



Annual Report
2023

Publicly funded research with big ambitions.



We believe in
the **power of
New Zealand
science** to
transform lives
and change
the world.

KiwiNet 



Accelerating scientific discoveries towards real-world impact.



Table Of Contents

Chair's Report	06
CEO's Report	07
Highlights	08
Strategy	09
Investment Committees	11
Researcher Entrepreneurship	17
Celebrating Success	24
Strengthening the Ecosystem	33
Financial Statements	39

About KiwiNet

KiwiNet is the combined power of New Zealand's Universities, Crown Research Institutes and other research organisations who receive public funding. Together these research organisations represent a total combined research expenditure of over \$800 million and represent 80% of the publicly funded researchers in New Zealand.

Through KiwiNet, the commercialisation offices of these organisations are pooling knowledge and resources to support and accelerate research commercialisation. This support means that Aotearoa New Zealand's best scientific discoveries can be developed further, ready for private investment, so they can ultimately become the new products, services and clever start-up companies that are transforming lives and changing the world.

Funding

KiwiNet is funded from the shareholder research organisations, corporate partners, and the Ministry of Business, Innovation and Employment.



Supporting Aotearoa Innovation

KiwiNet helps accelerate public research discoveries to market, to create lasting impact for New Zealand.

Shareholders (Universities, Crown Research Institutes, Entities and independent research organisations) as at 30 June 2023.



Vision becoming reality



Chairperson's Report

The nature of deep tech causes a slow burn approach, where progress may not always be immediately visible but gradually builds up to transformative breakthroughs.

After years of patient perseverance, we are now witnessing the sector gaining significant momentum. Projects that have long been in the works are now coming to fruition and achieving remarkable success.

There is a growing recognition of deep tech's potential, leading to an increase in investment activity. This surge in interest validates the importance of deep tech in driving innovation and propelling our society into the future.

This is a testament to the relentless pursuit of innovation and collaboration within the sector. A pursuit that is also core to KiwiNet's mission. By sharing capabilities and leveraging extensive networks among our 19 partner organisations, KiwiNet has been able to achieve amazing results.

We are particularly proud of the positive cultural change within the university system, fostering entrepreneurship among researchers and creating a pipeline of innovative start-ups. This cultural shift has also driven deal flow, enabling us to seize opportunities and accelerate the growth of the sector. The significant milestone of 100 researchers completing the KiwiNet Emerging Innovator Programme is a testament to this growing entrepreneurial culture.

The future of the deep tech sector is looking exceptionally promising. The current favourable environment for building new technologies presents abundant opportunities for us to take Aotearoa's deep tech to the world stage. Though, we

must not lose sight of the importance of continued support and collaboration within the ecosystem. By working together, we can overcome challenges, share resources, and further accelerate the growth and success of our sector.

I extend my sincere thanks to all our shareholder organisations for their commitment to transforming research discoveries into investor-ready ventures. Thank you to the KiwiNet team for their unwavering support throughout my first year as Chair, and to our Board members for their valuable expertise, guidance, and dedication. I also express heartfelt appreciation to our corporate partners for their invaluable and generous contributions in building capability in the ecosystem.

I am confident that together, we will continue to push boundaries, drive innovation, and shape the future.

Hei konā mai,
Will Barker

Will Barker / June 2023
Chair, KiwiNet

“By working together, we can overcome challenges, share resources, and further accelerate the growth and success of our sector.”



On the precipice of immeasurable impact

CEO's Report

From humble beginnings, KiwiNet and our commercialisation community across New Zealand have grown into a connected, capable, and hugely valuable part of the innovation system. While there is still work to be done, it is heartening to see the vision we set back early in our existence become a reality, and to know that even more is possible.

You may notice that things look a little different this year. As KiwiNet moves forward with an even bigger and brighter vision for Aotearoa's commercialisation sector, it was time to move our brand forward too.

Our brand refresh is a purposeful evolution in KiwiNet's identity. It represents our curiosity and relentless optimism in our mission to make the world a better place through creating a world-leading commercialisation system.

Looking back over the past year, we have observed a recovery in the PreSeed Accelerator Fund pipeline as researchers re-engaged with commercialisation activities. Yet the public research sector is experiencing significant financial strain and we understand the importance of building capacity and capability across the commercialisation system to support our community.

This year our Spin-Out Programme has really grown legs, supporting a further three projects through a structured process of company formation and exit from their host institution, with support from our fantastic corporate partners alongside a commercial lead.

We continue to leverage KiwiNet's wide-reaching position to empower people in the system to maximise their success. We are in the process of establishing a professional development framework for commercialisation professionals, to raise the visibility of the profession with more clearly defined career pathways, and to support individuals to identify training opportunities and experiences to advance their career.

This year also saw our 100th Emerging Innovator complete the programme. This initiative has been fundamental in driving researcher entrepreneurship across the sector, and we now look to ways KiwiNet can scale the programme to provide further access and impact.

The wider research, science and innovation (RSI) system has been paying close attention to the Te Ara Paerangi — Future Pathways reforms currently underway. With the launch of the white paper in late 2022, focus now turns to how the commercialisation sector can play a more substantial and impactful role in generating benefit for New Zealand.

We are now on the precipice of something incredible, backed by years of hard work — with big changes, big opportunities, and even bigger impact just over that ledge. We remain committed to uplifting the mana of the commercialisation ecosystem and shouting from the rooftops the opportunities to scale commercialisation as our go-to pathway to impact. And we are ready to do the mahi required to take commercialisation forward and realise even more of its potential to create intergenerational benefit for New Zealand.

Hāpaitia te ara tika, pūmau ai te rangatiratanga mo ngā uri whakatipu.

Foster the pathway of knowledge to strength, independence, and growth for future generations.

Ngā mihi nui,
James

Dr James Hutchinson / June 2023
CEO, KiwiNet

“We are now on the precipice of something incredible, backed by years of hard work — with big changes, big opportunities, and even bigger impact just over that ledge.”

The year in highlights

10-YEAR ANNIVERSARY OF THE AWARDS

The 2022 KiwiNet Research Commercialisation Awards celebrated a decades-worth of life-changing research discoveries being successfully launched into the market.

From a record number of finalists, winners emerged, showcasing innovations such as a gastric function test, a disruptive zinc recycling process, cauliflower-based ice cream, and technology for molecular structure measurement.

The sold-out event celebrated 19 exceptional deep tech heroes and their projects to a room of 350 people from across the commercialisation ecosystem.

Research entrepreneurs and commercialisation professionals were also honoured for their work, and renowned deep tech leader Professor Cather Simpson was named KiwiNet's Commercialisation Icon.



BRAND REFRESH

As we move forward with new opportunities, new ideas, and a bigger and brighter vision for Aotearoa's commercialisation sector, it was time to move our brand forward too.

Our refreshed look is a purposeful evolution of KiwiNet's identity. From humble beginnings as Unicom in 2003, then evolving into KiwiNet in 2011, we have experienced significant transformation and growth. And so has our wider commercialisation community — in size, experience, capability, success, and ambition.

Our new look represents curiosity, collaboration, ambition, and our belief in the power of science to change the world.

BOARD APPOINTMENTS

KiwiNet announced the appointment of Dr. Will Barker as the new Board Chair to steer the organisation as it continues to create benefits for New Zealand through publicly funded research. Will, who had been an independent board member since 2018 and is the Founder and CEO of Mint Innovation, succeeded Ngaio Merrick.

Additionally, Amanda Davies, Innovation Manager at Scion, was also appointed to the board as a Crown Research Institute representative director. She brings a deep understanding of the commercialisation ecosystem, having previously overseen the allocation of the PreSeed funding as a KiwiNet Investment Committee member.

Our Board is strongly positioned to support KiwiNet as we remain committed to fostering collaboration and driving the successful transformation of research into impactful commercial ventures.



100 EMERGING INNOVATORS MILESTONE

The Emerging Innovator Programme has successfully supported 100 early-career researchers in commercialising their groundbreaking research, in turn, driving tangible benefits for New Zealand.

This significant milestone represents a pivotal moment for KiwiNet, propelling us towards an exciting future where we envision scaling the programme exponentially. With an unwavering commitment to fostering a vibrant culture of innovation, collaboration, and entrepreneurship, we are poised to unlock the full potential of New Zealand's research and innovation ecosystem.

Through the programme, KiwiNet has supported the development of 16 start-up companies, and graduates have accessed over \$3 million PreSeed Accelerator Funding to commercialise their research.

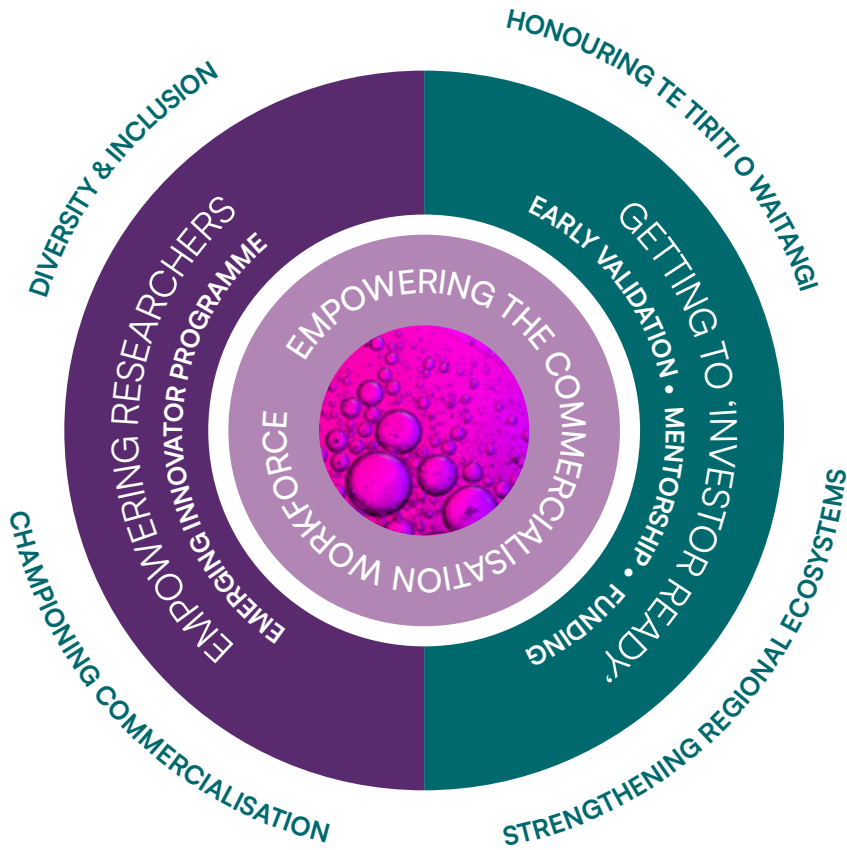
Strategy

Maximising benefit to
Aotearoa New Zealand
from science and
innovation.



