



ANNUAL REPORT

2021 / 22



Destination
HAURAKI
COROMANDEL

BOARD & MANAGEMENT *review*

As the tourism recovery continues so too do the opportunities for our region, blessed with life experiences that will become increasingly sought after by visitors. Destination Hauraki Coromandel (DHC), is evolving in many ways, with marketing being interwoven into the greater focus of the Destination Management Organisation. To acknowledge the evolution of the organisation and the diversity and richness of the history and character of our region, the name was changed to include Hauraki in Destination Coromandel.

The past year has been busy, as the organisation consolidated visitor market share in a competitive environment with the second successful domestic “Where Kiwis Holiday” campaign. A well-timed television commercial showcased the importance of the simple pleasures in life we all craved after another round of lockdowns. Time spent outdoors with family and friends enjoying the bush, beach and good food struck a chord with New Zealanders, with 4 million digital views of the video. A regional visitor guide on Stuff channels and a multipage Hauraki Rail Trail feature in Kia Ora magazine contributed to earned media exceeding a value of \$1.2million. All campaign traffic for “Where Kiwis Holiday” was directed to www.thecoromandel.com with 39% more views of tourism operator packages compared with the previous year.

Despite impressive marketing results the year was marred by further lockdowns and unusually consistent easterly swells disrupting business along the Pacific Coast. As a result, annual visitor spend measured by electronic card transactions dropped by 6% to \$354 million for the year end June 2021*. Thames, Waihi and the Hauraki Plains fared better with increases of 2% to 7% in visitor spend when compared to the previous year. Region wide, the average transaction value increased by 11%, partly offsetting the 15% decline in the number of transactions made. The value visitors contribute continues to provide a yardstick for each project and overall performance.

The Destination Management Plan (DMP), will be influential in determining what our communities, including mana whenua, deem valuable when hosting visitors in Hauraki Coromandel. Research and consultation to date suggests greater care for the environment, knowledge of Māori history and improved town infrastructure and beautification are top priorities. The DMP has been funded by the Ministry of Business, Innovation and Employment (MBIE) alongside other strategic projects throughout the region. These projects provide an example of the value sought from the tourism industry in the future.

The ‘Forever good for your soul’ sustainability programme is a key project that demonstrates the contribution a thriving tourism industry can make. Working with Predator Free Hauraki Coromandel Community Trust (PFHCCT), we facilitated donations from 50 businesses to their local conservation group during the first phase of this programme. We will then promote this commitment to our visitor market who can choose to stay, play and dine with those businesses who are supporting Coromandel Kiwi and the biodiversity that is special to this region. The kiwi is an indicator species for the health of our environment, and as such is also a key performance indicator in our business plan. PFHCCT ran a region-wide Kiwi Call Survey that will be the measure going forward, meaning we’ll be accountable for derived value beyond visitor numbers and spend. Already committed to sustainable practice, DHC led the Forever good for your soul programme by becoming Carbon Zero certified. We will continue to work to deliver practical industry solutions for the betterment of our environment and biodiversity.

We are grateful for the support and connections we have with our funding partners, Thames-Coromandel and Hauraki District Councils. The Destination Management approach has brought us even closer to our communities. We look forward to strengthening these relationships as together we work towards designing a regional tourism experience that positively impacts our place, our people and our ecosystem.



John Sandford
Chairperson,
Destination Hauraki Coromandel Trust



Hadley Dryden
General Manager,
Destination Hauraki Coromandel

** While the mean electronic card transaction value increased, the number of transactions and total spend decreased compared with the previous year ending June 2020. Source: Marketview*

As tourism businesses adapted to ongoing uncertainty, the absence of international visitors and travel restrictions over the previous two years, our marketing strategy evolved. After a first ever summer campaign in 2020/21, our goal was to keep *The Coromandel* in the hearts and minds of our loyal audience. Destination Hauraki Coromandel received additional funding from MBIE and activated a second 'Where Kiwis Holiday' campaign in September 2021, which ran through April 2022. We also ran a promotion on social media, "Fifty Days of Summer" to encourage Kiwis to do something new while in region. This was followed by "Winter our Way", targeting our drive market, Wellington and Canterbury, and designed as a counter to the strong ski messages in market and to reinforce perceptions of *The Coromandel* as a year-round holiday destination. The campaign featured packages and deals with a strong message to book.

