZ high growth companies p.a.	\$142m	\$151m	\$150m
2. Total number of companies invested by NZVIF p.a.	not measured	51	25
3. Number of early-stage companies raising Series A capital	not measured	9	4
4. Total amount of domestic institutional capital committed to NZ venture funds	nil	nil	\$50m

Comment

- The total amount invested into NZ high growth companies as measured by the Startup Investment New Zealand published by PwC New Zealand (PwC) and the New Zealand Private Equity and Venture Capital Monitor published by EY for the year ending 31 December 2018.
- NZVIF invested ~\$9.6 million into 51 companies (SCIF 44, VIF 7) across 56 separate transactions in the financial year to 30 June 2019. This is a new measure and was not reported in the year to 30 June 2018; the comparative value for that year is 54 which has not been audited.
- NZVIF participated in 8 Series A investment rounds (defined as capital raises of greater than \$5 million where a professional investor such as a venture capital fund was involved) in the year to 30 June 2019. Our angel partners also reported the completion of 1 Series A round where NZVIF did not participate. This is a new measure and was not reported in the year to 30 June 2018; the comparative value for that year is 3 which has not been audited.
- Simplicity have committed to invest \$2 million into Icehouse Ventures with the intention of investing into funds in the future; the NZSF has invested into Movac Fund 4 but the amount committed is private information and this fund has primarily done expansion stage investments.

Impact two — Increased number of experienced and professional investors who are active in the industry

Measures	30 June 2018 Actual	30 June 2019 Actual	Full year SOI Forecast 2018/19
1. Total number of domestic VC funds >\$50m active in the market	1	1	1
2. Total number of domestic funds <\$50m (micro/seed funds) active in the market	not measured	8	4
3. Number of active fulltime lead investors in the market (Angel & VC)	180 - 200	190 - 210	35

Comment

- As at 30 June 2019 GD1 Fund 2 is the only VC fund of significant scale investing in the NZ market. Movac Fund 4 was not considered to be a venture fund based on the investments made.
- As at 30 June 2019 Cure Kids Ventures, Impact Enterprise Fund, Matu, Pacific Channel, Punakaiki, Tuhua, WNT and Zino have early-stage funds that are actively investing in the NZ market. This is a new measure and was not reported in the year to 30 June 2018; the comparative value for that year is 6 which has not been audited.
- The number of active investors in the market has remained roughly constant as new investors join the ecosystem and others leave; forecast was based on original network of angel partners, the wider network of investors that NZVIF now works with has proven to be much larger.

Impact three — Increased connectiveness for globally ambitious companies

Measures	30 June 2018 Actual	30 June 2019 Actual	Full year SOI Forecast 2018/19
1. Total number of NZVIF companies with offshore investment	not measured	53	44
2. Number of NZVIF companies with offshore offices	not measured	62	54
3. Exports as a percentage of total revenues generated from NZVIF portfolio companies	80%	61%	>80%
4. Average revenue per employee	\$270,000	\$165,000	\$230,000-\$270,000

Comment

- There has been a continued growth in the number of companies receiving offshore investment over recent years with the 2019 figures exceeding forecast; This is a new measure and was not reported in the year to 30 June 2018; the comparative value for that year is 42 which has not been audited;
- This figure is estimated based on reporting from NZVIF portfolio companies around domestic and offshore employees. NZVIF does not receive this data from its portfolio companies so the available data has been extrapolated. This is a new measure and was not reported in the year to 30 June 2018; the comparative value for that year is 52 which has not been audited. The number of portfolio companies with offshore offices is expected to continue to grow as we put more focus on investing into globally scalable opportunities.
- Exports continue to be a large source of total revenues generated but has been impacted by companies exiting the portfolio.
- Average revenue per employee has decreased as companies have exited the portfolio. Averages for VIF and SCIF portfolios are \$185,000 and \$125,000 respectively.

Impact four — An environment conducive to early-stage investment

Measure	30 June 2018 Actual	30 June 2019 Actual	Full year SOI Forecast 2018/19
1. Market development initiatives and reports supported by NZVIF	4	4	2

Comment

- NZVIF has continued to be involved in supporting market development and met the number of initiatives forecast for the 2019 year. NZVIF supported a number of market education and Angel Association New Zealand (AANZ) events as detailed in the Statement of Service Performance.

Corporate governance statement

NZVIF was incorporated on 1 July 2002 under the New Zealand Companies Act 1993. A Crown Company, the company's principle activity is managing two early-stage investment programmes on behalf of the New Zealand Government. NZVIF is responsible for establishing partnerships with private sector investors and ensuring that appropriate monitoring and reporting arrangements are in place. The overall purpose of NZVIF is to accelerate the growth of the venture capital and early-stage investment industry in New Zealand, through the effective administration of investment programmes.

Management of the Company

The business and affairs of the company are managed by or under the direction or supervision of the Board of Directors.

Board of Directors

The Board, which comprises of non-executive directors, meets six times per year and as required for strategic planning purposes and to progress specific decisions. The Board is accountable to the shareholding Ministers in the manner set out in the NZVIF Constitution and the NZVIF Establishment Funding Agreement.

The Board establishes strategic policy, guides and monitors the business and affairs of the company on behalf of shareholders, and is committed to a high standard of corporate governance. Responsibility for the operation and administration of the company is delegated to the Chief Executive who is accountable to the Board. The Board places emphasis on implementation of venture capital best practice, sound administrative systems and procedures, and regulatory compliance.

Directors

Directors are appointed by the shareholding Ministers following Cabinet approval. Murray Gribben was reappointed as Chairman on 1 July 2019 for a further 2 years. Debra Birch and Emma Loisel were appointed as Directors on 1 November 2018 for 2.7 year terms.

Governance Review

A governance review is undertaken at least annually, to ensure effectiveness of governance structures.

Statement of responsibility for the year ended 30 June 2019

In terms of the Crown Entities Act 2004, the Board and management of NZVIF is responsible for the preparation of the annual financial statements and statement of service performance, and the judgements used in them.

The Board and management of NZVIF accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the management and Board of NZVIF the annual financial statements and statement of service performance for the year ended 30 June 2019 fairly reflect the financial position and operations as at 30 June 2019 of the NZVIF Group.



Murray Gribben
Chairman, 30 October 2019



David Flacks
Deputy Chairman, 30 October 2019



Richard Dellabarca
Chief Executive, 30 October 2019

Independent Auditor's Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of New Zealand Venture Investment Fund Limited Group's financial statements and performance information for the year ended 30 June 2019.

The Auditor General is the auditor of New Zealand Venture Investment Fund Limited Group (the Group). The Auditor General has appointed me, David Walker, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for appropriations, of the Group on his behalf.

Opinion

We have audited:

- the financial statements of the Group on pages 21 to 44, that comprise the statement of financial position as at 30 June 2019, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Group on pages 11 to 12 and 17 to 20.

In our opinion:

- the financial statements of the Group on pages 21 to 44:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2019; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information on pages 11 to 12 and 17 to 20:
 - presents fairly, in all material respects, the Group's performance for the year ended 30 June 2019, including:
 - for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and

- what has been achieved with the appropriations; and
- the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 30 October 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to the uncertainties in the carrying value of unlisted venture capital investments. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Uncertainties in the carrying value of unlisted venture capital investments

Without modifying our opinion, we draw your attention to notes 15, 16 and 22 (c) (on Market price risk) of the financial statements that explain how the fair value of venture capital investments has been determined and the uncertainties in measuring that fair value. Although the fair value of unlisted venture capital investments is based on the best information available, there is a high degree of uncertainty about that value due to the early stage nature of the investments and the absence of quoted market prices. This uncertainty could have a material effect on the Group's statement of comprehensive revenue and expense, and statement of financial position. We consider the disclosures about the above uncertainties to be adequate.

Basis of our opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report. We have fulfilled our responsibilities in accordance with the Auditor General's Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the Group for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error. In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the Group for assessing the Group’s ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Group, or there is no realistic alternative but to do so. The Board of Directors’ responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, 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 carried out in accordance with the Auditor General’s Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Group’s statement of performance expectations. We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information. As part of an audit in accordance with the Auditor General’s Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the Group’s framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 2 to 10, 13 and 45 to 49, but does not include the financial statements and the performance information, and our auditor's report thereon. Our opinion on the financial statements and the performance information 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 and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, 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.

Independence

We are independent of the Group in accordance with the independence requirements of the Auditor General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board. Other than the audit, we have no relationship with or interests in the Group.

**David Walker**

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

Statement of service performance for the year ended 30 June 2019

NZVIF had two separate investment appropriations:

1. The Venture Investment Fund (VIF) which was a \$125.5 million appropriation. The purpose of the VIF capital appropriation was to invest with privately managed venture capital funds to catalyse the New Zealand (NZ) venture capital market; and
2. The Seed Co-investment Fund (SCIF) which had a \$46.8 million appropriation. The purpose of the SCIF capital appropriation is to invest in early-stage high growth technology companies alongside qualified professional investors.

In addition to the capital appropriations, NZVIF can reinvest proceeds received from exits into new investments.

	Total appropriation	Appropriation 2018/19	Actual drawn from Crown 2018/19	Reason for variance
VIF - This category was intended, in 2002, to achieve the provision of funds to be co-invested with the private sector to address the venture capital market gap by providing new risk capital to emerging high growth NZ companies.	\$125.5m	\$0	\$0	In line with expectation. VIF has fully drawn its capital appropriation
SCIF - This appropriation is intended to invest in early-stage high growth technology companies, that are addressing global opportunities, alongside qualified professional investors. Creation of these high value export-oriented companies would deliver benefits for the firm and the NZ economy.	\$46.8m	\$0	\$0	In line with expectation. SCIF has fully drawn all allocated appropriation

NZVIF's agreement with the Minister for Economic Development contains one output 'Investment Fund Management – Governance and Operation'.

