



# Annual Enterprise Survey 2020

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# Annual Enterprise Survey 2020

## Annual Enterprise Survey 2020

The Annual Enterprise Survey (AES) 2019/2020 collection provides statistics on the financial performance and financial position of New Zealand businesses, covering most areas of economic activity. The AES was designed as the principal collection vehicle of data used in the compilation of New Zealand's national accounts. Data used in this survey is compiled from a number of sources and measures industry levels for a given year. Incremental improvements in measurement, sample design, classification, and data collection may influence the inter-period movements, particularly over longer time periods.

## Methodology

### Impact of COVID-19

The COVID-19 pandemic had significant impact on NZ business activity, particularly from 24th March until 14th May 2020, when COVID-19 alert levels 3 and 4 were in place. Auckland was under alert level 3 again on the 12th August until 23rd September.

As the 2020 Annual Enterprise Survey results cover enterprises with balance dates between 1 October 2019 to 30 September 2020, the impact of COVID-19 was varied.

'Government funding, grants and subsidies' include government funded COVID-19 wage subsidies in the 2020 Annual Enterprise Survey. Wage subsidies passed on to employees are captured under salaries and wages paid. Significantly more COVID-19 wage subsidies are expected in the 2021 Annual Enterprise Survey results.

### New accounting standard for leases

On 1 January 2019 most businesses changed the way they account for leased ('right-of-use') assets under the International Financial Reporting Standard 16 (IFRS 16).

See [NZ IFRS 16](#) for further information.

The change to the accounting of leases caused:

- assets and liabilities to increase
- depreciation and interest expenses to increase
- other operating expenses to decrease.

## Sampling Procedure

### Statistical Unit

A statistical unit is the level at which a survey can be designed and forms the basis of sample selection. For the AES this is the kind-of-activity unit (KAU). (A 'KAU' is a subdivision of an enterprise consisting of a set of one or more activity units for which a single set of accounting records is available.)

### Collection Unit

A collection unit is the level at which statistics are collected. For the AES, this is the same as the statistical unit and is the kind-of-activity unit. The selection unit (enterprise) may contain many KAUs, meaning that if an enterprise is selected then all of its KAUs will be included in the AES.

### Selection Unit

A selection unit is the level at which a respondent to the survey is selected. For the AES this is the enterprise unit. (An 'enterprise' is generally described as a legal entity operating in New Zealand. For example it can be a company, partnership, trust, estate, incorporated society, voluntary organisation or self-employed individual.)

### Under Coverage

Businesses that are not economically significant are not selected into the AES.

The working definition for 'economic significance' is that if an enterprise fulfils any one of the following conditions, then it is classified as economically significant:

- The Enterprise has greater than \$30,000 Annual GST expenses or sales. (To avoid existing enterprises repeatedly changing their economic significance indicator, a buffer zone of \$25,000 to \$35,000 has been established),
- The Enterprise has more than 3 paid employees (This is the rolling mean employment which is measured as the twelve month moving average of the monthly employee-count figure),
- The Enterprise is in a GST exempt industry, other than residential property leasing and rental,
- The Enterprise is part of a Business Register (BR) group,
- The Enterprise is a new GST registration and has registered for Salaries and Wages PAYE,
- The Enterprise is a new GST registration and is part of a IRD GST group return,
- The Enterprise has a geographic unit classified to agriculture, it is alive on the BF, and it is classified as economically

significant. (Typically these units will be registered for GST and/or have paid employees.)

- IR10 income is greater than \$40,000 annually.

Some industries and activities are also excluded from AES including:

- Superannuation funds (K633000)
- Residential property operators (L671100)
- Foreign government representation (O755200)
- Religious services (S954000)
- Private households employing staff and undifferentiated goods and service-producing activities of households for own use (S96100-300)
- Non-market local and central government

#### Population and Sample Size

#### AES 2020

- Population size: 499,325 KAUs
- 427,754 units sourced using tax data from the Inland Revenue Department
- Sample size: 17,573 units directly surveyed
- 1,690 not-for-profit units were sourced from Charities Services
- There were 52,308 non-sample units (sample unit's responses are weighted up to represent these).