While in the past domestic visitors have contributed around 80% of the region's tourism economy, international visitors provide significant value and in some cases, 100% of custom for some local businesses. As travel from Australia resumed, our direct campaign engaged with those Australians seeking to unite with friends and family and take a short break to recharge the soul.

As New Zealand was slowly opening up to the rest of the world DHC reconnected with Tourism New Zealand, our Explore Central North Island trade marketing alliance and offshore travel sellers via an online TRENZ travel trade platform and webinars. Re-educating Australian Travel Trade became a priority as research indicated 84% of agents surveyed prefer regionally focused content. DHC participated in TNZ's Stop Dreaming and Go trade training delivering a regional update that featured key attractions and export ready businesses. This filmed update was picked up by KarryOn, Australia's number one travel industry media brand as part of a live webinar we delivered and will be used in other key offshore markets.

We also partnered with Waikato and Rotorua Regional Tourism Organisations to invest in an episode of the Australian television series Trail Towns, broadcast on SBS. Featuring the Hauraki Rail Trail, the lifestyle/travel programme encourages viewers to experience everything cycle-friendly towns offer, airing in June 2022 in Australia with New Zealand dates and other channels coming to expand the reach.

Bike operators in key towns along the trail have confirmed a strong season ahead, with bookings from Australia returning to pre-Covid levels for October, November and January. The uptake of tour packages including accommodation, dining and other activities has been boosted by the Hauraki Rail Trail development and marketing activity.

PRODUCT *Development*

Of all the MBIE funded projects, the Ridges Mountain Bike Strategy and region-wide bike park development has been a highlight. Building on the strengths of the TCDC Tracks and Trails forum, and having completed a strategy for the Whangamatā bike park, we were focussed on delivering tangible results. Expert track builders were brought in to train the Whangamatā locals on the fundamentals of designing, building and maintaining bike tracks. The local trail builders have replicated this training in Thames and in Coromandel Town.

As the standard of trails is improved so too is the knowledge that any new development must be undertaken with the natural environment in mind and the potential positive impacts these parks and tracks can provide for predator trapping and other environmental remediation and preservation activities. As a result, the Whangamatā, Thames and Coromandel Town bike clubs have all signed up to our Sustainability programme.

Whangamatā Ridges Mt Bike Park has progressed significantly courtesy of MBIE support provided to the committed personnel within the volunteer Trust that has built the park. This is evident when searching the world's second biggest search engine, Youtube, and seeing the increase of content featuring the park on influential biking channels. These content creators are drawn to Whangamatā because of the quality of the trails that continue to get better. In the future we hope Thames, Coromandel Town and other locations in Hauraki Coromandel will hold the same appeal as the clubs share knowledge and skills.

We have funded development of a Hauraki Coromandel Bike Strategy that has been delivered from a grass roots level in partnership with TCDC. The project has highlighted the importance of the bike parks working together, rather than in competition, especially for funding and other resources. As momentum builds so does the excitement for potential outcomes, something to be fuelled rather than contained. By continuing to work with communities, mana whenua, DOC, private land owners and bike clubs, the fuse has been lit for the potential of biking in Hauraki Coromandel that delivers benefits at every turn – health, wellbeing and recreation for locals, thriving biodiversity and greater representation of our cultural heritage. All enabled with the support of future visitors who value this experience.