STRATEGY

Our Focus



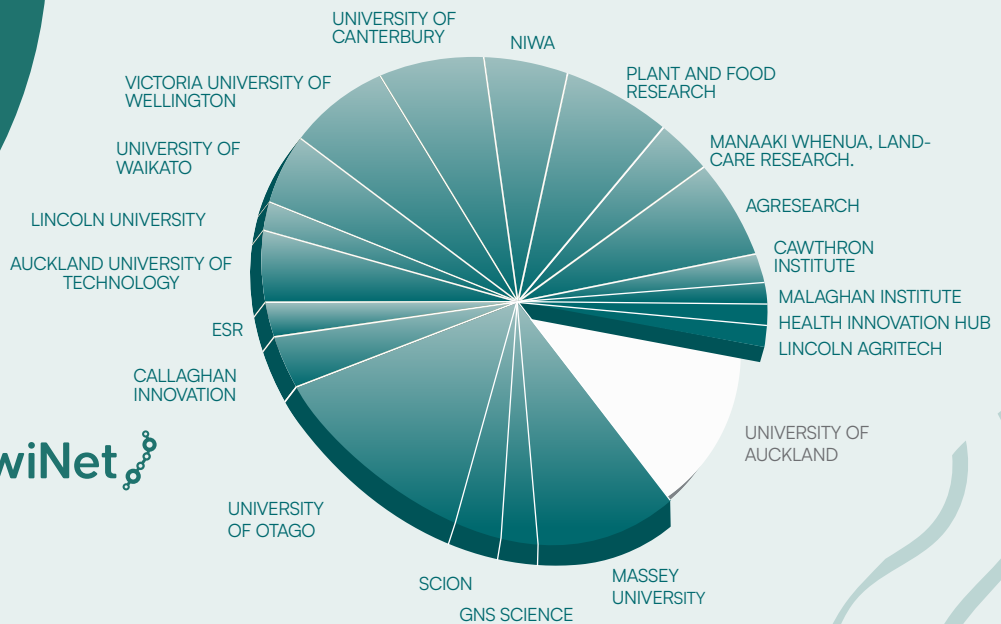
Our Vision

A world-leading commercialisation ecosystem, fuelling a globally-competitive technology sector, that is driving inter-generational prosperity and solutions to global challenges.



~10,000

researchers from NZ's public research organisations are now represented around the KiwiNet consortium.



Accelerating Innovation



A thriving commercialisation community and PreSeed pipeline, delivering massive impact for Aotearoa New Zealand.

KiwiNet Investment Committee

PreSeed Investment

PreSeed funding is a vital mechanism for transforming discoveries from New Zealand’s top research organisations into investable propositions, where they can become the impactful deep tech products and services of tomorrow. In July 2023 KiwiNet began a new two-year PreSeed Accelerator Fund (PreSeed) contract with the Ministry of Business Innovation and Employment (MBIE), with a PreSeed allocation of \$9.94M.

Investment Committee in action

Since 1 July 2022, 85 projects have been presented to the Investment and Pipeline Committees. A total of 453 projects have been presented since the beginning of the contract starting 1 July 2019. Overall, 19 research organisations collaborate through the KiwiNet Investment Committee, representing approximately 80% of researchers in public research organisations in New Zealand.

Driving diversity initiatives

KiwiNet has continued to implement a diversity of thought initiative for our committees, board, and team, fostering intrinsically diverse ways of thinking, decision-making, and problem-solving. This ongoing initiative aims to create greater potential for innovation by encouraging alternative approaches to complex opportunities and challenges, while actively avoiding ‘group-think.’ Further workshops and discussions were held on Te Tiriti o Waitangi — The Treaty of Waitangi, and Te Ao Māori — the Māori world view, exploring new approaches and opportunities for how the committees can operate into the future.



Reflecting on the past year, I am immensely proud to witness the transformation of scientific breakthroughs into tangible market solutions, driven by our commercialisation specialists across our partner institutions, and facilitated by KiwiNet’s active support. I am excited to continue this work, contributing to the advancement of New Zealand’s scientific achievements, and propelling them towards real-world impact and prosperity. It is a privilege to observe New Zealand’s most brilliant minds at work creating solutions to some of the world’s most pressing problems. They give me a profound sense of hope for the future.

- Debra Hall, Chair of the Investment Committee



Pipeline Committee

Now in its ninth year, the Pipeline Committee continues to be invaluable as a complementary mechanism to the Investment Committee (IC) to advance partner projects. In 2022 two new members joined the committee, making a total of 17 representatives from KiwiNet’s partner organisations. Six meetings were held to review projects, provide advice, and undertake workshops and discussions to improve the commercialisation process and increase members’ knowledge and skills. The committee is an important forum for strengthening commercial capability and growing the next generation of IC members.



“My involvement on the Pipeline Committee has helped me learn the inner workings of the PreSeed Accelerator Fund (PSAF), supporting my career progression within my organisation. It has enabled me to contribute to, and gain insight from, other organisations’ projects, which I might not otherwise have had exposure to.”

- Anton Steiner, Pipeline Committee Member

17
Public organisations pooling PreSeed investment.

14
Different research organisations presented projects to the Investment and Pipeline Committees.
(SINCE 1 JULY 2022)

85
Proposals, project previews and Emerging Innovators presented to the Investment and Pipeline Committees.
(SINCE 1 JULY 2022)

Activities

INVESTMENT COMMITTEE PARTNERSHIPS

With 19 research organisations collaborating through the KiwiNet Investment Committee, it now represents approximately 80% of researchers in public research organisations in Aotearoa New Zealand.

PIPELINE COMMITTEE

A joint committee of commercialisation professionals from research organisations, who review and support commercialisation projects and design initiatives to strengthen commercialisation.

Outcomes

Since 1 July 2022, 85 projects have been presented to the Investment and Pipeline Committees from 14 different research organisations. Since the beginning of the contract starting 1 July 2019, 453 projects have been presented to the Investment and Pipeline Committees.

Over the year to 30 June 2023, 4 Pipeline meetings were held with an average of 13 attendees at each. The Pipeline Committee is committed to supporting the uptake of commercialisation and researcher entrepreneurship that delivers impact for New Zealand and builds collaboration in the commercialisation ecosystem.

ACHIEVING IMPACT

Putting the green back in greenhouses



Hot Lime Labs is on a mission to empower greenhouses across the globe to embrace the transition to renewable energy sources, while simultaneously taking their yields and profits to new heights.

Wellington-based cleantech start-up, Hot Lime Labs, is revolutionising the way greenhouses operate with technology that supplies a renewable and sustainable source of carbon dioxide.

Growers pump carbon dioxide (CO₂) into their greenhouses as a method to boost plant production. Their reliance on fossil fuels as the sole source of CO₂, either as a by-product of burning natural gas for heat or in the form of a liquid CO₂ from refineries, poses a significant problem. Due to the shortage and rising costs of both natural gas and liquid CO₂, growers are experiencing disruptions in crop production and in turn, the costs of produce for the consumer are increasing.

Hot Lime Labs is meeting this vast demand with their pioneering technology that provides a renewable source of CO₂.

The core technology of Hot Lime Labs is the 'Hot Lime,' a patented limestone material that extracts clean CO₂ from crop and wood waste. When distributed back into the greenhouse, it can boost yields by up to 25 percent. The 'Hot Lime' technology is the culmination of a decades-worth of research by Founder and CTO of Hot Lime Labs, Dr Vlatko Materic, who developed the CO₂ capture material at Callaghan Innovation.

Vlatko was a founding participant of the KiwiNet Emerging Innovator Programme, which kickstarted funding for Hot Lime Labs, and he was named Breakthrough Innovator at the 2018 KiwiNet Awards.

At Callaghan, the technology was initially developed for the power industry to capture CO₂ from chimneys, however after identifying an unmet demand for clean CO₂ from growers, Vlatko redirected his focus.

He started Hot Lime Labs and has been scaling the technology to a successful pilot unit and soon, installation of the first commercial scale system for Gourmet Mokai Limited. Exciting developments lie ahead for Hot Lime Labs as they explore future innovation and direction for their technology. Their most recent discovery is for the potential uses of biochar, created as a by-product of the CO₂ capture process. The biochar is made from biomass and can be used to filter wastewater while capturing valuable nutrients. Next, biochar is buried in the ground, sequestering the carbon while also releasing valuable nutrients into the soil - leading to the creation of carbon negative greenhouse 'hubs.'

Since inception, Hot Lime Labs has grown from a team of three people working out of Vlatko's living room, to a team of 24 with full-scale premises.

The global demand for CO₂ offers ample opportunities for Hot Lime Labs to expand. However, their imminent mission is to decarbonise the horticulture industry by helping 50 percent of the global greenhouse industry transition to renewable energy in the next 30 years.