Date	10/1/2019 - 9/30/2020
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### Annual Enterprise Survey 2020 Questionnaires and forms

The Annual Enterprise Survey (AES) provides statistics on the financial performance and position of businesses operating in New Zealand, covering most areas of economic activity. The 2020 AES questionnaires consist of 26 form-types which are stored on the Stats NZ Store House.

[Annual Enterprise Survey 2020 Questionnaires and forms](#)

#### Instrument Locations

- [https://cdm20045.contentdm.oclc.org/digital/search/searchterm/Annual Enterprise Survey 2019%252F2020](https://cdm20045.contentdm.oclc.org/digital/search/searchterm/Annual+Enterprise+Survey+2019%252F2020)

### Inland revenue financial statements summary (IR10)

The Inland Revenue financial statement summary (IR10) provides financial performance and position accounting information and is used as an administrative data source for AES. Some modelling is applied to derive comparable information to that collected in AES. This avoids the need to directly survey many businesses.

#### Instrument Locations

- <http://www.ird.govt.nz/managing-my-tax/record-keeping/financial-reporting-for-companies/standards-for-minimum-financial-reporting/complete-a-financial-statements-summary-ir10>

### Charities annual return

All registered charities file an annual return with Charities services. This includes some financial performance and position information which is used as an administrative data source for AES. Some modelling is applied to derive comparable information to that collected in AES. This avoids the need to directly survey many not-for-profit enterprises.

[Charities annual return](#)

#### Instrument Locations

- <http://www.charities.govt.nz/im-a-registered-charity/annual-returns/>

## Variables

### AES Output study Variables (Published)

Name	Description	Range
Total income	<b>Total income</b> Total of all operating and non-operating income.  <i>Concept:</i> Income (business)	Numeric

<b>Name</b>	<b>Description</b>	<b>Range</b>
Sales of goods not further processed	<p><b>Sales of goods not further processed</b></p> <p>Goods sold to consumers for a profit also known as sales of goods on margin. Commonly in margin industries such as wholesale and retail.</p> <p><i>Concept:</i> Income (business)</p>	Numeric
Sales of other goods and services	<p><b>Sales of other goods and services</b></p> <p>Total of all sales of goods processed and services sold, also known as non-margin sales.</p> <p><i>Concept:</i> Income (business)</p>	Numeric
Sales of goods and services	<p><b>Sales of goods and services</b></p> <p>Total of all goods and services sold.</p> <p><i>Concept:</i> Income (business)</p>	Numeric
Interest, dividends and donations	<p><b>Interest, dividends and donations</b></p> <p>Total of interest received, dividends received, and donations received.</p> <p><i>Concept:</i> Income (business)</p>	Numeric
Government funding, grants and subsidies	<p><b>Government funding, grants and subsidies</b></p> <p>Total of all government funding, grants, and subsidies.</p> <p><i>Concept:</i> Income (business)</p>	Numeric
Non-operating income	<p><b>Non-operating income</b></p> <p>Value of business income not directly related to the main business activity.</p> <p><i>Concept:</i> Income (business)</p>	Numeric
Total expenditure	<p><b>Total expenditure</b></p> <p>Total of all operating and non-operating expenditure.</p> <p><i>Concept:</i> Expenditure (business)</p>	Numeric
Interest and donations	<p><b>Interest and donations</b></p> <p>Total interest and donations paid.</p> <p><i>Concept:</i> Income (business)</p>	Numeric
Indirect taxes	<p><b>Indirect taxes</b></p> <p>Total of fringe benefit tax, road user charges, rates and other central and local government fees, cost recovery and other fishing levies, excise duties and Local Authority petrol tax paid on petroleum fees, and energy resource levy.</p> <p><i>Concept:</i> Expenditure (business)</p>	Numeric
Depreciation	<p><b>Depreciation</b></p> <p>Total of depreciation of fixed assets and right of use assets, and amortisation of intangible assets.</p> <p><i>Concept:</i> Expenditure (business)</p>	Numeric