Two additional projects were undertaken to support important work by volunteer groups over many years. A feasibility report was completed for the Trust of the Pūkorokoro Miranda Shorebird Centre to make recommendations to help the Trust determine next steps to further develop the centre as a world class conservation, education and tourism experience. As part of a Gold Heritage Product Development project, a business case was completed for the Paeroa Historical Maritime Park which was adopted by the Trust and implementation of the plan has commenced.

Two event funds were established with MBIE funding in 2021 to stimulate out of region visitation and promote the region and in some way compensate for expenditure lost due to the absence international visitors. Grants totalling \$140,000 were made to 8 out of 16 applicants under the Regional Events Fund, events that collectively showcased the essence of *The Coromandel*, while delivering local economic benefits. Under the Signature Events Fund, additional marketing for 5 events was delivered by DHC. Unfortunately some events were unable to proceed owing to restrictions on travel and gatherings and some were postponed (with funding carried forward in some cases), but the Regional Events Fund will continue with annual application rounds for three more years as planned.

During 2020 we kicked off a Sustainability pilot programme with 6 local businesses. The programme proper, Forever good for your soul, is now available to the whole industry including tourism, hospitality, retail and events businesses and groups. 50 businesses signed up to the first phase with a total project capacity for 200. Each business is required to make a donation to their local predator free group, in support of our shared Predator Free Hauraki Coromandel goals, and undertake a waste and carbon audit. The audit identifies their carbon and waste footprint while acknowledging 'Steps already taken, an Action Plan and Sustainable Ideas.' This information is presented in a simple format that doubles as a resource that businesses can share to demonstrate and promote their commitment.

The programme has been designed to be simple, ambitious and progressive. Already we have identified case studies that will contribute towards our marketing content which will always include sustainability messaging and highlight the need for low impact travel etiquette and the development of sustainable tourism products. Some businesses will qualify for greater recognition such as Carbon Free certification with the assistance of this programme.

Destination Hauraki Coromandel have been working towards a sustainable future, ensuring we walk the talk. Having gone through the programme we are Carbon Zero certified with Ekos. We have eliminated single use items and are working towards Zero Waste. We continue to identify ways we can improve our performance, even questioning the value of travel within and beyond our borders when working – the very activity that our industry is in business to support. Having learned the values of responsible procurement and assessed our suppliers, we actively share these principles with our local industry and peers throughout New Zealand. We are in business to do better and the sustainability programme will be central to our future role as we continue to evolve into a Destination Management Organisation. Together Destination Hauraki Coromandel and the industry will continue to seek opportunities to work with other local entities such as DOC, councils and iwi to implement social and environmental goals and objectives, to change the way visitors experience our region and increase the ways they can make a contribution to our communities.

SUSTAINABILITY MEASURES FOR DESTINATION HAURAKI COROMANDEL

CARBON FREE

Total emissions offsets = 16.0tCO₂e

WASTE FREE

Waste to Landfill = 292kg*

This was up from 25kg the previous year due to office relocation

PREDATOR FREE

Participated in the first regional Hauraki Coromandel Kiwi Call survey (awaiting results)

VISION

Tourism enriches life for locals and visitors, contributing directly to the protection and enhancement of our natural environment.

PURPOSE

To increase value from visitation to The Coromandel.

To progress towards this bold vision and fulfil our purpose we need to walk the talk

OFFICE – JOURNEY TO ZERO WASTE

- All rubbish (e.g. lunch) to be taken home for composting, recycling or disposal
- BYO milk and supplies in re-usable containers
- Print only when needed. Recycle paper or shred for compost

TRAVEL AND MEETINGS

- Always use Keep cups or 'have here' option for coffee when representing DHC
- Prioritise virtual meetings over travel where appropriate
- Always offset carbon emissions when travelling for work

SUSTAINABILITY PROGRAMME

- Lead 'forever good for your soul'
- Achieve Zero Waste for DHC
- Achieve Carbon Zero for DHC
- Improve biodiversity by supporting Predator Free Hauraki Coromandel