	Actual 17/18	Actual 18/19	Forecast 18/19
Revenue from Crown	\$2,330,000	\$2,330,000	\$2,330,000
Investment Revenue	\$2,699,891	\$11,635,329	\$0
Other Revenue	\$620,184	\$2,485,746	\$1,625,000
Total Revenue	\$5,650,075	\$16,451,075	\$3,955,000
Expenses	\$4,179,876	\$3,443,627	\$3,473,679
Surplus/(Deficit)	\$1,470,199	\$13,007,448	\$481,321

Refer to Note 29 in the financial statements for commentary on major variances against forecast.

NZVIF received \$2.33 million in Crown funding to undertake operations in relation to investments and undertook four Outputs as detailed below:

OUTPUT ONE: MAKE AND MANAGE INVESTMENTS – CO-INVEST INTO ELIGIBLE INDUSTRIES AND STAGES

- We will make portfolio investments in line with our mandate.
- We will manage investments to optimize portfolio returns.

Quantity Measures	Actual 15/16	Actual 16/17	Actual 17/18	Actual 18/19	Forecast 18/19	Comment
Number of new companies receiving investment	26	28	29	22	29	Target not met. Under the current SCIF mandate we are focused on quality of investments rather than quantity. NZVIF made investments into 22 (SCIF: 21, VIF: 1) new companies.
Total number of investments in companies	73	60	59	56	50	Target met. NZVIF made 56 investments (SCIF 49, VIF: 7) into 51 companies (5 companies raised twice in the 18/19 financial year).

Quality Measures

Over 90% of the NZVIF investment portfolio (by number) in seed, start-up and early expansion stage investments.

- Currently over 95% of NZVIF investments are in seed, start-up and early expansion stage.

100% of investment transactions will meet NZVIF eligibility criteria.

- NZVIF received an exemption from the Minister of Economic Development to invest into the US company LeoLabs Inc. This investment would have been outside mandate but an exemption was granted on the basis that it would be used to LeoLabs operations in NZ.
- All other investments made in the 18/19 financial year were consistent with NZVIF mandate requirements.

OUTPUT TWO: ATTRACT CAPITAL – CATALYSE NEW SOURCES OF INVESTMENT CAPITAL

- We will seek to grow the number of experienced investors investing into early-stage NZ companies, through demonstration of quality investment opportunities and investment returns. Where required, we will seek to develop new investment products that will attract additional investment or identify and implement mandate changes.

Quantity Measures	Actual 15/16	Actual 16/17	Actual 17/18	Actual 18/19	Forecast 18/19	Comment
Number of companies attracting Series A/B investment	n/a	n/a	n/a	9	8	Target met. NZVIF participated in 8 Series A/B investment rounds (defined as capital raises of greater than \$5 million where a professional investor such as a venture capital fund was involved) in the year to 30 June 2019; our angel partners also completed One Series A round where NZVIF did not participate.
Number of companies with offshore investment	n/a	n/a	n/a	11	9	Target met. 11 companies in the NZVIF portfolio received offshore investment for the first time in the 18/19 financial year.

Quality Measures

Venture Capital funds and angel partnerships successful in attracting capital from new sources.

NZVIF has demonstrated that it has been successful in attracting capital from new sources through:

- The mandate revisions in 17/18 has allowed NZVIF to partner with non-angel network investors, NZVIF made 23 investments in 18/19 alongside qualified investors who are not existing angel partners. These companies have collectively raised more than \$60 million in funding.

NZVIF mandate changes implemented and new investment products developed.

- The SCIF program received an exemption to exceed both the annual investment cap of \$8 million and the company limit of \$1.5 million in the 18/19 financial year; it is expected that these limits will be reviewed in 19/20 alongside mandate changes associated with a new fund of funds investment program.
- In May 2019 the Government announced the intended creation of a \$300 million VCF to support NZ growth companies in the Series A/B space. NZVIF has worked with the Crown on this initiative for approximately 18 months and we hope to see this launched in 19/20.

OUTPUT THREE: DEVELOP HIGH QUALITY DEAL FLOW THROUGH THE ESTABLISHMENT OF DIVERSE INVESTMENT PARTNERSHIPS

- We will develop deep trusted partnerships with experienced early-stage investors and identify credible lead investors to represent us.

Quantity Measures	Actual 15/16	Actual 16/17	Actual 17/18	Actual 18/19	Forecast 18/19	Comment
Number of investment opportunities reviewed	n/a	n/a	n/a*	190	150	Target met. In 18/19 NZVIF made 49 investments, declined an additional 121 opportunities and were reviewing 20 opportunities as at the end of the year.
Percentage of investments approved are sourced from SCIF partners	n/a	n/a	n/a*	53%	75%	Target not met. We are seeing strong deal flow from across a range of investment partners. NZVIF made 26 investments sourced from SCIF partners out of a total 49 investments.
Percentage of portfolio companies with a SCIF approved investment director	n/a	n/a	n/a	n/a	80%	No longer applicable. SCF has ceased the practice of appointing an investment director now that we have discretion to make investment decisions.

Quality Measure

The quantity measures for Output Three relate to the new NZVIF operational model post the changes to SCIF mandate. Under the revised SCIF mandate NZVIF has established co-investment relationships with early-stage investor groups who are not traditional angel investor networks.

*This is a new measure and was not reported in the year to 30 June 2018. The comparable values for that year, which have not been audited, are as follows:

- (i) Number of investment opportunities reviewed – 190.
- (ii) Percentage of investments approved are sourced from SCIF Partners – 81%.

OUTPUT FOUR: WORK WITH INDUSTRY STAKEHOLDERS – TO DEVELOP THE MARKET AND IMPROVE INVESTMENT CONDITIONS

- We will support industry professional development programs and one-off initiatives that will assist in building industry standards and professionalism.
- We will advise Government on policy changes to improve the investment environment.

Quantity Measures	Actual 15/16	Actual 16/17	Actual 17/18	Actual 18/19	Forecast 18/19	Comment
Industry development initiatives undertaken in conjunction with NZVCA and AANZ.	8	4	5	4	2	Target met. NZVIF provided support to the industry by: <ul style="list-style-type: none"> • Sponsoring and supporting the AANZ, including presenting at the annual conference. • Sponsoring and supporting the Hi-Tech Awards. • Supporting the industry publication Startup Investment NZ in conjunction with PWC and AANZ. • Sponsoring and supporting AANZ and NZVCA professional development programmes.
Advice provided to Government to assist market development.	1	1	3	2	1	Target met. NZVIF has worked with the Crown on the VCF Fund and the Startup Leadership Group. In addition, work was started around consideration of a SCIF review, which will now occur in 2019/20.

Quality Measures

Best practice initiatives accepted and adopted by the industry; Dissemination of angel investing best practice to NZVIF investment partnerships.

NZVIF has achieved this measure as demonstrated by delivering initiatives that were supported by the industry including:

- Co-sponsor AANZ and NZ Private Capital (formerly NZVCA) professional development programmes.
- Assisting with the development of the content and co-ordination of the annual AANZ conference.
- Collation and presentation of the Startup Investment New Zealand publication, reporting on annual angel investment activity across NZ, in conjunction with PwC and the AANZ.
- NZVIF has presented at several workshops and events around the country, in connection with the AANZ, Agritech NZ, Callaghan Innovation and New Zealand Trade and Enterprise (NZTE).

Providing advice to Government on early-stage capital markets
 NZVIF has achieved this measure by providing feedback to Government on policy initiatives that impact the earliest stage capital markets including:

- Providing advice on how a new fund of funds could be deployed in order to fill the “capital gap” for NZ early-stage companies that are seeking to raise Series A capital to expand offshore.
- Providing advice to Ministry of Business, Innovation & Employment (MBIE) in relation to the upcoming KiwiSaver Default Provider review.

Financials

Statement of comprehensive revenue and expense

For the year ended 30 June 2019

	Note	2019 Actual	Group 2019 Budget June	2018 Actual June
Revenue	2	4,815,746	3,955,000	2,950,184
Operating activities				
Administration expenses	3	(2,890,227)	(2,853,179)	(2,503,372)
Realised gain/(loss) on sale of fixed assets	3	(5,573)	-	(41,781)
Net operating activities		(2,895,800)	(2,853,179)	(2,545,153)
Investing activities				
Extraordinary expenses	4	(66,265)	(275,000)	(317,146)
Fund management fees and costs paid to VC fund managers	3	(501,008)	(345,500)	(1,243,851)
Net gain/(loss) in the value of investments	3	11,635,329	-	2,699,891
Net gain/(loss) on foreign currency	3	19,446	-	(73,726)
Net investing activities		11,087,502	(620,500)	1,065,168
Net operating and investing activities		8,191,702	(3,473,679)	(1,479,985)
Surplus/(deficit) before taxation		13,007,448	481,321	1,470,199
Income tax expense	5	-	-	-
Total comprehensive revenue/(expense)		\$13,007,448	\$481,321	\$1,470,199

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2019

	Note	2019 Actual	Group 2019 Budget	2018 Actual
Equity/(Shareholders' deficit) at the beginning of the year		163,709,406	169,597,976	151,786,207
Surplus/(deficit) before taxation		13,007,448	481,321	1,470,199
Increase in share capital	8	-	-	10,453,000
Equity/(Shareholders' deficit) at the end of the year	8	\$176,716,854	\$170,079,297	\$163,709,406

The accompanying notes form an integral part of these financial statements.