<b>Name</b>	<b>Description</b>	<b>Range</b>
Salaries and wages paid	<p><b>Salaries and wages paid</b></p> <p>Total salaries and wages paid. Includes severance and redundancy payments, sick and holiday pay, directors' fees, bonus and other performance payments (for example commissions) and other employment related expenses. Doesn't include capitalised salaries and wages, fringe benefit tax, payments to contractors.</p> <p><i>Concept:</i> Expenditure (business)</p>	Numeric
Redundancy and severance	<p><b>Redundancy and severance</b></p> <p>Total severance and redundancy payments.</p> <p><i>Concept:</i> Expenditure (business)</p>	Numeric
Salaries and wages to self employed commission agents	<p><b>Salaries and wages to self-employed commission agents</b></p> <p>Value of salaries and wages paid to self-employed commission agents.</p> <p><i>Concept:</i> Expenditure (business)</p>	Numeric
Purchases of goods bought for resale	<p><b>Purchases of goods bought for resale</b></p> <p>Value of goods bought to onsell to consumers for a profit. These are items purchased to be sold in the same form at a margin.</p> <p><i>Concept:</i> Expenditure (business)</p>	Numeric
Other Purchases and operating expenses	<p><b>Other Purchases and operating expenses</b></p> <p>All other operating expenses. This is the balance of operating expenses not already collected. These are the purchases of items that are changed into another form using other purchased items, machinery, and labour before being sold.</p> <p><i>Concept:</i> Expenditure (business)</p>	Numeric
Purchases and other operating expenses	<p><b>Purchases and other operating expenses</b></p> <p>All other operating expenses. This is the balance of operating expenses not already collected. This is used for non-margin industries (margin industries are manufacturing, wholesaling, and retailing).</p> <p><i>Concept:</i> Expenditure (business)</p>	Numeric
Non-operating expenses	<p><b>Non-operating expenses</b></p> <p>Value of business expenses not directly related to the main business activity.</p> <p><i>Concept:</i> Expenditure (business)</p>	Numeric
Opening stocks	<p><b>Opening stocks</b></p> <p>The value of materials that a company has available for sale, or to produce products for sale, at the beginning of an accounting period.</p> <p><i>Concept:</i> Assets and liabilities</p>	Numeric
Closing stocks	<p><b>Closing stocks</b></p> <p>The value of materials that a company has available for sale, or to produce products for sale, at the end of an accounting period.</p> <p><i>Concept:</i> Assets and liabilities</p>	Numeric
Surplus before income tax	<p><b>Surplus before income tax</b></p> <p>Total income less total expenditure plus change in stocks.</p> <p><i>Concept:</i> Income (business)</p>	Numeric

<b>Name</b>	<b>Description</b>	<b>Range</b>
Total assets	<p><b>Total assets</b></p> <p>Value of all current, fixed, right-of-use and non-current assets.</p> <p><i>Concept: Assets and liabilities</i></p>	Numeric
Current assets	<p><b>Current assets</b></p> <p>Value of all current assets. These are cash or other assets which the business could turn into cash within one accounting period (usually 12 months). Examples are stocks of goods for sales, cash on hand or held in bank accounts, and accounts receivable (debtors).</p> <p><i>Concept: Assets and liabilities</i></p>	Numeric
Fixed tangible assets	<p><b>Fixed tangible assets</b></p> <p>Value of total fixed assets. These are assets acquired with the intention of holding and using within the business over more than one accounting period. They represent capital expenditure which will benefit future accounting periods. Examples are land, buildings, motor vehicles, machinery, furniture and equipment.</p> <p><i>Concept: Assets and liabilities</i></p>	Numeric
Additions to fixed assets	<p><b>Additions to fixed assets</b></p> <p>Value of fixed assets acquired during the accounting period.</p> <p><i>Concept: Assets and liabilities</i></p>	Numeric
Disposals of fixed assets	<p><b>Disposals of fixed assets</b></p> <p>Value of fixed assets disposed of during the accounting period.</p> <p><i>Concept: Assets and liabilities</i></p>	Numeric
Other assets	<p><b>Other assets</b></p> <p>Value of non-current assets excluding fixed tangible assets. Includes tree stocks.</p> <p><i>Concept: Assets and liabilities</i></p>	Numeric
Total equity and liabilities	<p><b>Total equity and liabilities</b></p> <p>Total of shareholders' funds or owners' equity, current liabilities, and other liabilities.</p> <p><i>Concept: Assets and liabilities</i></p>	Numeric
Shareholders' funds or owners' equity	<p><b>Shareholders funds or owners equity</b></p> <p>Also known as proprietorship, is the residual interest in the assets of the business after deduction of its liabilities. This represents the amount of the owner's financial interest or investment in the business. It is made up of the funds the owner puts into the business, known as capital, and will increase if the business makes a profit. Proprietorship will decrease if the business makes a...</p> <p><i>Concept: Assets and liabilities</i></p>	Numeric
Current liabilities	<p><b>Current liabilities</b></p> <p>Value of total current liabilities. These are debts due to be paid within one accounting period. This means that they are repayable on demand (ie when the lender asks) or on short notice. Examples are bank overdrafts and accounts payable (creditors).</p> <p><i>Concept: Assets and liabilities</i></p>	Numeric