ACHIEVING IMPACT

From berries to brilliance

2before® blackcurrant pre-workout, born out of a collaboration with NZ's blackcurrant industry, is now recognised internationally as a breakthrough natural sports performance enhancer.

The 2before blackcurrant powder supplement is the culmination of multiple Plant & Food Research studies that discovered a unique combination of anthocyanins in New Zealand blackcurrants.

These anthocyanins were shown to shift redox balance, manage oxidative stress and support recovery from exercise. The initial plan was to brand this discovery found in the berry under the name Adaptive™ New Zealand blackcurrants, though the project quickly evolved to encompass something greater.

What came to fruition was 2before — a blackcurrant powder pre-workout that is scientifically validated to have a biological effect on improved athletic performance. The brand name reflects the science, which shows the natural pre-workout uniquely provides two benefits in a single supplement — both performance and recovery.

The journey of launching 2before to market was not an easy task. This was partly due to the impact of the COVID pandemic, which essentially took away their primary target market of US elite college and professional sports teams. Despite this, the potential of 2before was solidified that same year when it was awarded the Nutraingredients Product of the Year for Sports Nutrition. 2before spun-out of Plant & Food Research in 2021 and launched as an online direct-to-market company on Amazon, with a capital raise secured in the process.

Dedicated to ongoing exploration, 2before continues to investigate the incredible benefits of New Zealand blackcurrants, aiming to unlock their full potential. For example, a fascinating finding emerged from a meta-analysis conducted by scientists from the University of Auckland and Plant & Food Research, published in the Journal of the International Society of Sports Nutrition in 2020.

Based on this in-depth analysis, which included nine different studies, New Zealand blackcurrants were found to enhance sports performance by an average of 4.6% percent (performance effect of 0.45) compared to using a placebo. This is a comparable performance effect to caffeine and highlights the significance of marginal gains in the realm of athletic success. 2before launched a second natural pre-workout supplement in 2021 combining NZ blackcurrants with natural caffeine to maximise benefits for athletes.

A testament to its scientific backing, 2before has garnered recognition in the industry, including the esteemed HealthXWire Award for Top Healthcare and Lifestyle Companies to Watch in 2023.

Looking forward, 2before anticipates robust sales growth, with an initial projection of \$1 million NZD in the first year, expected to escalate to \$5 million NZD. The company has strategic plans for expansion into US retail stores in the coming months.

ACHIEVING IMPACT

The ripple effect of real-time water quality management



HydroMetrics is changing the way we monitor and measure nitrate levels in groundwater with their robust, low-cost sensors that provide accurate, continuous data in real-time.

Intensive agriculture is a primary contributor to nitrate contamination in groundwater and waterways, posing significant risks to both human health and the environment. As a result, there is a growing demand for cost-effective nitrate monitoring solutions to help farmers manage their impact on local waterways and comply with new freshwater regulations.

HydroMetrics, a division of Lincoln Agritech Ltd and soon to be spun out, has developed a UV-based groundwater nitrate sensor, that provides reliable, real-time groundwater monitoring.

The GW50 Nitrate Sensor allows landowners to gather nitrate data continuously, mapping trends and providing an immediate view of how weather and land-use affect groundwater nitrate levels.

This data helps in making informed decisions regarding grazing practices, fertilizer application, and potential environmental measures such as riparian planting.

This innovative technology empowers landowners and farmers, arming them with the tools they need to protect and restore the health of their land and waterways.

To date, HydroMetrics has achieved impressive sales results, having sold over 100 sensors globally with a total sales value exceeding \$1 million.

The potential of the nitrate sensor was highlighted in a year-long study funded by Our Land and Water National Science Challenge Rural Professional Fund and supported by The AgriBusiness Group. The project aimed to understand the nitrogen footprint of the Wainono Dairy Farm, which is in a high nitrogen concentration area near the Opihi River.

Impressed by the project's success, the owners of Wainono Farm purchased the three nitrate sensors used in the trial, to continue their data collection and support the local community's understanding of nitrate level influences.

HydroMetrics have successfully expanded their distribution network to major markets in the UK, Ireland, Denmark, and Belgium. In late 2022, they attended the World Water Congress & Exhibition in Denmark where they made significant strides in establishing international distributors to sell their optical nitrate sensors.

In the coming months, HydroMetrics plans to test an advanced new multi-channel surface water sensor to broaden its product range and deepen our understanding of complex water systems.

HydroMetrics has plans to spin out as an independent company and has opened its pre-seed funding round, with a target of raising \$1 million in capital in 2023. By addressing nitrate contamination through their products, HydroMetrics demonstrates their commitment to revolutionising water quality management, and fostering a healthier environment for generations to come.

Researcher Entrepreneurship

Championing Kiwi researchers on their journey to commercialise their discoveries and make a difference in the world.



CELEBRATING



EMERGING INNOVATORS

The Emerging Innovator Programme has achieved a significant milestone by successfully supporting 100 early-career researchers to commercialise their research and drive positive impact for New Zealand.



The programme plays a crucial role in helping researchers view their work through a business lens, equipping them with the necessary tools to navigate the complexities of commercialisation. Through funding, professional development opportunities, workshops, and mentorship, KiwiNet empowers these innovators to unleash their entrepreneurial spirit and transform their research into real-world solutions

Over its seven years interest in the programme has continued to grow, and in the last 12 months application numbers have significantly and swiftly exceeded past intakes. As we set our sights on a future where the programme is scaled to meet this growing demand, we remain committed to nurturing a culture of innovation, collaboration, and entrepreneurship.

With continued support from partners and stakeholders, KiwiNet is excited to embark on the next phase of the Emerging Innovator Programme, catalysing New Zealand's research and innovation ecosystem for years to come.

New in 2023: The Emerging Innovator Committee

KiwiNet is excited to introduce the newly established Emerging Innovator Committee, led by Chair Nathan Bryant-Taukiri and comprised of industry experts and academic leaders.

This Emerging Innovator Committee's will play a vital role in refining the selection process for the programme, ensuring its continued success in delivering impactful outcomes.

The committee's decisions and recommendations will be presented to the Investment Committee, gaining valuable insights to help inform strategic decision-making within the EI programme.



“Reflecting on the remarkable journey of the Emerging Innovator Programme, we stand at an inflection point of extraordinary growth and achievement. From its humble beginnings to now supporting 100 early-career researchers, the programme has emerged as a catalyst for commercialisation and impact, uplifting individuals and organisations alike. As we scale exponentially, I’m excited about the immense potential for the programme to become a cornerstone of Aotearoa’s vibrant research and innovation ecosystem.”

- Nathan Bryant-Taukiri

Researcher entrepreneurship

KiwiNet is proud to champion researchers across New Zealand, to find an effective pathway for their science discoveries to be recognised and make a difference in the world.

Activities

EMERGING INNOVATOR PROGRAMME

The KiwiNet Emerging Innovator Programme has reached a significant milestone of supporting 100 entrepreneurial researchers to commercialise their research and create impact for New Zealand.

COMMERCIALISATION TRAINING

KiwiNet provides a range of training programmes including partner-led workshops for researchers to develop practical commercialisation skills.



REWA AKE

Rewa Ake is a free online workshop series run in partnership with the Science for Technological Innovation National Science Challenge focusing on end user/customer engagement and discovery for entrepreneurial researchers. This three-day course held over three weeks elevates ideas and supports researchers to find their market.

WORKING WITH THE COMMUNITY

KiwiNet continues to offer capability opportunities delivered by the growing innovation community. Organisations such as MacDiarmid Institute, the Angel Association, Science for Technological Innovation National Science Challenge, CreativeHQ, Ministry of Awesome, and Return On Science all offer excellent and cooperative events that the research community can learn from.

Outcomes

This milestone represents the programme's continuing impact in fostering entrepreneurial culture and commercialisation in New Zealand's research community.

Through the programme, KiwiNet has supported the development of 16 start-up companies, and graduates have accessed over \$3 million PreSeed Accelerator funding to progress their research through commercialisation.

Over 150 researchers took part in KiwiNet commercialisation training initiatives last year, as well as events led by our partners. These included GetFUNDED to help researchers define their idea's unique value proposition, IP Discovery Online Workshop with Tim Stirrup, and Market Validation workshops with WNT Ventures and Icehouse.



Rewa Ake has proven both effective and engaging for researchers. Participants received training on framing customer-centric conversations, developing searching questions, active listening, language and positioning, customer discovery, segmentation, and feedback.

This provides a broader breath of topics and skills that can be accessed by the researcher community. Working with our partners in the ecosystem allows us to reduce duplication and focus our efforts on continually improving the events that we produce.

MEET THE EMERGING INNOVATORS

Joanne Choi

Safe-guarding little smiles with innovative dental care.

KiwiNet Emerging Innovator, Joanne Choi, is developing technology to address the prevalent issue of dental decay in children.



Dental decay is a significant health concern in New Zealand, particularly among children, where it is considered the most common chronic childhood disease.

Delayed treatment, often resulting from fear or financial constraints, only worsens the severity of the problem. In addition, certain populations, such as Māori and Pasifika communities as well as children from lower socioeconomic backgrounds, bear a disproportionate burden of dental decay.

By enhancing an existing technique known as the Hall Technique, she aims to create tooth-coloured crowns that are aesthetically pleasing and effective in treating dental caries. This is achieved by utilising a novel material that offers a malleable composition suitable for capping a child's tooth.

Joanne fully immersed herself in the Emerging Innovator Programme, attending a series of research commercialisation workshops. She participated in a market validation workshop, Rewa Ake Customer Discovery, GetFUNDED, the IP Searching workshop, and the Exponential 90 leadership programme.

Joanne's mentor, Kerry Hegarty (CEO of Incisive Technology Ltd in Melbourne) encouraged her and her team to apply for the SMILE Health Program, an US-based oral health start-up accelerator. They ranked among the top five of 100+ international entries. This pivotal opportunity provided critical market validation data and essential US connections, propelling her innovative tooth-coloured crowns closer to research commercialisation.