Statement of financial position

As at 30 June 2019

	Note	2019 Actual	Group 2019 Budget to June	2018 Actual June
Equity	8			
Share capital		172,219,801	144,264,842	172,219,801
Retained earnings/(Accumulated deficit)		4,497,053	25,814,455	(8,510,395)
Total equity		\$176,716,854	\$170,079,297	\$163,709,406
Represented by:				
Current assets				
Cash and cash equivalents	9	5,927,469	52,016,877	62,498,556
Receivables	10	687,624	77,252	162,507
Term deposit investments	11	64,500,000	-	-
Income tax refundable	6	48,902	-	-
Other investment receivables	15	694,706	-	-
		71,858,701	52,094,129	62,661,063
Non-current assets				
Property, plant and equipment	12	44,469	62,731	35,931
Intangible assets	13	7,372	20,010	16,141
Investments through the Venture Investment Fund (VIF)	15	24,958,334	42,777,662	37,572,928
Investments through the Seed Co-investment Fund (SCIF)	16	79,142,247	75,282,241	63,874,321
Other investment receivables	15	1,205,688	-	-
		105,358,110	118,142,644	101,499,321
Total assets		177,216,811	170,236,773	164,160,384
Current liabilities				
Trade and other payables	18	243,521	76,116	177,144
Employee entitlements	20	256,436	81,360	273,834
Total liabilities		499,957	157,476	450,978
Net assets		\$176,716,854	\$170,079,297	\$163,709,406

The accompanying notes form an integral part of these financial statements.



MURRAY GRIBBEN
CHAIRMAN — 30 OCTOBER 2019



DAVID FLACKS
DEPUTY CHAIRMAN — 30 OCTOBER 2019

Statement of cash flows

For the year ended 30 June 2019

	2019 Actual	Group 2019 Budget June	2018 Actual June
Cash flows from operating activities			
Cash was provided from:			
Revenue from the Crown	2,330,000	2,330,000	2,330,000
Interest	1,860,608	1,625,000	568,546
Other income	1,000	-	13,500
	4,191,608	3,955,000	2,912,046
Cash was applied to:			
Payments to suppliers	(1,569,466)	(1,738,633)	(2,410,084)
Payments to employees	(1,795,390)	(1,810,230)	(1,463,034)
Net goods and services tax	(17,145)	-	(23,502)
Income tax paid	(1,191)	-	-
	(3,383,192)	(3,548,863)	(3,896,620)
Net cash flows from operating activities	808,416	406,137	(984,574)
Cash flows from investing activities			
Cash was provided from:			
Sale of property, plant and equipment and intangible assets	-	-	3,182
Sale of investments through the Venture Investment Fund (VIF)	12,956,432	12,650,000	42,289,707
Sale of investments through the Seed Co-investment Fund (SCIF)	5,337,911	2,500,000	199,841
Revaluation of foreign currency	19,446	-	(73,726)
	18,313,789	15,150,000	42,419,004
Cash was applied to:			
Purchase of property, plant and equipment and intangible assets	(26,712)	(19,520)	(30,363)
Purchase of investments through the Venture Investment Fund (VIF)	(1,527,084)	(4,565,000)	(3,672,281)
Purchase of investments through the Seed Co-investment Fund (SCIF)	(9,639,497)	(8,000,000)	(7,394,975)
	(11,193,293)	(12,584,520)	(11,097,619)
Net cash flows from investing activities	7,120,497	2,565,480	31,321,386
Cash flows from financing activities			
Cash was provided from:			
Increase in share capital	-	-	10,453,000
	-	-	10,453,000
Cash was applied to:			
Term deposit investments	(64,500,000)		
	(64,500,000)	-	-
Net cash flows from financing activities	(64,500,000)	-	10,453,000
Net increase/(decrease) in cash and cash equivalents	(56,571,087)	2,971,617	40,789,812
Cash and cash equivalents at the beginning of the year	62,498,556	49,045,260	21,708,744
Cash and cash equivalents at the end of the year	\$5,927,469	\$52,016,877	\$62,498,556

The accompanying notes form an integral part of these financial statements.

Reconciliation of net surplus/ (deficit) to net cash from operating activities

For the year ended 30 June 2019

	Group 2019 Actual	Group 2018 Actual
Total comprehensive income/(expenses) for the year	13,007,448	1,470,199
<i>Add/(less) non-cash items:</i>		
Depreciation and amortisation	29,439	36,548
Loss on sale of property, plant and equipment	5,573	41,781
Other income	-	-
Total non-cash items	35,012	78,329
<i>Add/(less) movements in working capital items:</i>		
Receivables and prepayments	(618,392)	(4,170)
Other current assets	(1,787)	-
Payables and accruals	55,657	158,874
Other current liabilities	(14,746)	(23,502)
Subvention receivable	-	(38,138)
Net movement in working capital items	(579,268)	93,064
<i>Add/(less) items classified as investing activity:</i>		
Net gain in value of investments and currency	(11,654,776)	(2,626,166)
Net cash flows from operating activities	\$808,416	(\$984,574)

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2019

1. Summary of significant accounting policies

Reporting entity

NZVIF Limited (NZVIF) is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing NZVIF's operations includes the Crown Entities Act 2004. NZVIF's ultimate parent is the New Zealand Crown.

NZVIF and its subsidiaries are companies incorporated in New Zealand under the Companies Act 1993.

The Parent company - NZVIF - and its subsidiaries are referred to throughout these financial statements as NZVIF.

The primary objective of NZVIF is the development of a vibrant early-stage capital market, both formal (venture capital) and informal (angel). NZVIF has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

The registered office for NZVIF is Level 1, 12 Madden Street, Wynyard Quarter, Auckland.

The financial statements of the group are for the year ended 30 June 2019, and were approved by the Board on 30 October 2019. The entity's owners do not have the power to amend these financial statements once issued.

Changes in accounting policies

Cash and cash equivalents and term deposit investments

NZVIF considers that it is more appropriate to classify term deposits with a maturity of 3 months or less as Cash and Cash Equivalents, rather than the previously applied 9 months or less. The Cash and Cash Equivalents note (Note 9) has been amended to exclude term deposits which are now reflected in a separate note namely, Term Deposit Investments (Note 11). Prior year numbers have not been reclassified to allow ease of comparison in the Statement of Cash Flow, however the below tables show both cash and cash equivalents and term deposit investments for the 2018 year if the change in accounting policy had been applied.

	Group 2018	
	Restated	As per Notes to the Financial Statements
Cash and cash equivalents		
Operating cash and cash equivalents		
Cash at bank on call	317,886	317,886
Investing VIF and SCIF cash and cash equivalents		
Cash at bank on call	2,830,679	2,830,679
Term deposits	-	59,000,000
Other cash equivalents	349,991	349,991
Total	\$3,498,556	\$62,498,556
Term deposits investments		
Term deposits	59,000,000	-
Total	\$59,000,000	\$-

Basis of preparation

The financial statements have been prepared on a going concern basis.

Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the Crown Entities Act 2004 and other applicable Financial Reporting Standards as appropriate for public benefit entities.

The financial statements have been prepared in accordance with the requirements of the PBE accounting standards and in accordance with Tier 2 PBE accounting standards.

Measurement base

These financial statements have been prepared on an historical cost basis, except where modified by the measurement of financial assets at fair value.

Presentation currency

These financial statements are presented in New Zealand dollars (\$).

Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective, that have not been early adopted are:

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Group does not intend to early adopt the amendment.

The XRB issued PBE IPSAS 41 Financial Instruments in March 2019

This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022. Although the Group has not assessed the effect of the new standard, it does not expect any significant changes as the requirements are similar to PBE IFRS 9.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. The Group has not yet determined how application of PBE FRS 48 will affect its statement of performance.

Early adopted amendments to standards

The following amendments to standards have been early adopted: PBE IFRS 9 Financial Instruments – effective for periods beginning on or after 1 January 2021; the Crown resolving to adopt for periods beginning on or after 1 January 2018. The main changes introduced by PBE IFRS 9 are to financial assets and include:

- new classification and measurement requirements which classify financial assets based on the business model for managing them and their cash flow characteristics; and
- a new expected loss impairment model which considers either to 12 month expected losses, or lifetime expected losses if a significant increase in credit risk has been identified.

The effect of early adopting this standard is that the accrued income on convertible notes has been fully impaired, refer note 10.

Significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

The following specific accounting policies, which materially affect the measurement of comprehensive income, financial position and cash flows, have been applied consistently to all periods presented in these financial statements.

(a) Budget figures

The budget figures are those approved by the Board in the Statement of Performance Expectations prior to the beginning of the financial year and have been prepared in accordance with generally accepted accounting principles and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

The budget figures for equity investments through the Venture Investment Fund (VIF) and Seed Co-investment Fund (SCIF) are included in the Parent’s budget for the year ended 30 June 2019 and are based on the mid point of the forecast range contained in the NZVIF Statement of Performance Expectations 2018/2019.

(b) Basis of consolidation

As at 30 June 2019, NZVIF holds one investment subsidiary - NZVIF Investments Limited. This investment subsidiary is an entity in which the company has the capacity to determine the financing and operating policies and from which it has an entitlement to significant ownership benefits.

The consolidated financial statements (group financial statements) include the Parent company and its investment subsidiary accounted for using the purchase method. All significant inter-company transactions are eliminated on consolidation.

(c) Goods and services tax

Items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

(d) Taxation

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the Statement of Comprehensive Revenue and Expense, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks both domestic and international, other short-term, highly liquid investments, with original maturities of three months or less.