COMPANY PRACTICE

- Flexi work option to reduce staff travel, improve productivity and wellbeing
- Move towards environmentally friendly vehicles

DESTINATION MARKETING

- Commit to our vision that all activity first considers environmental and community impacts
- Promote sustainable travel and responsible behaviour aligned with our regional values
- Prioritise digital assets and reduce environmental impacts of marketing collateral (e.g. FSC enviro paper, disposal)
- Demonstrate commitment to environment when hosting & visiting

Destination Hauraki Coromandel continues to work towards positive impacts through our operations and activity. The commitment towards reducing the organisation impacts and influencing positive results is part of our daily cycle. The best recognition to date has been our Ekos Carbon Zero certification. However the greatest result is the change in thinking and practice from every staff member. In addition to the commitments above the team has also;

- Purchased second hand office furniture
- Disposed of 292kg rubbish to landfill. Up from 25kg the previous year as a result of office relocation
- Switched off power points when not in use
- Volunteering towards local predator free groups
- Volunteered time to the Coromandel Kiwi Call Survey
- Sponsored accommodation for Predator Free Hauraki Coromandel regional events
- Donated to environmental causes at tourism conferences (e.g. Project Island Song and Bluff Hill Motupōhue)



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Financial Statements have been prepared independently.

COMPILATION REPORT

Destination Coromandel Trust For the year ended 30 June 2022

Compilation Report to the Trustees of Destination Hauraki Coromandel Trust.

SCOPE

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Destination Hauraki Coromandel Trust for the year ended 30 June 2022.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

RESPONSIBILITIES

The Trustees are solely responsible for the information contained in this financial report and have determined that the accounting policies used are appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

NO AUDIT OR REVIEW ENGAGEMENT UNDERTAKEN

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

INDEPENDENCE

We have no involvement with Destination Hauraki Coromandel Trust other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

DISCLAIMER

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on this financial report.

S M Fisher

Fisher Accounting Limited

137 Centennial Drive, Whitianga

Dated: 18 August 2022

ENTITY INFORMATION

Destination Hauraki Coromandel Trust For the year ended 30 June 2022

LEGAL NAME OF ENTITY

Destination Hauraki Coromandel Trust

ENTITY TYPE AND LEGAL BASIS

Charitable Trust

REGISTRATION NUMBER

2555842

ENTITY'S PURPOSE OR MISSION

Destination Hauraki Coromandel Trust is a not for profit Charitable Trust established to promote tourism and travel in *The Coromandel* and Hauraki Regions to collectively market the two districts as *The Coromandel* for the benefit of the people in these communities.

Destination Hauraki Coromandel's vision is that: Tourism enriches life for locals and visitors, contributing directly to the protection and enhancement of our cultural and natural environment.

The Trust aims are:

To promote *The Coromandel* as a leading visitor destination by marketing the Coromandel and visitor attractions within *The Coromandel*.

To support, promote and assist in activities and projects that will increase the opportunities for employment in the tourism and visitor industries in *The Coromandel* and as such, contribute to the social development and well being of the communities in *The Coromandel*.

To support and benefit the communities of *The Coromandel* by promoting and assisting in sustaining the "green image" of *The Coromandel* with the aim to have tourism and visitor activities align with this concept; and

All things as are incidental or conducive to the attainment of the purposes above.

ENTITY STRUCTURE

The trust is run by an elected Executive Committee consisting of three Trustees, and employees or contractors of the Trust. A Chairperson and Deputy Chairperson are elected from the Trustees and a Secretary elected from the Committee. The trustees are appointed by the settlors.

A manager is responsible for day-to-day operations and reporting to the Executive Committee, and other staff provide support to the manager in delivering the Trust's objectives.

The Trust is incorporated in New Zealand under the Charitable Trusts Act 1957. The Hauraki District Council and the Thames-Coromandel District Council ("the settlors") intended that the Trust would not be a Council Controlled Organisation and that the nature and intent of the Trust is that it would be a "small operation" that would not operate as a trading operation for the purposes of making a profit.