Her potential to progress the technology was acknowledged in 2021 through substantial grants and funding awards. She was awarded a grant of \$249,000 as part of the Feasibility Studies round by the Health Research Council.

She also received \$200,000 in Seed Project Funding from SfTI, which meant she was able to fund the optimisation of the novel material for new dental crowns over a two-year period.

To validate the effectiveness and feasibility of the tooth-coloured crowns in a real-world setting, Joanne and her team plan to transition their laboratory research into a clinical trial. If successful, their goal is to make these innovative crowns widely available for use in all dental practices.

Joanne's project is on the brink of significant advancements with the pending patent application, ongoing optimization efforts, and the upcoming clinical trial.

MEET THE EMERGING INNOVATORS

Holly Gooch

Helping launch the careers of
twice-exceptional students

KiwiNet Emerging Innovator, Holly Gooch, is empowering twice-exceptional students by setting them up for academic and professional success in a talent incubator that will be a world-first.



Although there is a growing recognition of neurodivergent individuals today, a deeper understanding is still required to fully grasp the range of their experiences.

One such experience is twice exceptionality, the focus of Holly's PhD of Educational Psychology at Te Herenga Waka — Victoria University of Wellington. Twice-exceptional (2e) people are those that are both gifted and have a concurrent learning difference such as having autism, ADHD, or a specific learning disability such as dyslexia.

As a parent of a twice-exceptional teen and experience as a teacher, Holly sees the unique challenges this group face with the intersection of being gifted and having a learning difference.

Seeking to enhance the understanding and support available to 2e students, Holly embarked on research to develop a screening tool that helps to identify those who are 2e.

Holly was approached by her university's commercialisation office, Wellington UniVentures, to take part in the KiwiNet Emerging Innovator Programme. With the programme's support, Holly adopted a commercialisation mindset, resulting in the expansion of her initial idea into a more comprehensive and ambitious concept. This concept is the Hyphen Project, a talent incubator designed to kickstart the careers of 16-18-year-old 2e students.

The world-leading incubator would give 2e students the opportunity to discover their talents by engaging in a project aligned with their interests and bridge towards a university or industry environment.

The mentor support Holly received as an Emerging Innovator helped shape her commercialisation understanding. Her mentor, William Jeffrey, challenged her thinking, provided new ideas and insights, and helped her develop a more ambitious and market-appealing solution.

As for what's next, Holly is in the process of finding a partner organisation — ideally a university — to test the programme in the market, with the view to be up and running within the next five years.

Patrick Cahill

Revolutionising the marine industry through nature-inspired innovation

Patrick Cahill, backed by the KiwiNet Emerging Innovator Programme, is part of a collaborative team pioneering a groundbreaking endeavour to revolutionise the global marine antifouling market.

Biofouling is the unwanted build-up of microorganisms, plants, algae, or small animals on surfaces submerged in the sea or freshwaters. This build-up poses a major challenge for the marine industry as it diminishes operational efficiency, increases fuel consumption, and causes structural damage.

Further, it facilitates the spread of invasive species within the marine environment, posing a threat to ecosystems and biodiversity. While effective, traditional antifouling coatings release toxic substances into the water, highlighting the need for eco-friendly alternatives.

Patrick Cahill, marine biologist and Biosecurity Group Manager at Cawthron Institute, is part of a team developing a solution for biofouling in the form of nature-inspired trapped air cushion surfaces. The project is a partnership between Nelson's Cawthron Institute and Durham University in the UK, combining respective expertise in applied marine ecology and functional surface chemistry.

Mimicking the unique characteristics of bird features, the team's technology traps a microscopic layer of air on and within synthetic materials to create a barrier against underwater biofouling organisms. This establishes a barrier to preventing organisms from settling, keeping surfaces clean and biofouling-free. Because it is based on air, the technology is entirely eco-friendly.

Patrick's journey through the Emerging Innovator Programme encouraged the team to pursue and realise the commercialisation potential of their nature-inspired technology. They aim to bridge scientific excellence with commercial applications and make a lasting, real-world impact.



This type of applied impact is not new for Professor Jas Pal Badyal (Durham University), a member of the team who has played a crucial role in the project's success. His pioneering work in pulsed plasma polymerisation has led to successful start-ups and improved countless consumer electronic devices. As the Chief Science Advisor to the Government of Wales, his impressive acumen inspires the team, to replicate this success in the field of antifouling.

The mentorship Patrick received through the Emerging Innovator Programme helped him recognise that he can pursue both science leadership and research commercialisation simultaneously. For example, holding the role of CTO in a start-up while maintaining a full-time position at Cawthron, offers avenues for pursuing both commercial success and science leadership aspirations.

The team will focus first on understanding the requirements of customers for proof of concept and a minimum viable product, enabling the possibility of establishing a spin-out commercial venture. They are initially targeting an untapped market segment in aquaculture, partnering with one of the world's largest aquaculture net manufacturers, Hampidjan.

Their vision is to expand to encompass a broader range of antifouling and aligned technologies to address biofouling challenges long term and protect Aotearoa New Zealand's waters.

Celebrating Success

Highlighting the power of research commercialisation and its significant contribution to the collective prosperity of New Zealand.



New Zealand's 10th Annual Research Commercialisation Awards

The 2022 KiwiNet Awards marked ten years of celebrating scientific discoveries transforming lives and changing the world.

The sold-out event celebrated 19 exceptional deep tech heroes and their groundbreaking projects and created a renewed sense of community among individuals in the deep tech space.



The ten-year milestone serves as a powerful reminder of the progress that can be made and the potential scale and impact that can be achieved within a decade.



Commercialisation Icon

KiwiNet's highest honour, given to a quintessential champion of New Zealand's research commercialisation community.

An inspirational commercialisation leader, advocate, and entrepreneur, driving returns for Aotearoa and empowering the next generation.

Cather Simpson is a physicist and chemist at the University of Auckland. In 2010 she founded the Photon Factory, which has attracted millions of dollars in commercial contracts and acts as a 'high impact' commercial hub. She has also been involved in the formation of two successful start-up ventures; Engender Technologies, and Orbis Diagnostics; which have already provided significant returns and impact for Aotearoa. Cather is also a partner in deep tech investment company, Pacific Channel.

Cather is a supportive and inspirational leader, who is widely respected in the areas of innovation in undergraduate teaching, women in science, and ethics in education and research. In 2015 she co-founded the Science Scholars programme at the University of Auckland, and publicly advocates for diversity in science. Cather continues to be involved with the companies and innovations she has helped develop. She acts as a mentor and advisor across the deep tech commercialisation space and raises the external profile of the sector in New Zealand.



**Cather
Simpson**

University of Auckland



Winner

Breakthrough Innovator Award

This award recognises an upcoming entrepreneurial researcher who is making outstanding contributions to research commercialisation in New Zealand.

Redefining the zinc recycling landscape for a greener future.

Jonathan Ring, Founder and CEO of Zincovery, has developed a disruptive technology to recycle zinc from furnace waste. One of its key benefits is the ability to produce zinc with 70% less carbon emissions than the existing recycling process.

Jonathan started the development of the 'Zincovery' technology during his Master's project with Professor Aaron Marshall at the University of Canterbury. Jonathan is committed to fighting climate change and protecting the environment from pollution. Current zinc recycling methods result in large carbon emissions and significant material wastage; Jonathan is determined to change that.

Zincovery's technology can recycle zinc and produce less than one tonne of CO2 per tonne of zinc (typically recycled zinc requires five or more) using an innovative, low-temperature furnace process. The technology has the potential to save isolated steel mills over \$500,000 in transportation costs and reduce the landfilling of over three million tonnes of dust per year. The global market opportunity for the technology is estimated at over \$10 billion per annum and growing.

Jonathan manages seven employees, and has customers lined up across several continents. Under Jonathan's lead, Zincovery has successfully completed a \$3 million early-stage venture capital funding round to take its research from the lab bench to a pilot plant.



Jonathan Ring

Zincovery / University of Canterbury



Winner

JUDGES COMMENTS

“Jonathan has a clear entrepreneurial talent and skillset and has successfully navigated some very difficult challenges and business decisions with Zincovery. His willingness to listen and adapt, and his recognition that he is standing on the shoulders of those that have gone before, is admirable and will set him up for immense success.”

Researcher Entrepreneur Award

This award recognises an experienced entrepreneurial researcher who has made outstanding contributions to research commercialisation impact in New Zealand.

A deep tech commercialisation leader, supporting early-career researchers to be part of the journey.

Professor Justin Hodgkiss has established an extensive track record as a leader in the commercialisation of deep tech research. His expertise spans ultrafast laser spectroscopy, solar energy conversion, nanotechnology, and DNA aptamers, resulting in a multitude of publications, high citations, and recognition through awards for his contributions to knowledge creation.

Justin's influence extends to the development of two Wellington UniVentures spin-out companies, Auramer Bio and Advemto, where his contributions were pivotal. These ventures showcase his dedication to translating research into tangible impact, demonstrating his ability to bridge the gap between academia and commercialisation.

As Co-Director at the MacDiarmid Institute, Justin fosters the growth of young research entrepreneurs. He has helped develop an entrepreneurial culture through a combination of hands-on training opportunities, peer networks, and targeted funding for emerging entrepreneurs.



Professor Justin Hodgkiss

Te Herenga Waka -
Victoria University of
Wellington



Winner

JUDGES COMMENTS

“It is admirable to see how Justin’s early commercialisation setbacks have fuelled him on to do more. He has a clear and genuine passion for all areas of commercialisation, and his influence on the wider ecosystem has been far-reaching — he is an inspiring leader and has been instrumental in creating an entrepreneurial culture at the MacDiarmid Institute.”

Commercialisation Professional Award

This award recognises a commercialisation professional working within a New Zealand research organisation who has delivered outstanding outcomes through the commercialisation of publicly funded research.