While cash and cash equivalents at 30 June 2019 are subject to the expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because no estimated loss allowance for credit loss is anticipated.

(f) Impairment of non-financial assets

Assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Cash and cash equivalents (note 9), receivables (note 10), and investments - term deposits (note 11) are subject to the expected credit loss model. The notes for these items provide relevant information on impairment.

(g) Leased assets

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are recognised in the Statement of Comprehensive Revenue and Expense in equal instalments over the term of the lease.

(h) Foreign currencies

Transactions denominated in a foreign currency are converted at the functional currency exchange rate at the date of the transaction.

Transactions in foreign currency that are not settled in the accounting period, resulting in monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to New Zealand dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on their translation are recognised in the Statement of Comprehensive Revenue and Expense.

(i) Statement of Cash Flows

The following are the definitions of the terms used in the Statement of Cash Flows:

- Cash is considered to be cash and cash equivalents net of bank overdrafts.
- Investing activities are those relating to the acquisition, holding and disposal of property, plant and equipment and investments. Investments can include securities not falling within the definition of cash.
- Financing activities are those activities that result in changes in the size and composition of the capital structure of NZVIF. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to the capital structure are included in financing activities.
- Operating activities include all transactions and other events that are not investing or financing activities.

(j) Critical accounting estimates and assumptions

In preparing these financial statements NZVIF has made estimates and assumptions concerning the future. Assumptions on investments are disclosed in Note 17 - Related Parties and Note 22 - Market Price Risk. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(k) Segment information

A business segment is a group of assets or operations engaged in providing products or services that are subject to risks and rewards that are different from those of other business segments. A geographic segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of a segment operating in other economic environments. NZVIF operates predominantly in the venture capital investment industry. All operations of the Company are carried out in New Zealand.

2. Revenue

Revenue is recognised as follows:

Revenue from the Crown - non-exchange revenue

Revenue is recognised to the extent that the economic benefits will flow to NZVIF and the revenue can be reliably measured. Revenue shown in the Statement of Comprehensive Revenue and Expense comprises the amounts received and receivable by NZVIF for services supplied to the Crown.

Interest revenue - exchange revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the

amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Dividend revenue - exchange revenue

Dividend income is recognised when the right to receive payment is established.

Other revenue - exchange revenue

Other income includes fund income and is recognised when the right to receive payment is established.

	Group 2019	Group 2018
Non-exchange revenue		
Revenue from the Crown	2,330,000	2,330,000
Total non-exchange revenue	\$2,330,000	\$2,330,000
Exchange revenue		
Interest	2,484,746	568,546
Other	1,000	51,638
Total exchange revenue	\$2,485,746	\$620,184
Total revenue	\$4,815,746	\$2,950,184

The Group is primarily funded from the Crown for services supplied to the Crown. This funding is restricted in its use for the purpose of the Group meeting the objectives specified in the Crown Services Enterprise Act 2002 and the scope of the relevant appropriations of the funder.

The Group considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement.

This is considered to be the start of the appropriation period to which the funding relates.

Apart from the general restrictions, set out in its Funding Agreement, there are no unfulfilled conditions or contingencies attached to Government funding (2018: Nil).

3. Operating and investing activities

	Group 2019	Group 2018
Amortisation (Note 13)	(9,969)	(17,150)
Audit fees - fees to Audit New Zealand for audit of financial statements	(102,094)	(94,931)
Depreciation (Note 12)	(19,468)	(19,398)
Directors' remuneration (Note 25)	(126,089)	(141,144)
Employee costs (Note 19)	(1,795,390)	(1,463,034)
Extraordinary expenses (Note 4)	(66,265)	(317,146)
Fund management fees	(501,008)	(1,243,851)
Gain/(Loss) on currency	19,446	(73,726)
Loss on sale of fixed assets	(5,573)	(41,781)
Net Gain/(Loss) in the value of investments	11,635,329	2,699,891
Operating lease costs	(108,376)	(111,571)
Other administrative expenses	(728,840)	(656,144)
Net operating and investing activities	\$8,191,702	\$(1,479,985)

4. Extraordinary expenses

	Group 2019	Group 2018
Strategic review	66,265	290,121
Other extraordinary expenses	-	27,025
	\$66,265	\$317,146

5. Income tax expense

	Group 2019	Group 2018
Net surplus/(deficit) before taxation	13,007,448	1,470,199
Prima facie income tax at 28%	3,642,085	411,656
<i>Add/(less)</i>		
Temporary and permanent differences	(3,254,833)	(757,565)
Tax loss not recognised	(387,252)	345,909
Income tax expense	\$ -	\$ -

6. Current tax

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

The Group's current tax asset of \$48,902,(2018:nil) represents the amount of income taxes recoverable in respect of current and prior periods that exceed payments.

7. Deferred tax

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of the following items:

	Group 2019	Group 2018
Deductible temporary differences	192,328	181,403
Tax losses	21,714,927	23,083,862
Total	\$21,907,256	\$23,265,265

The deductible temporary differences and tax losses do not expire under current legislation, subject to Shareholder continuity provisions. A deferred tax asset has not been recognised in respect of these items as it is not probable that taxable profit will be available in the immediate future against which the losses can be applied.

8. Equity

	Group 2019	Group 2018
Share capital		
Balance at the beginning of the year	172,219,801	161,766,801
Issued capital	-	10,453,000
Ordinary share capital at end of year	172,219,801	172,219,801
Retained earnings/(Accumulated deficit)		
Balance at the beginning of the year	(8,510,395)	(9,980,594)
Revenue	4,815,746	2,950,184
Total operating revenue/(expense)	(2,895,800)	(2,545,152)
Net investing activities	11,087,502	1,065,168
Balance at end of year	4,497,053	(8,510,395)
Total equity	\$176,716,854	\$163,709,406

The company has a total of 172,219,801 (2018: 172,219,801) fully paid ordinary shares on issue. All ordinary shares have equal voting rights and share equally in dividends and surplus on winding up.

The Parent company received funds in the prior year from the Crown, by way of equity subscriptions, to facilitate the Crown's objective of accelerating the development of the New Zealand venture capital industry. No further funds have been received as SCIF and VIF are fully appropriated.

The Share Capital of NZVIF increased in the following months:	2019	2018
July	-	-
August	-	-
September	-	-
October	-	-
November	-	-
December	-	-
January	-	10,453,000
February	-	-
March	-	-
April	-	-
May	-	-
June	-	-
Total	-	\$10,453,000

9. Cash and cash equivalents

	Group 2019	Group 2018
Operating cash and cash equivalents		
Cash at bank on call	17,796	317,886
Investing VIF and SCIF cash and cash equivalents		
Cash at bank on call	5,909,673	2,830,679
Term deposits (refer Note 11; 2019)	-	59,000,000
Other cash equivalents	-	349,991
Total	\$5,927,469	\$62,498,556

10. Receivables

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The Group applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the investment company being fully impaired or has ceased operations. The accounting policy for impairment of

receivables in the previous year was to allow for credit losses was based on the incurred credit loss model. An allowance for credit losses was recognised only when there was objective evidence that the amount due would not be fully collected.

Receivables have not been defined as exchange and non-exchange due to their value.

Prepayments consist of annual subscriptions for software and investment and angel groups, invoiced or paid, for periods of the next year, and director's liability and cyber risk insurance paid in advance. Prepaid insurance is expensed on a straight-line basis over the term of the insurance policy.

	Group 2019	Group 2018
Prepayments	61,995	50,867
Other receivables	697,530	111,640
Less: provision for impairment	(71,901)	-
Total other receivables	625,629	111,640
Total receivables	\$687,624	\$162,507

The ageing profile of receivables at year end is detailed as follows:

	Gross	Provision for uncollectability	Net
Not past due	746,321	(71,901)	674,420
Past due less than 6 months	111	-	111
Past due 6 months to 1 year	-	-	-
Past due one to two years	-	-	-
Past due over two years	-	-	-
Total	\$746,432	\$(71,901)	\$674,531

Movements in the provision for uncollectability of receivables are as follows:

	Group 2019	Group 2018
Balance at 1 July	-	-
Additional provisions made during the year	(71,901)	-
Receivables written off during the year	-	-
Balance as at 30 June	\$(71,901)	\$-

11. Term deposit investments

Bank term deposits are measured at the amount invested. Interest is subsequently accrued and included in receivables. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

The Group considers there has not been a significant increase in credit risk for investments in term deposits because the issuer of the investment continues to have low credit risk at balance date. Term deposits are held with banks that have a long-term AA- investment grade credit rating or higher, which indicates the bank has a very strong capacity to meet its financial commitments. No loss allowance for expected credit losses has been recognised because the estimated 12-month expected loss allowance for credit losses is trivial.

	Group 2019	Group 2018
Term deposits (refer Note 9; 2018)	64,500,000	-
Total	\$64,500,000	\$-

12. Property, plant and equipment

Owned assets

Items of property, plant and equipment are measured at cost less aggregate depreciation and impairment losses. Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The Group does not hold any cash-generating assets.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset.

Gains and losses on disposals are included in the Statement of Comprehensive Revenue and Expense.

Subsequent costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Revenue & Expense as an expense as incurred.