<b>Name</b>	<b>Description</b>	<b>Range</b>
Other liabilities	<p><b>Other liabilities</b></p> <p>Value of all liabilities, excluding current liabilities.</p> <p><i>Concept: Assets and liabilities</i></p>	Numeric
Total income per employee count	<p><b>Total income per employee count</b></p> <p>Total income divided by employee count.</p> <p><i>Concept: Assets and liabilities</i></p>	Numeric
Surplus per employee count	<p><b>Surplus per employee count</b></p> <p>Surplus before income tax divided by employee count.</p> <p><i>Concept: Income (business)</i></p>	Numeric
Current ratio	<p><b>Current ratio</b></p> <p>Total current assets divided by total current liabilities. The current ratio gives an indication of a business's ability to pay its short-term liabilities. A ratio less than 1 indicates that current liabilities are greater than current assets and that the business may struggle to pay its short-term liabilities. A ratio higher than 1 means a business should be able to pay its short-term...</p> <p><i>Concept: Assets and liabilities</i></p>	Numeric
Quick ratio	<p><b>Quick ratio</b></p> <p>(Total current assets minus closing stock) divided by total current liabilities. The quick ratio, also known as the acid test, is very similar to the current ratio, but excludes stock. It tests a business's ability to pay short-term debt from immediately convertible or liquid assets (ie assets that can be readily converted to cash such as debtors, bank or cash on hand). A ratio higher than 1...</p> <p><i>Concept: Assets and liabilities</i></p>	Numeric
Margin on sales of goods for resale	<p><b>Margin on sales of goods for resale</b></p> <p>Sales of goods not further processed less purchases of goods bought for resale, as a percentage of sales of goods not further processed.</p> <p><i>Concept: Income (business)</i></p>	Numeric
Return on equity	<p><b>Return on equity</b></p> <p>Total current year taxable profit divided by total proprietor or shareholder funds. The return on equity represents the rate of return earned on the owner's equity and investment. It measures the business's efficiency at turning equity (assets less liabilities) into profit. The higher the ratio, the more efficient a business is. The lower the ratio, and a negative ratio (loss), the less...</p> <p><i>Concept: Income (business)</i></p>	Numeric
Return on total assets	<p><b>Return on total assets</b></p> <p>Total current year taxable profit divided by total assets. The return on total assets represents the ratio of net income to assets. This ratio tests the efficiency of investment in assets and is a measure of how effectively the business has converted these assets into net income. The higher the ratio, the more efficient a business is. The lower the ratio, and a negative ratio (loss), the less...</p> <p><i>Concept: Assets and liabilities</i></p>	Numeric