Unique combination of expertise resulting in exceptional outcomes.

Evelyn’s expertise as a lawyer, an intellectual property advisor, and commercialisation expert makes her an effective one-stop-shop for advice and execution. She is one of the most knowledgeable and experienced practitioners in the technology transfer and early-stage investment arena in Australasia.

She has negotiated some of the largest deals, from Soul Machines’ US\$7.5M initial investment round led by top tier VC Horizon Ventures, to access agreements with major Australasian funds (MRCF and IP Group). Evelyn has had a major influence on the research commercialisation landscape in New Zealand and beyond, in her role on the Board of Knowledge Commercialisation Australia (KCA).

Her unique skill set, knowledge and experience make her a key person in the translation of research to industry.



Evelyn Body

Auckland UniServices



Winner

JUDGES COMMENTS

“Evelyn has a unique ability to understand and manage competing interests and very complex work, from the academic side to the commercial side, and everything in between. Her passion for the wider impact of commercialisation really shines through, and she epitomises a truly exceptional commercialisation professional of remarkable quality and impact.”

Breakthrough Project Award

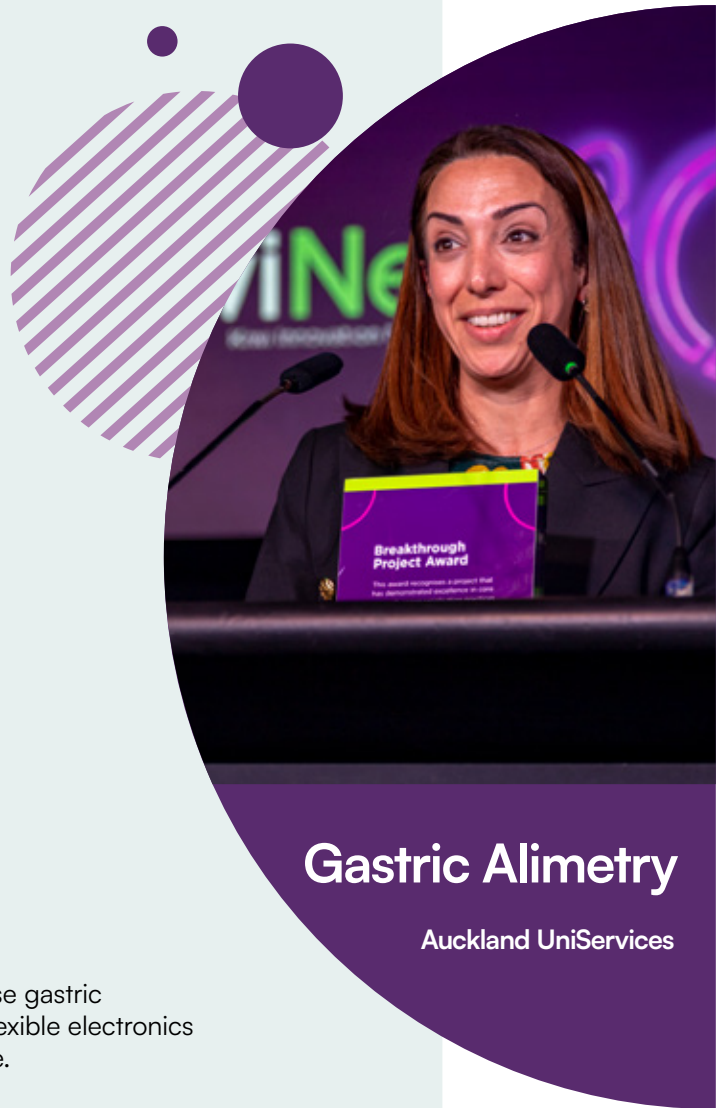
This award celebrates excellence in core research commercialisation practices and processes that are accelerating research to market and ensuring it is delivering impact for New Zealand.

The new test of gastric function.

Gastric Alimetry is a breakthrough medical device to diagnose gastric disorders. It is wearable and non-invasive, using advanced flexible electronics to sense the movements of the stomach from the skin surface.

Gastric Alimetry is used in ten hospitals in six countries, with hundreds of tests completed and CE Mark and FDA regulatory approval. Alimetry is a spin-out of the Bioengineering Institute at the University of Auckland, based on ten years of world leading science and innovation. UniServices led Alimetry through their first round of investment funding in 2020 and supported Alimetry through their \$16.3M Series-A round one year later in December 2021.

Alimetry recently won three prestigious NZ Hi-Tech Awards for Most Innovative Deep Tech Solution, Most Innovative Hi-Tech Creative Technology Solution, and Most Innovative Hi-Tech Hardware Product.



Gastric Alimetry

Auckland UniServices



Winner

JUDGES SPECIAL MENTION - BREAKTHROUGH PROJECT AWARD



The judges also made special mention of RespirAq from AUT Ventures with its disruptive and high-performance medical airway humidification technology.

“RespirAq is an extremely high-quality example of an excellent commercialisation process from development to spin-out, that is hitting all the right marks and will be one to watch in the coming years.”



Commercialisation Impact Award

This award celebrates excellence in research commercialisation delivering outstanding innovation performance and generating significant impact for New Zealand.

Transforming beautiful science into a thriving business

Magritek grew out of decades of world-class research from teams at Massey University and Te Herenga Waka — Victoria University of Wellington. It was incorporated in 2004 to manufacture products based on Nuclear Magnetic Resonance (NMR) technology.

Magritek’s main product today is the Spinsolve Benchtop NMR Spectrometer, which measures the chemical structure of molecules.

In 2012, Magritek merged with a small German start-up company and began placing production facilities closer to its customers. In 2013, Magritek opened a US sales and support office to assist its customers in North America.

Magritek also attracted the attention of Rangatira Investments in 2013, providing expansion capital and bringing their total shareholding to 24 percent. Recently, Massey University and Wellington UniVentures have sold shares in the company and reinvested the proceeds in building the next generation of university-derived start-up companies.



Magritek

Massey Ventures & Wellington UniVentures



Winner

JUDGES COMMENTS

“Magritek’s huge commercial returns have created a spill-over effect for the entire research commercialisation sector in New Zealand. It is hard to overstate the pioneering impact this business has had on our sector in terms of building confidence in research commercialisation and what is possible. The collaboration between Massey Ventures and UniVentures to take this science to market is a lesson in the success of a good partnership.”

Momentum Student Entrepreneur Award



Mrinali Kumar

Massey University

This award recognises a highly motivated university student who looks beyond the science and sees the prize - how their idea can change the world. This student is making outstanding contributions to commercialisation and innovation or has created an innovative business in New Zealand.

Sweet success in plant-based indulgence

After crossing paths at a start-up weekend in Taranaki, Mrinali, a food technology master's student at Massey University, and entrepreneur Jenni Matheson, embarked on an exciting journey.

Inspired by Jenni's concept of cauliflower-based ice cream, the duo joined forces to establish EatKinda. Their shared goal was to transform a benchtop formulation into a commercially viable product. Today, they represent a cutting-edge venture in sustainable plant-based confectionery.

Unlike other plant-based ice creams, EatKinda offers a stable texture, no aftertastes, and slow melting properties. The product range underwent a six-week trial at Hell Pizza, which proved to be a resounding success, with the vegan ice cream selling out nationwide.

The success of EatKinda has attracted interest from potential investors, and KiwiNet has supported the project with \$25,000 in PreSeed funding.

At the heart of EatKinda's mission lies a relentless commitment to combat food waste by embracing the potential of cosmetically imperfect cauliflower. During their trial production in 2022, they triumphantly diverted 468 kilograms of cauliflower from going to waste, effectively rescuing approximately 310 cauliflower florets.



Winner

JUDGES COMMENTS

“Mrinali is a very mission-driven entrepreneur, and it is particularly commendable that her mission is aimed at mitigating the impact of climate change. She is actively engaged in her community and market, and the judges were impressed with her comprehensive customer engagement and market validation.”

Strengthening the ecosystem

Collaborating with various stakeholders to create a supportive environment for research commercialisation.



Private sector engagement

An engaged and supportive investment and business community working alongside research organisations creates new successful deep tech ventures and licensing arrangements. Engaging early and often with the private sector builds the best possible expertise around technologies to maximise chances of success.

Activities

SPIN-OUT PROGRAMME

The Spin-Out Programme fast-tracks projects from KiwiNet's shareholder organisations, into fully formed investor-ready spin-out companies. This comprehensive 6-month long process consists of four stages; from securing organisational support to preparing for a capital raise. With the help of the KiwiNet corporate partners (BNZ, DLA Piper, Simpson Grierson, AJ Park and PwC), researchers and founders can attract investment and accelerate the growth of their spinout companies.

INCUBATOR ENGAGEMENT

KiwiNet works closely with each of the four Callaghan Innovation Technology Incubators as a key provider and facilitator of deal flow. We continue to engage with the incubators as they consistently show great interest in the KiwiNet pipeline.

INVESTOR CONNECTIONS

KiwiNet engages regularly with angel networks, high-net-worth individuals, and investment funds which results in critical feedback and input, increasing the chance of long-term success.

This engagement has included sponsorship of the Angel Summit, on 27 and 28 October in Queenstown.

COMMERCIAL MENTORS/TALENT GRID

The KiwiNet commercial mentor and talent pool support researchers, projects and organisations with everything from identifying new opportunities, mentoring researchers, and providing a commercial lead for projects. This initiative is helping to drive significant pipeline growth and commercial success, while helping research organisations overcome limited commercialisation resources.

Outcomes

In its second year, the programme continues to thrive, experiencing strong growth and attracting interest from investors. BSpkl has completed the programme and successfully raised capital. There are also two other projects currently in the programme.