Depreciation

Depreciation is charged using the diminishing value method at the following rates:

Computer equipment	33% - 60%
Office equipment	11.4% - 60%
Leasehold improvements	9.6% - 48%

Movements for each class of property, plant and equipment are as follows:

	Computer Equipment	Office Equipment	Leasehold Improvements	Total
Cost				
Balance at 1 July 2017	29,364	36,232	150,518	216,113
Additions	19,475	6,013	-	25,488
Disposals	(11,338)	(28,872)	(112,829)	(153,039)
Balance at 30 June 2018	37,501	13,373	37,689	88,562
Balance at 1 July 2018	37,501	13,373	37,689	88,562
Additions	23,719	-	9,972	33,691
Disposals	(11,417)	(6,151)	(11,405)	(28,973)
Balance at 30 June 2019	49,803	7,222	36,256	93,280
Accumulated depreciation and impairment losses				
Balance at 1 July 2017	18,882	26,530	95,897	141,309
Depreciation expense	11,388	4,319	3,691	19,398
Elimination on disposal	(8,491)	(23,616)	(75,969)	(108,076)
Balance at 30 June 2018	21,779	7,234	23,619	52,631
Balance at 1 July 2018	21,779	7,234	23,619	52,631
Depreciation expense	13,795	3,346	2,327	19,468
Elimination on disposal	(9,763)	(5,297)	(8,228)	(23,288)
Balance at 30 June 2019	25,811	5,283	17,718	48,811
Carrying amounts				
At 1 July 2017	10,482	9,701	54,621	74,804
At 30 June and 1 July 2018	15,722	6,140	14,070	35,931
At 30 June 2019	\$23,992	\$1,939	\$18,538	\$44,468

13. Intangible assets

Software acquisition

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs associated with the development and maintenance of the Company's website are recognised as an expense when incurred.

Software development

NZVIF capitalises the direct costs associated with the development of network and business software for internal use where project success is regarded as probable. Capitalised costs include external direct costs of materials and services consumed, payroll and direct payroll-related costs for employees (including contractors) directly associated with the project and interest costs incurred

while developing the software. Software developed for internal use is depreciated over its useful life.

Amortisation

Computer software is amortised at a diminishing value rate of 60%. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Revenue and Expense.

Where estimated useful lives or recoverable values have diminished due to technological change or market conditions, amortisation is accelerated or the carrying value is impaired.

Trademarks are depreciated at the rate of 10% or over the useful life of 10 years.

	Group 2019	Group 2018
Acquired computer software		
Balance at 1 July 2018	250,922	246,047
Additions	1,200	4,875
Disposals	-	-
Balance at 30 June 2019	252,122	250,922
Less accumulated amortisation and impairment losses		
Balance at 1 July 2018	234,781	217,631
Amortisation expense	9,969	17,150
Elimination on disposal	-	-
Balance at 30 June 2019	244,750	234,781
Carrying amounts at year end	7,372	16,141
Trademark		
Balance at 1 July 2018	8,779	8,779
Additions	-	-
Balance at 30 June 2019	8,779	8,779
Less accumulated amortisation and impairment losses		
Balance at 1 July 2018	8,779	8,779
Amortisation expense	-	-
Balance at 30 June 2019	8,779	8,779
Carrying amounts at year end	-	-
Balance at 30 June 2018	\$7,372	\$16,141

14. Investments in subsidiaries

The Parent company's investment in the subsidiary comprises shares at cost.

Subsidiary	Principle activity	Interest held 2019	Interest held 2018
NZVIF Investments Limited	Investment through venture capital funds and start-up companies	100%	100%

The subsidiary has a 30 June balance date and is included in the consolidated financial statements.

15. Investments through Venture Investment Funds

All NZVIF investments are early-stage investments at the time of the initial investment and the valuation of these investments is undertaken by NZVIF using accepted industry guidelines. The International Private Equity and Venture Capital Valuation Guidelines (IPEV) have been accepted as the industry standard valuation guidelines and are based on the principle of "fair value" and are reviewed following

any relevant changes in accounting standards or market practices. The IPEV Guidelines provide a framework for private equity and venture capital investors to arrive at a fair value for their investments. The IPEV are of the view that compliance with required accounting standards can be achieved by following the guidelines.

NZVIF has early adopted all of the requirements of PBE IFRS 9 in 2018/19. This is consistent with the Treasury's decision to adopt PBE IFRS 9 for the financial statements of the government of New Zealand in 2018/19. PBE IFRS 9 supercedes parts of PBE IPSAS 29 which was applied by NZVIF in 2017/18. No material measurement changes are identified from adopting the standard.

In December 2018, IPEV released revised Valuation Guidelines. These Valuation Guidelines supersede the previous 2015 Valuation Guidelines issued by the IPEV Board and are considered in effect for reporting periods beginning on or after 1 January 2019. NZVIF has not adopted the new IPEV Valuation Guidelines for this annual report.

IPEV Valuation Guidelines recommend that for early-stage investments, where it is difficult to assess the future profitability of the company, fair value is generally determined by the price of the most recent investment. This methodology is appropriate until the circumstances of the company change such that an alternative valuation methodology (such as, but not limited to price/earnings analysis or discounted cash flow) is appropriate or there is evidence that the value of the investment should be adjusted. An adjustment is considered necessary where the performance of the investment is significantly below the expectations on which the investment was based, leading to a diminution in value. Where an investment has been fully impaired, NZVIF does not carry any risk or reward associated with that investment.

NZVIF co-invests, alongside private sector investors, in primarily early-stage venture capital investments and these investments represent equity owned directly by

NZVIF subsidiary. These investments are made through venture capital fund, which are managed by private sector venture capital fund managers, who make the investment decisions. NZVIF is not responsible for and does not exercise significant influence over these individual investment portfolio investments.

The fair value of VIF investments as at 30 June 2019 has been determined by NZVIF in accordance with IPEV Guidelines.

The IPEV recommends that investors in private equity and venture capital funds should use the fund managers reported valuation as an input in determining the fair value of their interest in the fund's investments. The IPEV also recommends that investors have the appropriate processes and controls in place to monitor the fund manager and assess the data received. The VIF Managers are contractually required to report to NZVIF on an on-going basis and NZVIF monitors the performance and valuation of the portfolio. The reported fair value of the investment by each fund manager has been used as an input for the fair value assessment performed by NZVIF.

NZVIF has reviewed the process undertaken by the VIF Managers when valuing NZVIF investments and are satisfied that the valuation process complies with the fund managers' contractual requirements. If based on the information held by NZVIF, the reported value of an investment in NZVIF's assessment does not reflect the fair value of investment, NZVIF will adjust the value accordingly.

NZVIF has made a number of investments through NZVIF Venture Capital Funds. These investments are as follows:

Investment	Carrying Value 2019	Interest Held 2019	Carrying Value 2018	Interest Held 2018
Investments through VIFs in listed and unlisted companies	34,389,426	2.5% - 40%	43,750,376	2.5% - 40%
Accumulated revaluations and impairments	(9,431,093)		(6,177,448)	
	\$24,958,334		\$37,572,928	

All investments through VIFs have been valued by NZVIF, using Fund Managers reported valuations as an input.

The value of investments is the value of VIFs at balance date calculated in accordance with NZVIF's valuation policy. Historically, contracts entered into by NZVIF include a buyout option which can be exercised in the first five years of the funds life by other investors in those funds. If the buyout option for any VIF is "in the money" at balance date, NZVIF adjusts the value of its investments by the value of the buyout option. If the value of NZVIF's investments are greater than the buyout option price then the impact of the buyout option (if exercised) is a cost to NZVIF. The buyout option for Pioneer Capital Partners Fund II was partially exercised during the 2018 year, in which NZVIF sold 80% of its interest in the fund. There are no further buyout options in place.

Any investments with future earnouts that are not performance based or performance based but the performance criteria have been met, are classified as investment receivables and the receivable split between current and non-current assets, separate to the value of investments of VIF. In the 2019 year, Pioneer Capital Partners Fund I exited one investment with a three year earnout, \$694,706 current receivable and \$1,205,688 non-current, total receivable \$1,900,394 (2018:0).

16. Investments through the Seed Co-investment Fund

All NZVIF investments are early-stage investments at the time of the initial investment and the valuation of these investments is undertaken by NZVIF using accepted industry guidelines. The IPEV Guidelines have been accepted as the industry standard valuation guidelines and are based on the principle of “fair value” and are reviewed following any relevant changes in accounting standards or market practices. The IPEV Guidelines provide a framework for private equity and venture capital investors to arrive at a fair value for their investments. The IPEV are of the view that compliance with required accounting standards can be achieved by following the guidelines.

NZVIF has early adopted all of the requirements of PBE IFRS 9 in 2018/19. This is consistent with the Treasury’s decision to adopt PBE IFRS 9 for the financial statements of the government of New Zealand in 2018/19. PBE IFRS 9 supercedes part of PBE IPSAS 29 which was applied by NZVIF in 2017/18. No material measurement changes are identified from adopting the standard.

IPEV Guidelines recommend that for early-stage investments, where it is difficult to assess the future profitability of the company, fair value is generally determined by the price of the most recent investment. This methodology is appropriate until the circumstances of the company change such that an alternative valuation methodology (such as, but not limited to price/earnings analysis or discounted cash flow) is appropriate or there is evidence that the value of the investment should be adjusted. An adjustment is considered necessary where the performance of the investment is significantly below the expectations on which the investment was based, leading to a diminution in value. Where an investment has been fully impaired, NZVIF does not carry any risk or reward associated with that investment.

NZVIF co-invests, alongside private sector investors, in seed and start-up stage investments and these investments represent equity owned directly through a 100% owned NZVIF subsidiary. NZVIF is a passive investor and does not take a seat on investee company boards; these roles are undertaken by NZVIF’s co-investment partners. However NZVIF reserves certain shareholder rights and may make subsequent investment decisions in certain circumstances.