Name	Description	Range
Liabilities structure	<p><b>Liabilities structure</b></p> <p>Total proprietor or shareholder funds divided by total proprietor or shareholder funds plus total liabilities. The liability structure ratio represents equity solely as a proportion of equity plus liabilities. A low ratio indicates a low level of owner's equity in the business, and a higher risk to debt holders. A high ratio indicates a high level of owner's equity in the business, and a lower...</p>	Numeric
	<i>Concept:</i> Assets and liabilities	
Activity unit	<p><b>Activity unit</b></p> <p>A unit engaged in predominantly one activity and for which a single set of accounting records is available. This is the statistical unit used in AES.</p>	Numeric
Operating profit before tax	<p><b>Operating profit before tax</b></p> <p>Total income excluding non-operating income less total expenditure plus change in stocks. Also known as operating profit or operating surplus.</p>	Numeric
	<i>Concept:</i> Income (business)	
Rolling mean employees	<p><b>Rolling mean employees</b></p> <p>RME is a 12-month moving average of monthly employment figures. We obtain employment figures from tax data.</p>	Numeric
	<i>Concept:</i> Employees	
Sales, government funding, grants and subsidies	<p><b>Sales, government funding, grants and subsidies</b></p> <p>Total of sales, government funding, grants and subsidies.</p>	Numeric
	<i>Concept:</i> Income (business)	
Assets	<p><b>Assets</b></p> <p>The total of all current, fixed, and other non-current assets.</p>	Numeric
	<i>Concept:</i> Assets and liabilities	
Business count	<p><b>Business count</b></p> <p>Business counts are sourced from business demography statistics, which give an annual snapshot (as at February) of the structure and characteristics of New Zealand businesses. We define a business as an enterprise that is a company, partnership, trust, estate, incorporated society, producer board, voluntary organisation, or self-employed individual operating in New Zealand.</p>	Numeric
	<i>Concept:</i> Businesses	
Employee count	<p><b>Employee count</b></p> <p>Employee counts are sourced from business demography statistics, which give an annual snapshot (as at February) of the structure and characteristics of New Zealand businesses. The total employee count within the selected industry is displayed. Note that some industries may have employee counts that are quite variable over the course of a year, so use these numbers with caution.</p>	Numeric
	<i>Concept:</i> Employees	
Expenditure	<p><b>Expenditure</b></p> <p>The total of all operating and non-operating expenditure.</p>	Numeric
	<i>Concept:</i> Expenditure (business)	

<b>Name</b>	<b>Description</b>	<b>Range</b>
Income	<p><b>Income</b></p> <p>The total of all operating and non-operating income.</p> <p><i>Concept:</i> Income (business)</p>	Numeric
Profit	<p><b>Profit</b></p> <p>Total income less total expenditure plus change in stocks. Also known as surplus before income tax.</p> <p><i>Concept:</i> Income (business)</p>	Numeric
Gross profit ratio	<p><b>Gross profit ratio</b></p> <p>Gross profit divided by total sales of goods and/or services.</p> <p>Gross profit indicates how much profit is made after paying for the cost of goods sold (the direct costs attributable to the production of goods and supplies such as inventory and stock). The gross profit ratio, also known as gross margin, represents gross profit expressed as a percentage of income from sales and services. Gross...</p> <p><i>Concept:</i> Income (business)</p>	Numeric
Liability structure	<p><b>Liability structure</b></p> <p>Total proprietor or shareholder funds divided by (total proprietor or shareholder funds plus total liabilities).</p> <p>The liability structure ratio represents equity solely as a proportion of equity plus liabilities. A low ratio indicates a low level of owner's equity in the business, and a higher risk to debt holders. A high ratio indicates a high level of owner's equity in the business, and a lower ...</p> <p><i>Concept:</i> Assets and liabilities</p>	Numeric
Salaries and wages / turnover ratio	<p><b>Salaries and wages / turnover ratio</b></p> <p>Salaries and wages divided by turnover (sales and/or services plus interest received plus dividends plus rental and lease payments plus other income).</p> <p>This ratio represents the percentage of turnover income that is spent on labour costs. It can be an indicator of whether a business is spending too much or too little of its turnover income on staffing the business.</p> <p><i>Concept:</i> Expenditure (business)</p>	Numeric
Stock turnover per annum	<p><b>Stock turnover per annum</b></p> <p>Cost of goods sold divided by ((opening stock plus closing stock) divided by 2).</p> <p>Stock turnover, also known as inventory turnover, represents the number of times stock is sold and replaced within a year. A high stock turnover may indicate one or more of:</p> <ul style="list-style-type: none"> <li>a high-volume low-mark-up business model</li> <li>the business is holding very low stock levels</li> <li>the business has a lot of wastage.</li> </ul> <p>A low (also known...</p> <p><i>Concept:</i> Income (business)</p>	Numeric