Several KiwiNet projects have been presented to incubators for their pre-incubation loan. The incubators KiwiNet has worked with include WNT Ventures, Bridgewest Ventures, Brandon Capital Partners, Sprout, alongside other early-stage deep tech investors.

Through our regular Pipeline Post emails to the investor community, KiwiNet has attracted over 30 enquiries into projects this year. Through these enquiries, KiwiNet has facilitated engagement between research organisations and investors across New Zealand.

An updated Emerging Opportunities document has also been developed this year, featuring over 100 early-stage projects. This is a crucial document to showcase the KiwiNet project pipeline to investors, mentors and industry stakeholders.

KiwiNet has placed 25 mentors and commercial leads to support researchers and provide direction for projects over the last year alone. We continue to encourage experienced and skilled individuals in New Zealand and overseas to join our Talent Grid. This programme continues to be critical in the commercialisation process.



Spin-Out Programme

Accelerating innovation, empowering founders, and attracting investors

Launched in 2021, the Spin-Out Programme provides a fast-track for commercially viable discoveries out of KiwiNet shareholder research organisations to become fully formed investor-ready spin-out companies.

Each project undergoes several stages, including tech transfer, company formation, and capital raising, with support from both mentors and KiwiNet's esteemed corporate partners — DLA Piper, Simpson Grierson, AJ Park, PwC, and BNZ.

Our corporate partners provide the projects with important tools and support, significantly accelerating the pathway to investor readiness.

Over the past year, the Spin-Out Programme has supported three additional projects. Notably, it has played a pivotal role in supporting GNS Science as they pursued the spinning out and capital raise for Bspkl Limited.

Bspkl is a hydrogen catalyst coated membrane technology and was the first ever company spun out of GNS Science. Recently, as a standalone commercial entity, Bspkl successfully raised \$2.5 million in capital. With the potential to transform Catalyst Coated Membrane (CCM) manufacturing for hydrogen electrolysers, Bspkl is at the forefront of the widespread adoption of hydrogen as a sustainable energy source.

RespirAq, with the backing of AUT Ventures, successfully spun out their innovative humidification technology through the programme in 2021. Excitingly, the RespirAq Active Humidifier has recently been designated as a Breakthrough Device by the US FDA, marking a significant milestone for this New Zealand-based company.

With a proven track record of success, KiwiNet's Spin-Out Programme continues to drive the commercialisation of groundbreaking innovations, fostering a thriving ecosystem of entrepreneurship and investment.

AJ Park

bnz
Be good with money

DLA PIPER

**SIMPSON
GRIERSON**

“The Spin-Out Programme by KiwiNet provided GNS Science with access to expert insights and guidance in relation to spinning out our hydrogen catalyst-coated membrane technology. This helped give us the confidence to spin out this technology via New Zealand's first hydrogen deep tech start-up, Bspkl.”

Sheena Thomas, Commercial and Business Partnerships Manager, GNS Science



Advocacy

KiwiNet plays a pivotal role as an advocate and thought leader in research commercialisation, supporting national ecosystem activity and fostering connections among the wider innovation community.

Activities

GOVERNMENT AGENCY ENGAGEMENT

KiwiNet engages with government departments and agencies who are working in similar and complementary areas to promote and realise the value of investment into research commercialisation at both the political and policy levels, and across multiple agencies.

In 2022, KiwiNet CEO James Hutchinson joined Te Ara Paerangi — Future Pathways Reference Group which provides high-level strategic guidance to MBIE on the research, science and innovation system reforms.



COMMERCIALISATION PARTNER NETWORK ENGAGEMENT

KiwiNet is collaborating with our Commercialisation Partner Network (CPN) partner Return On Science to accelerate our common goal of achieving better economic outcomes from the commercialisation of publicly funded research in New Zealand.

HONOURING TE TIRITI O WAITANGI

We aim to build meaningful and longstanding relationships with Māori and upskill both our member organisations and Māori stakeholders to scale the partnership between the research commercialisation world and Te Ao Māori.



PROMOTING RESEARCH COMMERCIALISATION

KiwiNet has been actively advocating for commercialisation as a significant impact pathway through the delivery of informative talks and webinars.

Outcomes

KiwiNet works closely with the Ministry of Business Innovation and Employment (MBIE), to provide a clear picture of research commercialisation activities in New Zealand.

MBIE receives reports on KiwiNet's PreSeed Accelerator Fund performance and the outcomes of the Commercialisation Partner Network annually. MBIE's ongoing support reflects a strong commitment to creating impact from publicly funded research.

James' involvement in the reference group contributes to shaping Te Ara Paerangi through providing valuable strategic guidance to the MBIE Science Leadership Team.



- Return On Science supported KiwiNet in celebrating the 2022 KiwiNet Research Commercialisation Awards with the very popular Momentum Student Entrepreneur category.
- KiwiNet staff actively contribute to the Momentum investment committees that convene in centres across the country.
- Facilitated access to Huatau, a learning platform that provides courses on Te Tiriti o Waitangi and communication, to our Board, management and partners.
- Our Board, IC and management have completed four learning modules on Te Tiriti o Waitangi on Huatau.
- The Pipeline Committee actively participated in a cultural capability workshop, enhancing their understanding of Te Ao Māori.

James Hutchinson, KiwiNet CEO, presented the following webinars promoting commercialisation as an impact pathway:

- Impact Through Change webinar series with Faith Welch, The University of Auckland.
- Demystifying commercialisation as an impact pathway webinar with iPEN (Impact Planning Evaluation Network)

Empowering the commercialisation workforce

KiwiNet is proud to champion research commercialisation professionals, who work tirelessly behind the scenes to find a more effective pathway for science discoveries to make real-world impact.

Activities

KNOWLEDGE COMMERCIALISATION AUSTRALASIA (KCA)
KiwiNet supports KCA to deliver their annual conference and facilitate events for New Zealand members. KCA events provide a valuable opportunity to bring together technology transfer professionals virtually and in-person from across NZ and Australia to learn from each other and drive best practice.

COMMERCIALISATION PROFESSIONAL DEVELOPMENT
KiwiNet provides a range of in-house and partner-led training solutions to help develop core commercialisation skills.

Continuous Innovation Framework
Continuous Innovation Framework workshop series with Ash Maurya (Lean Canvas author).



LESANZ
KiwiNet supported the Licensing Executive Society Australia & NZ (LESANZ) Intermediate Licensing workshop to upskill commercialisation professionals on licensing agreements. Additionally, KiwiNet Commercialisation Manager Michelle Polglase has joined LESANZ as a Regional Committee Member.

OnBoard
KiwiNet partnered with OnBoard during the year to provide two applicants with placements in their programme, granting them the opportunity to observe a board in action.

Our amazing applicants for 2022 were:
Janice Cheng, Head of Health and Wellbeing at Wellington UniVentures who observed BioViros.

Darja Nelson, former Senior Commercialisation Manager at Plant and Food who observed Marama Labs.

LinkedIn Learning
KiwiNet has facilitated access to a series of online learning content via LinkedIn Learning. This enables commercialisation professionals to upskill, at a time and place that suits them.

Outcomes

KiwiNet's Commercialisation Manager, Alan Hucks, has taken up the role of the NZ KCA Network Chair. As part of his responsibilities, he organised and hosted an event at the AMNIO Conference in Rotorua.

Alan is also the New Zealand representative on the organising committee for this year's annual conference, of which KiwiNet is a main sponsor.

The workshop series empowered commercialisation professionals with knowledge, skills, and tools for implementing the Continuous Innovation Framework (CIF) and driving successful project outcomes. Participants also gained the ability to train and guide others in implementing the CIF within their organisations.



The LESANZ workshop provided commercialisation professionals with a comprehensive understanding of license agreement structuring and content, with a specific focus on key provisions and their significance.

The OnBoard programme enables the ecosystem to nurture the next generation of independent board director talent, create value through thought diversity and welcome new expertise onto boards.



Within our partner organisations, 91 people have been granted access to LinkedIn Learning, which has an extensive library of over 20,000 courses. It covers various subjects, including market validation, pitching, and financial analysis. Over the past year, 1,365 videos have been viewed and 960 video courses completed.

Supporting regional ecosystems

KiwiNet relies on core ecosystem building blocks to provide a secure base for commercialisation projects and teams to grow. This includes supporting regional activities to raise our profile, connecting members across the wider innovation community, and providing access to digital systems for funding, resources, and support.

Activities

REGIONAL SUPPORT

KiwiNet continues to develop a strong partnership with ChristchurchNZ and its regional innovation ecosystem partners - delivering key innovation sector cluster initiatives in Canterbury.

KiwiNet offered in-kind sponsorship for the 2023 Food, Fibre and AgriTech Challenge, with Michelle Polglase sitting on the initial selection panel and as an early round judge.

KiwiNet, alongside Callaghan Innovation, Ara Ake, Auckland NZ, UniServices, and NZTE, is actively involved in the NZ Cleantech Partnership.

Creative Tech Centre

KiwiNet is partnering with WellingtonNZ, Wellington UniVentures, and Massey Ventures, to achieve the plans for the Creative Tech Centre, aiming to foster collaboration and innovation in the screen industry and research and development (R&D).

The Challenges of Deep Tech Scale-Up

MacDiarmid Institute is collaborating with KiwiNet to accelerate the commercialisation of capital-intensive pilot demonstration plants for clean/climate technology.

Screen Futures

Screen Futures Wellington was instigated by KiwiNet and subsequently brought to the GovTech Accelerator at Creative HQ by Massey University and Victoria University of Wellington.

Outcomes

KiwiNet continues to see Tier 1 and 2 applications presented to the IC, because of these ecosystem-driven innovation challenges.

FFA Challenge 2023

Finalists presented on stage at E Tipu: The Boma Agri Summit. Five winners were announced, with the grand prize awarded to a more sustainable pallet storage solution. Callaghan Innovation's YieldTec, founded by Khalid Salah, a past Emerging Innovator, made the top ten.