NZVIF has made a number of investments through SCIF. These investments are as follows:

Investment	Carrying Value 2019	Interest Held 2019	Carrying Value 2018	Interest Held 2018
Investments through SCIF in unlisted companies	62,568,204	0% - 22%	54,480,037	0% - 22%
Accumulated revaluations and impairments	16,574,044		9,394,284	
	\$79,142,247		\$63,874,321	

SCIF has invested into 220 (2018:199) companies. As at 30 June 2019, 36 (2018:33) of these companies have been fully impaired.

17. Related parties

The Parent company is a wholly owned entity of the Crown. Subsidiaries include NZVIF Investments Limited, Halo Investments Management Limited and Halo Fund No 1 Limited, the latter two subsidiaries being dormant since 2010.

The Crown provides revenue to meet the fund management and market development operating costs of NZVIF. NZVIF currently has access to a Crown underwrite of \$60 million through to 2022. The Crown also subscribes for equity in the Parent company, which the Parent Company advances to its subsidiary investment company in the form of limited recourse loans. The funds received from the Crown for these loans are converted into additional share capital (refer Note 8).

The NZVIF investment subsidiary charges NZVIF a management fee in relation to the VIFs. These management fees are eliminated on consolidation.

The NZVIF Parent and investment subsidiary hold a tax loss of \$21,714,927 (Parent) and \$21,714,927 (Group) for the year ended 30 June 2019 (2018:\$23,083,862 and \$23,083,862). These losses will be carried forward and offset against any future taxable income.

The Parent company has a subvention payment receivable from NZVIF Investments Limited of \$0 (2018: \$38,138). These transactions were eliminated on consolidation.

Details of key management personnel remuneration are disclosed in Note 26 to the financial statements.

There were no other related party transactions during the year.

18. Trade and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

	Group 2019	Group 2018
FBT payable	1,191	-
GST payable/(receivable)	(7,134)	10,010
Accrued expenses	106,274	114,603
Trade payables	143,190	52,531
	\$243,521	\$177,144

Payables and accruals are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value approximates their fair value.

19. Personnel costs

Salaries and wages are recognised as an expense as employees provide services.

Superannuation scheme, defined contribution schemes, employer contributions to KiwiSaver and the Government's Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

	Group 2019	Group 2018
Salaries and wages	1,761,341	1,264,861
Employer contributions to defined contribution schemes	51,447	43,313
Increase/(decrease) in employee entitlements (Note 20)	(17,398)	154,860
	\$1,795,390	\$1,463,034

20. Employee entitlements

Short-term employee entitlements: Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date.

Provision is made for annual leave entitlements estimated to be payable to employees on the basis of statutory and contractual requirements. The provision is equal to the present value of the estimated future cash outflows as a result of employee services provided at balance date.

	Group 2019	Group 2018
Accrued salaries and wages	166,201	187,362
Annual leave	90,234	86,472
Current	256,436	273,834
Non Current	-	-
	\$256,436	\$273,834

21. Financial instruments

Non-derivative financial instruments comprise investments in shares, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through surplus or deficit, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised if the company's contractual rights to the cash flows from the financial assets expire or if the company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Regular purchases and sales of financial assets are accounted for at trade date i.e. the date the company commits itself to purchase or sell the asset. Financial liabilities are de-recognised if the company's obligations specified in the contract expire or are discharged or cancelled.

Under PBE IFRS 9, all equity investments are required to be measured at fair value through surplus or deficit. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through surplus or deficit' category are included in the Statement of Comprehensive Revenue and Expense in the period in which they arise.

21a. Categories of financial instruments

The carrying amounts of financial assets and liabilities in each of the categories are as follows:

	Group 2019	Group 2018
Financial assets designated at fair value through surplus or deficit upon initial recognition		
Investments through VIFs (Note 15)	24,958,334	37,572,928
Investments through SCIF (Note 16)	79,142,247	63,874,321
Investments earnout through VIFs (Note 15)	1,900,394	-
Total financial assets designated at fair value through surplus or deficit	\$106,000,975	\$101,447,249
Financial Assets measured at amortised cost (2018 Loans and receivables)		
Cash and cash equivalents	5,927,469	62,498,556
Trade and other receivables (excl. prepayments)	625,629	111,640
Term deposit investments	64,500,000	-
Related party loans	-	-
Total financial assets measured at amortised cost	\$71,053,097	\$62,610,196
Financial liabilities measured at amortised cost		
Trade and other payables	\$249,465	\$167,133

21b. Fair value hierarchy disclosures

For those instruments recognised at fair value through surplus or deficit, fair values are determined according to the following hierarchy:

1. Quoted market price - financial instruments with quoted prices for identical instruments in active markets.
2. Valuation technique using observable inputs - financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments

valued using models where all significant inputs are observable.

3. Valuation technique with significant non-observable inputs - financial instruments valued using models where one or more significant inputs are not observable.

The balances for the Parent accounts for instruments recognised at fair value are nil so are not disclosed in the tables below.

Group	Valuation technique			
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
2019				
<i>Financial assets designated at fair value through surplus or deficit upon initial recognition</i>				
Investments through VIFs	24,958,334	3,449,252	1,515,969	19,993,112
Investments through SCIF	79,142,247	573,624	-	78,568,624
Investments earnout through VIFs	1,900,394	-	1,900,394	-
Total	\$106,000,975	\$4,022,877	\$3,416,363	\$98,561,736
2018				
<i>Financial assets designated at fair value through surplus or deficit upon initial recognition</i>				
Investments through VIFs	37,572,928	8,133,935	1,445,576	27,993,417
Investments through SCIF	63,874,321	874,534	-	62,999,788
Investments earnout through VIFs	-	-	-	-
Total	\$101,447,249	\$9,008,468	\$1,445,576	\$90,993,205

21c. Reconciliation of the fair value hierarchy for significant non-observable inputs

	2019	2018
Beginning balance	90,993,205	115,324,692
Net gain/(loss) in the value of investments	11,635,329	2,699,891
Purchase of investments	11,166,580	11,067,256
Proceeds received from sale of investments	(18,294,343)	(42,489,548)
Transfer from/(to) quoted market price	5,031,753	(894,612)
Transfer from/(to) observable inputs	(1,970,787)	5,285,525
Ending balance	\$98,561,736	\$90,993,205

The valuation of companies will move between significant non-observable inputs to observable inputs when the valuation can be based on significant observable inputs. Changing a valuation assumption to a reasonably possible alternative assumption would not significantly change the fair value.

22. Financial risk management

22a. Strategy in using financial instruments

NZVIF's activities expose it to a variety of financial instrument risks: credit risk, market risk (including market price risk, currency risk and interest rate risk) and liquidity risk. NZVIF has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

22b. Credit risk

NZVIF takes on exposure to credit risk, which is the risk that a third party will default on its obligation to the company, causing NZVIF to incur a loss. NZVIF's maximum credit exposure for each class of financial instrument is represented by the carrying amount. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Maximum exposure to credit risk	Group 2019	Group 2018
Cash and cash equivalents	5,927,469	62,498,556
Trade and other receivables	697,530	111,640
Term deposit investments	64,500,000	-
Other Investment receivables	1,900,394	-
Total	\$73,025,392	\$62,610,196

There are no significant concentrations of credit risk as NZVIF only invest funds with registered banks which have a high Standard and Poor's credit rating. The Standard and Poor's credit rating is provided below. Advances made by NZVIF to subsidiary companies are represented as related party loans (Note 17). For those assets that are not past due it is believed that the risk of default is small and the capital repayments will be made in accordance with the agreed terms and conditions.

Group	Not past due	Past due less than 1 year	Past due more than 1 year
2019			
Cash and cash equivalents	5,927,469	-	-
Trade and other receivables	697,530	-	-
Term deposit investments; AA- rated	64,500,000	-	-
Other Investment receivables	1,900,394	-	-
Total	\$73,025,392	-	-
2018			
Cash and cash equivalents	62,498,556	-	-
Trade and other receivables	111,640	-	-
Term deposit investments; AA- rated	-	-	-
Other Investment receivables	-	-	-
Total	\$62,610,196	-	-

NZVIF did not have any credit facilities at balance date.

22c. Market risk

Market risk is the combined underlying risk of any investment by NZVIF including market price risk, currency risk and interest rate risk.

Prior to committing to an investment, the Board had the opportunity to consider each of the market risks while they reviewed detailed submissions from the fund manager. Each manager submission is based on extensive due diligence with regard to, but not limited to:

- Management and investment team skills, experience and qualifications;
- Investment structure, conditions of application (including required commitment level) and fees;
- Past performance and outlook for current investments;
- Alignment of personal interest with investors.

Over the life of the investments, market risk is also considered and mitigated as outlined below.

Market price risk

NZVIF invests, either directly or through venture capital funds into unlisted early-stage companies. Unlisted investments are generally not publicly traded. As there may be no open market to establish an independent value for certain unlisted investments, there can be no assurance that a determination of fair value for an unlisted investment will be obtainable in the market, or that there will be a market for the unlisted investment.

Note 15 Investments through VIFs explains how NZVIF determines the fair value of its venture capital fund investments. Note 16 Investments through the SCIF explains how NZVIF determines the fair value of its SCIF investments.

Due to the early-stage nature of these investments, significant judgement must be exercised in determining the fair value of unlisted investments totalling \$101,240,227 (2018: \$93,313,315).

While the Board is of the view that the fair values of the unlisted investments in these financial statements represent the best available information, uncertainty exists over the fair value of the investments in the absence of an active market to determine fair value. Further information is provided below about the uncertainties and judgements in determining fair value.

NZVIF's exposure to venture capital and seed investments is material, but the risks of market price movements have less direct relevance due to the factors outlined below.

The Board considers and manages the market price risk relating to unlisted venture capital investments taking into account the following factors:

- The portfolio of underlying investments is extremely well diversified. NZVIF's investment consists of one investment (2018:1) subsidiary which has exposure to some 295 (2018:273) individual underlying opportunities located in many different industry sectors. Any single underlying exposure does not generally put a material amount of NZVIF's capital at risk.
- As at 30 June 2019 the largest investment in the portfolio makes up 7% (2018: 8%) of the total net investments of NZVIF.
- Due to the long term nature of these investments, and the fact that there are no open market values, the Board places more importance on the real progress of the underlying entities as forming the basis of short-term value.
- The valuations of each investment are based on the current value of the underlying companies which they hold. The fund managers' do not intend to sell these underlying companies until their potential has been realised and/or utilised. Historically, at any point in time, the values at which they are held by the fund manager and hence NZVIF, are generally lower than the eventual sale values.

The major risks to NZVIF are more indirect in relation to the investments in so far as a prolonged drop in market

values may lead to increased impairment allowances and lower surplus/(deficit) in the short-term. Risks may also include an underlying investment not being able to reach its full potential in a timely manner or at all, which would cause a delay or a decrease in the expected cash flows. The likelihood of such an event is considered periodically by NZVIF and the findings are reviewed by the Board. Consideration procedures include, but are not limited to, the review of regular reports from the managers, direct correspondence with the manager, and information provided in quarterly reports which explain any movement in valuation of the investments. In the event that such an event becomes likely, the investment will be considered to be impaired which will have an effect on the surplus/(deficit) of NZVIF.

Currency risk

NZVIF records the transactions using the exchange rate applicable at the date of the invoice and recognises an exchange gain or loss at the time of payment. As there are a small number of transactions denominated in foreign currencies, NZVIF does not take out any forward cover.

NZVIF has exposure to foreign exchange risk as a result of investments in foreign currencies made through venture capital funds, which are managed by private sector venture capital fund managers. The investments are denominated in US dollars and UK pounds.

As at 30 June 2019, if the NZ dollar had weakened/strengthened by 5% against the Australian dollar, the US dollar and the UK pound with all other variables held constant, the movement in the value of investments held at fair value would have been +/- \$1,059,511 (2018:\$538,562).

Interest rate risk

NZVIF is subject to cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates. NZVIF's exposure to interest rate risk is limited to its cash and cash equivalents which are held in short-term, floating interest rate accounts.

Sensitivity analysis

For financial instruments held at balance date, NZVIF has exposure to market risks on those financial instruments that give rise to an impact on the surplus/(deficit) and equity as detailed above.

NZVIF may be exposed to risks arising from the validity of the investment valuation. Where the price of the most recent investment method is used (as detailed in Notes 15 and 16) validity is eroded over time, since the price at which an investment was made reflects the effects of conditions that existed on the date that the transaction took place. In a dynamic environment, changes in market conditions, the passage of time and other factors will act to diminish the appropriateness of this methodology as a means of estimating value at subsequent dates. In stable market conditions with little change in the entity or external environment, the length of period for which this

methodology is likely to be appropriate will be longer than during a period of rapid change.

NZVIF holds investments which are listed on the NZX, the ASX or the AIM (London Stock Exchange). If these investments were subject to an increase/decrease of 5% in these markets, the overall portfolio would be subject to a change of +/- \$149,086 (2018:\$401,792) as detailed in the following table.

22d. Liquidity risk

Liquidity risk is the risk that NZVIF will encounter difficulty raising liquid funds to meet commitments as they fall due. NZVIF has an agreement with the Crown under which NZVIF can call on capital to meet commitments. NZVIF does not make commitments in excess of the amount it can call from the Crown. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the nature of

NZVIF's operations, management aims at maintaining flexibility by keeping sufficient available funds to meet liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to NZVIF's reputation.

NZVIF's liquidity requirements include day to day running costs and expenditures such as the amounts payable to creditors and the amounts which NZVIF are committed to pay to fund managers which are paid on a "drawdown" basis.

Contractual maturity analysis of financial liabilities

The table below analyses NZVIF's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

Group	Carrying amount	Contractual cash flows	Less than 1 year	More than 5 years
2019				
Trade and other payables	249,465	249,465	249,465	-
Total	\$249,465	\$249,465	\$249,465	-
2018				
Trade and other payables	167,133	167,133	167,133	-
Total	\$167,133	\$167,133	\$167,133	-

23. Commitments

Capital commitments

Estimated capital expenditure contracted for at balance date but not provided for:

	Group 2019	Group 2018
Firm commitment remaining – VIF	7,089,279	13,036,841
Firm commitment remaining – SCIF	104,447	403,142
	\$7,193,725	\$13,439,983

These commitments reflect the capital commitment in respect of future investments in current venture capital investments held. Due to the inherent nature of this type of investment, the time frame of these commitments cannot be predicted because capital can be called by investment managers at any time, however it is unlikely that the NZVIF Group would be required to pay the entire outstanding commitment at one time. This is supported by historical trends.

Generally, drawdowns by a specific fund manager are substantially made over the five year period from the first commitment. Over the life of a fund, the NZVIF Group may receive distributions which it uses to fund future capital calls.

Conditional commitments are those investments subject to the fund manager raising matching private sector capital and successfully concluding investment arrangements and documentation with NZVIF and other investors.

Operating lease commitments

Lease commitments under non-cancellable operating leases:

	Group 2019	Group 2018
Less than 1 year	27,359	31,629
Later than 1 year but not later than 2 years	-	-
Later than 2 years but not later than 5 years	-	-
Total operating lease commitments	\$27,359	\$31,629

NZVIF leases one building which has a 90 day notice period and has a lease agreement which expires on 11 September 2019.

24. Employee remuneration

The number of employees who received remuneration and other benefits of \$100,000 or more per annum, shown in \$10,000 ranges.

	Group 2019	Group 2018
100,000 - 109,999	1	1
110,000 - 119,999	3	-
140,000 - 149,999	1	-
150,000 - 159,999	1	1
160,000 - 169,999	-	1
250,000 - 259,999	1	1
510,000 - 519,999	-	1
520,000 - 529,999	1	-

25. Directors' remuneration

Member	Group 2019	Group 2018
Murray Gribben	61,166	61,166
David Flacks	38,229	30,583
Richard Hughes	30,583	30,583
Debbie Birch	20,389	-
Emma Loisel	20,389	-
Anne Blackburn	-	38,229
Roger Bridge	-	30,583
Total Directors' remuneration	\$170,755	\$191,144

These fees cover attendance at six full Board meetings, one Board conference call, as well as additional duties undertaken by the Chairman and Deputy Chairman. The Group has taken out Directors and Professional Indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees. No Directors received compensation in relation to cessation, refer Board of Directors on page 7 for outgoing and incoming directors.

26. Key management personnel compensation

	Group 2019	Group 2018
Salaries and other short-term employee benefits	677,755	705,194
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Total key management personnel compensation	\$677,755	\$705,194

Key management personnel include all Directors and the Chief Executive. The NZVIF senior leadership team consists of 1 FTE employee (2018: 4) as well as 5 Directors (assessed as 5 FTE) (2018:5).

27. Contingent liabilities

There were no material contingent liabilities at balance date (2018: Nil).

28. Post balance date events

There were no material events subsequent to balance date.

29. Major budget variations

Explanations for significant variations from NZVIF's budgeted figures in the Statement of Performance Expectations are as follows:

Statement of comprehensive revenue and expense

Revenue

Revenue was higher than budgeted due to more interest earned than anticipated on cash held.

Statement of changes in equity

Surplus/deficit for the year

The net gain for the year in the Group accounts was greater than anticipated due to realisation of investments held that was not anticipated.

Statement of financial position

Cash and cash equivalents

Term deposits have been reclassified as term deposit investments, hence less than anticipated cash held at year end.

Receivables

Accrued interest on term deposits lead to a greater receivable than anticipated.

Investments through VIF and SCIF

There was an decrease in the value of investments held by VIF due to exiting from VIFs.

Payables and accruals

Payables and accruals are greater than budget due to the timing of payments and accrued expenses over the year end period.

Statement of cash flows

Cash flow from investing activity

More proceeds were received from sale of investments than expected due to Seed Co-investment fund sales and distributions which were not anticipated for the year.

Less cash was applied to the purchase of investments in the VIFs than anticipated, whilst more cash was applied to new investment in the SCIF and the Minister approved the additional investment.

30. Adoption of PBE IFRS 9 financial instruments

In accordance with the transitional provisions of PBE IFRS 9, the Group has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 July 2018. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 10 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 11 Term deposit investments. This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

On the date of initial application of PBE IFRS 9, being 1 July 2018, the classification of financial instruments under PBE IPSAS 29 and PBE IFRS 9 is as follows:

	Measurement category		Carrying amount		
	Original PBE IPSAS 29 category	New PBE IFRS 9S category	Closing balance 30 June 2018 (PBE IPSAS 29)	Adoption of PBE IFRS 9 adjustment	Opening balance 1 July 2018 (PBE IFRS 9)
Cash at bank on call and other cash equivalents	Loans and receivables	Amortised cost	3,498,556	-	3,498,556
Receivables	Loans and receivables	Amortised cost	162,507	-	162,507
Term deposit investments	Loans and receivables	Amortised cost	59,000,000	-	59,000,000
Equity investments – Investments through VIF	Fair value through surplus or deficit	Fair value through surplus or deficit	37,572,928	-	37,572,928
Equity investments – Investments through SCIF	Fair value through surplus or deficit	Fair value through surplus or deficit	63,874,321	-	63,874,321
Total financial assets			164,108,312	-	164,108,312

Shareholder information for the year ended 30 June 2019

Substantial security holders

The Crown is registered by the NZVIF Group as a substantial security holder owning 100% of the parent company.