The MacDiarmid Institute and KiwiNet facilitated two ecosystem workshops in Auckland and Wellington with over 45 participants from across the PRO's investment community and government agencies. An initial report has been completed that will inform the final presentation to government.

Massey University and Victoria University of Wellington jointly presented Screen Futures Wellington, an initiative that aims to leverage the talent, facilities, and resources at Wellington universities and public research organisations, creating a unique value proposition for the Wellington screen industry.

TECHWEEK

KiwiNet hosted a panel event for TechWeek 2023 in Canterbury Tech's TechWeek Hub, with support from the MacDiarmid Institute.

The panel of experts included Linda Johnson (AgResearch), Wim de Koning (Lincoln University), Dave Rankin (Lincoln Agritech Ltd), Aaron Marshall (University of Canterbury and the MacDiarmid Institute), and Rebecca Bloomer (Plant & Food Research). The insightful discussion centred around how deep tech can save our planet.

As a networking event showcasing deep tech innovation, the event was successful in bringing together Canterbury-based ecosystem partners. 50 attendees from industry, business and the research community enjoyed a wide-ranging panel discussion on resilient food, fuel and farming systems.



Financial Statements

For the year ended 31 March 2023

CONTENTS	PAGE
Company Particulars	40
Directors' Report	41
Statement of Responsibility	42
Statement of Comprehensive Revenue and Expense	43
Statement of Financial Position	44
Statement of Changes in Equity	45
Statement of Cash Flows	46
Statement of Accounting Policies	47
Notes to the Financial Statements	48
Independent Auditor's Report	53

Company Particulars

For the year ended 31 March 2023

State of Affairs	The Company was incorporated on the 25 January 2011 and commenced trading in August 2011.
Company Number	3245229
Authorised Capital	270 Ordinary shares
Registered Office	TSR Building, University of Waikato Gate 5, Hillcrest Road Hamilton
Shareholders	WaikatoLink Limited AUT Ventures Limited Lincoln University Victoria Link Limited Otago Innovation Limited AgResearch Limited The New Zealand Institute for Plant and Food Research Limited University of Canterbury Landcare Research New Zealand Limited Callaghan Innovation Institute of Environmental Science and Research Limited New Zealand Forest Research Institute Limited Institute of Geological and Nuclear Sciences Limited Cawthron Institute Limited Massey Ventures Limited
Directors	Will David Barker Mark William Cleaver Amanda Lee Davies Debra Hall Vignesh Balaji Ashok Kumar
Auditor	Audit New Zealand, on behalf of the Auditor General.

Directors' Report

For the year ended 31 March 2023

The Board of Directors present their annual report.

As required by section 211 of the Companies Act 1993, we disclose the following information:

- + Kiwi Innovation Network (KiwiNet) is a consortium of Universities and Crown Research Institutes working together to increase the scale and impact of scientific and technology based innovation in New Zealand.
- + There are no Directors' interests to declare.
- + The shareholders have agreed that the Annual Report need not disclose employees remuneration over \$100,000 in accordance with section 211(1) of the Companies Act 1993.
- + No donations were made by the Company during the year.
- + The following Directors held office as directors in the Company at the end of the year:
Will David Barker
Mark William Cleaver
Amanda Lee Davies
Debra Hall
Vignesh Balaji Ashok Kumar

Statement of Management Responsibility

For the year ended 31 March 2023

The Board of Directors of Kiwi Innovation Network Limited (the Company) accept responsibility for the preparation of the financial statements and the judgements used in these statements.

The Board is responsible for any end-of-year performance information provided by the Company under section 19A of the Public Finance Act 1989.

The Board accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the Company's financial reporting.

In the opinion of the Board, the annual financial statements fairly reflect the financial position and operations of the Company for the year ended 31 March 2023.

Signed on behalf of the Board:



Director
Will Barker

5 July 2023

Date



Director
Debra Hall

5 July 2023

Date

Statement of Comprehensive Revenue and Expense

For the year ended 31 March 2023

	Note	2023	2022
		\$	\$
Revenue			
Funding from the Crown	1	5,529,351	5,424,510
Interest		1,919	106
Other Revenue	2	101,018	67,111
Total Revenue		5,632,288	5,491,727
Expenditure			
Contractor Costs	3	1,636,410	1,815,609
Other Expenses	4	3,972,574	3,659,583
Depreciation	9	3,789	1,877
Total Expenditure		5,612,773	5,477,069
Surplus/(Deficit) before Tax		19,515	14,658
Income Tax Expense	5	8,224	8,846
Surplus/(Deficit) after Tax		11,291	5,812
Other Comprehensive Revenue and Expense		-	-
Total Comprehensive Revenue and Expense		11,291	5,812

The accompanying policies and notes on pages 47 to 52 form part of these financial statements.

Statement of Financial Position

As at 31 March 2023

	Note	2023	2022
		\$	\$
Assets			
Current Assets			
Cash and Cash Equivalents		667,772	502,154
Receivables	7	1,334,480	1,086,099
Income tax paid		953	89
Prepayments		68,086	79,454
Total Current Assets		2,071,291	1,667,796
Non-Current Assets			
Property, Plant and Equipment	9	11,423	5,543
Total Non-Current Assets		11,423	5,543
Total Assets		2,082,714	1,673,339
Liabilities			
Current Liabilities			
Income in Advance		-	72,416
Payables	8	1,601,475	1,129,107
Income Tax Payable		4,118	5,985
Total Current Liabilities		1,605,593	1,207,508
Non-Current Liabilities		-	-
Total Liabilities		1,605,593	1,207,508
Net Assets		477,122	465,831
Equity			
Accumulated Surplus/(Deficit)		11,747	456
Share Capital	6	465,375	465,375
Total Equity		477,122	465,831

The accompanying policies and notes on pages 47 to 52 form part of these financial statements.

Statement of Changes in Equity

For the year ended 31 March 2023

	Share Capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 April 2021	465,375	(5,356)	460,019
Total Comprehensive Revenue and Expense for the Year			
Surplus/(Deficit) after Tax	-	5,812	5,812
Other Comprehensive Revenue and Expense	-	-	-
Total Comprehensive Revenue and Expense for the Year	-	5,812	5,812
Transactions with Owners Recorded Directly in Equity			
Shares Issued	-	-	-
Shares Repurchased	-	-	-
Balance at 31 March 2022	465,375	456	465,831
Total Comprehensive Revenue and Expense for the Year			
Surplus/(Deficit) after Tax	-	11,291	11,291
Other Comprehensive Revenue and Expense	-	-	-
Total Comprehensive Revenue and Expense for the Year	-	11,291	11,291
Transactions with Owners Recorded Directly in Equity			
Shares Issued	-	-	-
Shares Repurchased	-	-	-
Balance at 31 March 2023	465,375	11,747	477,122

The accompanying policies and notes on pages 47 to 52 form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2023

	2023	2022
	\$	\$
Cashflow from Operating Activities		
Receipts from the Crown	5,387,095	5,885,543
Receipts from Other Revenue	(6,993)	125,501
Interest Received	1,919	106
Income tax refund/ (paid)	(10,955)	(6,334)
Payments to Suppliers	(961,666)	(841,431)
PreSeed Payments	(2,382,715)	(3,435,990)
Payments to Contractors	(1,740,081)	(1,827,254)
GST (net)	(111,317)	(90,313)
Net cash flow from Operating Activities	175,287	(190,172)
Cashflow from Investing Activities		
Purchase of Property, Plant and Equipment	(9,669)	(6,719)
Net cash flow from Investing Activities	(9,669)	(6,719)
Cashflow from Financing Activities		
Capital Contribution	-	-
Net cash flow from Financing Activities	-	-
Net (decrease)/increase in cash and cash equivalents	165,618	(196,891)
Cash and cash equivalents at beginning of the year	502,154	699,045
Cash and cash equivalents at end of the year	667,772	502,154

The accompanying policies and notes on pages 47 to 52 form part of these financial statements.

Statement of Accounting Policies

For the year ended 31 March 2023

Reporting entity

Kiwi Innovation Network Limited (the "Company") is a consortium of Universities and Crown Research Institutes who are dedicated to taking a collaborative approach to research commercialisation. The Company's role is to empower people who are involved in research commercialisation by helping them to access the tools, connections, investment and support they need.

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of the Company are for the year ended 31 March 2023. The financial statements have been approved for issue by the Board of Directors on 5 July 2023.

Basis of preparation

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

Statement of Compliance

These financial statements have been prepared in accordance with the Crown Entities Act 2004 which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

The Company is a Tier 2 entity and the financial statements have been prepared in accordance with the PBE Standards Reduced Disclosure Regime because the Company does not have public accountability, and is not large (total expenses are less than \$30 million but greater than \$2 million). The Company has elected to be in Tier 2.

These financial statements comply with the PBE Standards Reduced Disclosure Regime.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars (\$) and all values are rounded to the nearest dollar. There has been no change in the functional currency of the Company during the year.

Summary of significant accounting policies

Adoption of PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 came into effect for accounting periods starting on or after 1 January 2022. This standard replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The Company has applied PBE IPSAS 41 for the year ended 31 March 2023, reviewed how the standard might affect the Company's financial statements. The Company concluded that the new standard does not have any effect on the previous reporting period, nor the current period. The effect in future periods is also likely to be trivial.

The only change the Company has made as a result of the adoption, is the accounting policies on "Receivables". This policy has been updated to comply with PBE IPSAS 41.

Other than the effect of adopting the PBE IPSAS 41 stated above, the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Revenue

Funding from the Crown (Service Fee)

The Company is primarily funded from the Crown. This funding is restricted in its use for the purpose of the Company meeting its objectives. Funding that is receivable as compensation for expenses or losses already incurred are recognised in surplus or deficit in the period in which they become receivable.

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

The fair value of revenue from the Crown has been determined to be equivalent to the amount due in the funding arrangements.