Largest security holder	Shares held	Percentage
Crown	172,219,802	100%

Use of company information

Pursuant to section 145 of the Companies Act the Board recorded no notices from Directors requesting to use the company information received in their capacity as Directors that would not otherwise have been available to them.

Indemnification and insurance of Directors and Officers

In accordance with section 162 of the Companies Act 1993 and the constitution of the company, the company has given indemnities to, and has affected insurance for, Directors and executives of the company and its related companies which, except for specific matters which are expressly excluded, indemnify and insure Directors and executives against monetary losses because of actions undertaken by them during their duties. Specifically excluded are certain matters, such as the incurring of penalties and fines, which may be imposed for breaches of law.

Directors' interests as at 30 June 2019

The following are general disclosures of interest given by Directors of the company pursuant to section 140(2) of the Companies Act 1993 as at 30 June 2019.

Murray Gribben

Chair, Ruapehu Alpine Lifts Limited

CEO, Crown Irrigation Investments Limited

**Reappointed as a Chairman in October 2019 for a further 1.9 years*

David Flacks

Chair, AFT Pharmaceuticals

Chair, Harmony Corporation

Chair, Regulatory Governance Committee, NZX

Director, Flacks & Wong Limited

Director, Project Janzoon

Director, Upside Biotechnologies Limited

Director, Vero Insurance and Vero Liability Limited & Asteron Life Limited

Director, Zero Invasive Predators (ZIP) Limited

Richard Hughes

Chair, WNT Ventures Management Limited and related companies

Director, Black Prince Limited

Director, Orthotic Group Holdings Limited and related companies

Director, Oriens Capital Limited

Director, Podiatry Holdings Limited

Debra Birch*

Chair, Taupo Moana Investments Limited

Director, Birch & Associates Limited

Director, LGNZ Independent Assessment Board

Director, Ngati Awa Group Holdings Limited

Director, Portfolio Services Limited

Director, Putake Dairy Limited

Director, Putake Networks Limited

Director, Raukawa ki te Tonga AHC Limited

Director, Ruapehu Alpine Lifts Limited

Director, Te Puia Tapapa GP Limited

Director, THR GP Limited

Director, The General Partner Limited

Director, Tourism Holdings Limited

Director, White Island Tours Limited

Independent member A&R, Te Ohu Kaimoana Trust

**Appointed as Director on 1 November 2018 for a 2.7 year term*

Emma Loisel*

Chair, Full Steam Espresso Limited (t/a Volcano Coffee Works)

Director, Kea New Zealand

Director, Wayfairer Limited

**Appointed as Director on 1 November 2018 for a 2.7 year term*

Director shareholdings and trusteeships have not been included in the Directors' interests.

Conflict of interest procedures

The NZVIF Board has a documented conflict of interest policy that sets out procedures for identifying and addressing potential conflict of interests. This policy applies to NZVIF Directors and employees.

The key determination when considering whether an interest might create a conflict is whether the interest creates an incentive for the Director or employees to act in a way that may not be in the interests of NZVIF.

In deciding whether a conflict is present in any given situation it is appropriate that the determination be

whether a reasonably informed objective observer would infer from the circumstances that the Board or employee's member's judgement is likely to be influenced to the detriment of NZVIF's best interests.

Where a conflict exists, then the Director or employees must declare the conflict and may not participate or vote on any matters in which they have a conflict of interest.

An interest's register is maintained of Directors' and employee's declared interests and updated at each Board meeting.

Organisational health and capability

Ensuring NZVIF is a good employer

NZVIF is a small organisation with eight full-time* and two part-time staff (9.47 FTE). Our flexible working environment enables staff to balance work, family and other commitments. NZVIF supports staff to develop their leadership skills and become the best they can be, in a positive working culture.

The values of the organisation ensure that all staff can engage and participate in organisational decisions.

Our good employer and personnel policies are formally recorded and include a commitment to equal employment opportunities. We do not tolerate harassment or discrimination of any type. We recognise the value of attracting employees of diverse backgrounds and talents, and the positive impact this has on our organisation.

- Equal employment opportunity principles are incorporated in employee selection and management within the limits of our small size. Our team gender ratio is 1:1 female to male. The age of employees in the organisation range from 26 to 54 years with four of the ten employees from the Pacific and Asia.

Measure: EEO principles included in all relevant documents and practices. *As at 2 Sept 2019

Capability development

To continue enhancing our capability, we will maintain and develop policies that ensure:

- Recruitment, training and remuneration policies focus

on attracting and retaining skilled, flexible, efficient and knowledgeable team players.

Measures: Individual staff training needs are assessed and supported. External salary comparisons and individual role assessments are conducted regularly.

Health and safety

NZVIF is committed to being a zero-harm employer. Regular observations will be undertaken to identify hazards and unsafe workplace practices and any training required will be provided as appropriate. Any serious event will be notified to the CEO and Chairman immediately.

- Our office environment and equipment are safe and well maintained.

Measures: Zero tolerance of harassment, bullying and discrimination. Each employee has an ergonomically suitable workspace.

Wellness in the workplace

Employee wellbeing is a core responsibility of NZVIF. NZVIF offers a range of wellness initiatives for all employees which focus on mental and physical wellbeing. Activities include:

- access to an independent Employee Assistance Programme;
- health and medical insurance;
- access to wellness and fitness programmes.

Measures: Improved employee satisfaction and engagement.

Our investment partners and companies

NZVIF has partnered with 28 venture funds and angel groups. In association with them, we have invested into 293 companies.

Active Investee Companies

Acuite	Datagate Innovation	Joij	Opum Technologies	Spoke
Adeption	Debtor Daddy	Justly	Orbis Diagnostics	Spotlight Reporting
Adri	Designer Wardrobe	Kami	Parkable	Summa
Akubic	Dexibit	Koordinates	Parrot Analytics	Sunfed
Ambit	Dotterel	Lanaco	Patternsnap	Swiftpoint
Amy	DropIT	Leolabs	Photonic Innovations	Synthase Biotech
APIMatic	Educa	Lets Cargo	Pictor	Techion
Aquafortus	Eight Wire	Ligar	Plantier	The Clinician
Aroa	Enring	Liquid Strip	Polybatics	The Social Club
Ask Nicely	Excio	ListingLogic	Postr Media	Times-7 Research
Auror	Eye-Fly	Living Green	Preno	Tourwriter
Author It	FaceMe	Logicore	PriceTech	TracPlus
Automio	Farrago	Mastaplex	Qotient	Tradify
Avalia Immunotherapies	FileInvite	McCarthy Finch	Quantiful	Ubco
Beany	Firstcheck	MEA Mobile	Quivervision	Unfiltered
Biolumic	Footfalls and Heartbeats	Melodics	Regen	Unimarket
Bison Group	Formus Labs	Mish Guru	Ripetime	Upside Biotechnologies
Breathe Easy	Fuel 50	Modlar	Rocos Global	Upstream Medical Technologies
Caldera Health	Glory League Stats	Monk Fruit	San Draw	Vesper Marine
Calf Smart	Hectre Group	Montoux	SDS Push	VidApp
Celo	Heilala Vanilla	Moxion	Seen Safety	Viscovery
CertusBio	Hot Lime Labs	MusicHype	Shift72	Wherewolf
Clean Planet	Humble Bee	Narrative	ShowGizmo	Wing Acoustics
Codelingo	Hydroxsys	Nextspace	Shuttle Rock	Wipster
CoGo	iDefigo	NoticeMatch	Signal	Xenos
Coherent Solutions	Insite.AI	Nyriad	Simtics	
Cove Insurance	Insured HQ	NZeno	Simtutor	
CropX	Inverse	Objective Acuity	SMX	
Cumulo9	Invert Robotics	OMNI	Spalk	

Accredited Investment Partners

Angel HQ	Cure Kids Ventures	ICE Angels	Nelson Angels	Sparkbox Ventures
AngelLink	Enterprise Angels	Launch Taranaki	Otago Angels	Taranaki Angels
Arc Angels	Flying Kiwi Angels	Manawatu Investment Group	Pacific Channel	
Canterbury Angels	Global from Day One	Movac	Pioneer Capital Management	

Closed/Exited Accredited Investment Partners

BioPacific Management	GRC SinoGreen	New Zealand Diagnostics	Powerhouse Ventures	Trans-Tasman Commercialisation Fund
Endeavour i-Cap	iGlobe Treasury Management	No 8 Ventures Management	TMT Management	Valar Ventures

**New Zealand Venture
Investment Fund Limited**

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www.nzvif.co.nz



Directors

Murray Gribben, Chairman*
David Flacks, Deputy Chairman
Richard Hughes
Debra Birch**
Emma Loisel**

**Reappointed as a Chairman in October 2019
for a further 1.9 years*

**Appointed on 1 November 2018 for a 2.7 year term*

Management

Richard Dellabarca, Chief Executive

Registered Office

12 Madden Street
Wynyard Quarter
Auckland 1010

Contact Details

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Auckland 1142
www.nzvif.co.nz

Auditor

Audit New Zealand
Level 6, 280 Queen Street
Auckland
On behalf of the Auditor-General

Bankers

Westpac Banking Corporation
318 Lambton Quay
Wellington

ASB Bank Limited
12 Jellicoe Street
Auckland

Solicitors

Chapmann Tripp
23 Albert Street
Auckland

Simpson Grierson
88 Shortland Street
Auckland