Funding from the Crown (PreSeed Accelerator Funds)

PreSeed Accelerator Funds received are not recognised as revenue until there is reasonable assurance that the Company will comply with the conditions attached to them and that the funds will be received.

PreSeed Accelerator Funds are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

Interest Revenue

Interest revenue is recognised using the effective interest method.

Provision of Services

Services provided to third parties on commercial terms are exchange transactions. Revenue from these services is recognised in proportion to the stage of completion at balance date.

Expenditure

PreSeed Accelerator Funds Expenditure

The Company has no obligation to award payment of PreSeed Accelerator Funds on receipt of a project application. PreSeed Accelerator Fund expenditure is only recognised when approval by the Investment Committee has been obtained and specific expenditure criteria has been met.

Foreign Currency Transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ\$ (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Taxation

Income tax expense includes components relating to current tax and deferred tax.

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

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.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Receivables

Short term receivables are recorded at the amount due, less an allowance for expected credit losses. Expected credit losses are based on actual credit loss experience over the past few years, adjusted for forward looking factors specific to the debtors and the economic environment.

Receivables are written-off when there is no reasonable expectation of recovery.

In the previous year, the allowance for credit losses was recognised only when there was objective evidence that the amount due would not be fully collected.

Payables

Short term payables are recorded at the amount payable.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Share Capital
- Accumulated Surplus/(Deficit)

Share Capital

Ordinary shares are classified as equity, transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instrument. Transaction costs are the costs arising on the issue of equity instruments, incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Goods and Services Tax

All 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 IRD is included as part of receivables or payables in the Statement of Financial Position.

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

Commitments and contingencies are disclosed exclusive of GST.

Property, Plant and Equipment

Property, plant and equipment consists of office equipment. This is measured at cost, less accumulated depreciation and impairment losses.

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 Company and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment are determined based on the IRD guide:

Office Equipment and Furniture	10.5% - 21%
Computer & IT Equipment	20% - 40%

Critical Judgements in Applying Accounting Policies

Management has exercised the following critical judgements in applying accounting policies:

Grant Expenditure

The Company must exercise judgement when recognising grant expenditure to determine if conditions of the grant have been satisfied by subcontractors.

Notes to the Financial Statements

For the year ended 31 March 2023

	2023	2022
1 Funding from the Crown (Non Exchange)	\$	\$
Service Fee	2,208,519	2,180,978
PreSeed Accelerator Fund	3,320,832	3,243,532
Total Funding from the Crown	5,529,351	5,424,510
There are no unfulfilled conditions and other contingencies attached to PreSeed Accelerator funds recognised.		
2 Other Revenue		
Other Revenue (Exchange)	17,601	12,111
Other Revenue (Non Exchange)	83,417	55,000
Total Other Revenue	101,018	67,111
3 Contractor Costs		
Directors' Fees	90,416	105,000
Investment Committee Independent Fees	154,375	167,916
Management Service Fees, and Consultancy Fees	1,391,619	1,542,693
Total Contractor Costs	1,636,410	1,815,609
4 Other Expenses		
Auditor's Remuneration	23,482	20,000
Accounting Services	-	3,377
Travel Expenses	148,923	66,663
PreSeed Accelerator Fund	2,625,158	2,849,025
Foreign Currency Exchange Loss	1,060	1,670
Other	1,173,951	718,848
Total Other Expenses	3,972,574	3,659,583
5 Taxation		
Profit/(loss) before income tax	19,515	14,658
Income tax using the Company tax rate	5,464	4,104
Plus/(less) tax effect of:		
Non-deductible expenses	2,760	1,881
Unrecognised Tax Losses	-	-
Prior period adjustment	-	2,861
Tax Expense	8,224	8,846
Current tax expense	8,224	5,985
Deferred tax expense	Nil	Nil

Notes to the Financial Statements

6 Share Capital

Fully paid ordinary shares	Number of shares	Share Capital
Balance as at 1 April 2021	270	465,375
Issue of shares	-	-
Balance as at 31 March 2022	270	465,375
Issue of shares	-	-
Balance as at 31 March 2023	270	465,375

Fully paid ordinary shares carry one vote per share, carry a right to dividends and a pro rata share of net assets on wind up. All ordinary shares have no par value.

	2023	2022
7 Receivables	\$	\$
Receivables (Non Exchange)	1,212,603	1,084,348
Receivables (Exchange)	51,346	1,751
GST Receivable	70,531	-
	1,334,480	1,086,099
8 Payables		
Trade Payables (Exchange)	85,838	148,281
GST Payable	-	40,786
Other Accruals (Exchange)	43,370	91,722
Other Accruals (Non Exchange)	609,000	362,000
Payables to Shareholders - PreSeed (Non Exchange)	706,573	464,130
Payables to Shareholders (Exchange)	141,693	-
Payables to Directors	15,000	22,187
	1,601,475	1,129,107

Notes to the Financial Statements

9 Property, Plant and Equipment

	Office Equipment
Cost	\$
Balance at 1 April 2021	5,701
Additions	6,719
Disposals	-
Balance at 31 March 2022	12,420
Balance at 1 April 2022	12,420
Additions	9,669
Disposals	-
Balance at 31 March 2023	22,089
Accumulated Depreciation	
Balance at 1 April 2021	5,000
Depreciation Expense	1,877
Balance at 31 March 2022	6,877
Balance at 1 April 2022	6,877
Depreciation Expense	3,789
Balance at 31 March 2023	10,666
Carrying amounts	
At 1 April 2021	701
At 31 March 2022 and 1 April 2022	5,543
At 31 March 2023	11,423

No property, plant and equipment is pledged as security for liabilities and no assets have restricted titles.

10 Related Party Transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the Company would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Notes to the Financial Statements

Related Party Transactions Required to be Disclosed

Directors fees of \$90,417 were incurred during the year (2022: \$105,000).

One of the Directors were also independent members of the Investment Committee and received \$30,000 (2022: \$30,000) as remuneration.

At year end the following amounts were owing to the directors:

- Directors Fees	\$15,000 (2022: \$22,187)
- Investment Committee Fees	\$26,854 (2022: \$37,270)

11 Disclosure of Payments in Respect of Board Members and Committee Members

The following information is disclosed in accordance with Section 152 of the Crown Entities Act 2004:

Remuneration paid or payable to each Board member during the year was:

	2023	2022
Amanda Lee Davies (appointed in August 2022)	\$0	\$0
Debra Hall	\$25,000	\$25,000
Mark William Cleaver	\$0	\$0
Vignesh Balaji Ashok Kumar	\$25,000	\$25,000
Will David Barker	\$27,917	\$25,000
Katherine Helen Sandford (appointed in August 2022, ceased February 2023)	\$0	\$0
Ngaio Cooper Merrick (ceased August 2022)	\$12,500	\$30,000
Stephen David Lorimer (ceased August 2022)	\$0	\$0
	\$90,417	\$105,000

Remuneration paid/payable to investment committee members during the year:

	2023	2022
Debra Hall	\$30,000	\$30,000
Andrew Kelly	\$40,000	\$40,000
Dana McKenzie	\$25,000	\$25,000
Nick Willis	\$25,000	\$25,000
Brigitte Smith	\$25,000	\$25,000
Nathan Bryant-Taukiri	\$9,375	\$22,917
	\$154,375	\$167,917

No board members received compensation or other benefits in relation to cessation (2022: \$nil).

Notes to the Financial Statements

12 Commitments

The Company has no commitments at 31 March 2023 (2022: \$nil).

13 Contingent Liabilities and Assets

The Company has no contingent liabilities at 31 March 2023 (2022: \$nil).

The Company has no contingent assets at 31 March 2023 (2022: \$nil).

14 Subsequent Events

There were no subsequent events after balance date.

15 Financial instruments classification

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

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Financial assets at amortised costs (2022: Loans and receivables)		
Cash and cash equivalents	667,772	502,154
Receivables (excluding any taxes receivable)	1,263,949	1,086,099
Total loans and receivables	1,931,721	1,588,253
FINANCIAL LIABILITIES		
Financial liabilities at amortised costs		
Payables (excluding any taxes payable)	1,601,475	1,088,321
Total financial liabilities at amortised costs	1,601,475	1,088,321

16 Future Funding

We have secured \$4,358,638 Commercialisation Partner Network funding (GST exclusive) up to 30 June 2025 with the Ministry of Business, Innovation and Employment (MBIE). The agreement will be signed in June 2023. It is always the Company's intention to obtain a new service agreement with MBIE before the current contract expires.

17 Accountability Requirements

Kiwi Innovation Network Limited is a multi-parent subsidiary as defined in the Crown Entities Act 2004 (the Act).

Independent Auditor's Report

To the readers of Kiwi Innovation Network Limited's financial statements for the year ended 31 March 2023.

The Auditor-General is the auditor of Kiwi Innovation Network Limited (the company). 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 on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 43 to 52 that comprise the statement of financial position as at 31 March 2023, 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 that include accounting policies and other explanatory information.

In our opinion:

- the financial statements of the company on pages 43 to 52:
 - present fairly, in all material respects:
 - its financial position as at 31 March 2023; 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.

Our audit was completed on 5 July 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for 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 for the financial statements

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible on behalf of the company for assessing the company'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 the Board of Directors intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit 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.

We did not evaluate the security and controls over the electronic publication of the financial statements.

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, 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 company'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 conclude on the appropriateness of the use of the going concern basis of accounting by the Board of and Directors, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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 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 company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 42 but does not include the financial statements, and our auditor's report thereon.


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

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on 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 company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of *Professional and Ethical Standard 1 International 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 company.



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



KiwiNet 

www.kiwinet.org.nz



Kiwi Innovation Network Limited
Private Bag 3105
Waikato Mail Centre
Hamilton 3240
New Zealand

Telephone
+64 7 858 5049

E-mail:
admin@kiwinet.org.nz