The Trust is a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

MAIN SOURCES OF ENTITY'S CASH AND RESOURCES

Operating grants are the primary source of funding received from the settlors of the Trust. Other funds are received from the sale of advertising, commissions, retail sales and sponsorship.

MAIN METHODS USED BY ENTITY TO RAISE FUNDS

The Trust operated two i-SITES for part of the year which provided information services to locals and visitors. The i-SITES sold retail goods, made commission sales and sold website, signage and brochure advertising. DHC operated these centres on behalf of Thames-Coromandel District Council, and the contracts expired at the end of 2021. The Whitianga i-SITE was handed over to a new community trust (Whitianga Information Centre Charitable Trust) and the Thames i-SITE repositioned as an information point in Goldfields Shopping Centre. We wish both ventures good luck for the future.

Physical Address

200 Mary Street, Thames, New Zealand, 3500

Postal Address

PO Box 592, Thames, New Zealand, 3540

Website

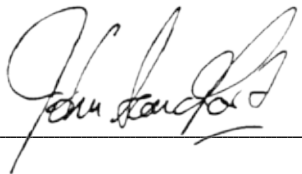
www.thecoromandel.com

APPROVAL OF FINANCIAL REPORT

**Destination Hauraki Coromandel Trust
For the year ended 30 June 2022**

The Trustees are pleased to present the approved financial report including the historical financial statements of Destination Hauraki Coromandel Trust for the year ended 30 June 2022.

APPROVED



John Sandford

Trustee, Chairperson



Anthony Coombe

Trustee



Scott Lee

Trustee

STATEMENT OF SERVICE PERFORMANCE

Destination Hauraki Coromandel Trust For the year ended 30 June 2022

DESCRIPTION OF ENTITY'S OUTCOMES

Destination Hauraki Coromandel Trust (DHC) is funded by our two local Councils, supported by direct local tourism industry investment and other available grants for tourism such as the Ministry of Business, Innovation and Employment's (MBIE's) Strategic Tourism Assets Protection Programme. We are one of 31 Regional Tourism Organisations (RTOs) in New Zealand, and we promote our region under *The Coromandel - good for your soul brand*.

Traditionally DHC has been tasked with the role of destination marketing to bring as many visitors as possible to the region; increase visitor spend; and support tourism operators to develop new and innovative attractions in the region. The impacts of Covid-19 have resulted in time for reflection within the New Zealand tourism industry, and this model is increasingly becoming outdated.

In consultation with our stakeholders, we are evolving into a Destination Management Organisation (DMO), with the region's first destination management plan at the heart of our business planning. As a DMO it is our job to establish a competitive edge for the destination, ensure long-term sustainability and protection of our environment, advocate for community needs, strengthen institutional governance, and build a strong and vibrant brand identity around Hauraki Coromandel. We also need to find ways to lower the direct impacts of tourism on our communities, infrastructure and local residents, whilst still providing a "good for your soul" experience for the visitor.

DESCRIPTION OF THE ENTITY'S OUTPUTS

Destination Hauraki Coromandel is evolving in many ways while also being busier than ever before. Core business has been delivered, marketing the region to stimulate visitor activity, however destination management has gradually absorbed greater focus and resource as we evolve into a Destination Management Organisation.

The fight for market share continued. The successful Where Kiwis Holiday campaign was reinstated for another summer, with arguably greater success than the previous year. A timely TVC (television commercial) showcased the importance of the simple pleasures in life we all craved after yet another round of lockdowns, particularly for our key Auckland market. Time spent outdoors with family and friends enjoying the bush, beach and good food struck a chord with viewers to the popular tune of Breaks Co-Op's The Other Side. Targeted ads screening on digital media received over 4 million views.

Other highlights included features with Stuff media and a multi-page feature profiling the Hauraki Rail Trail in the April edition of the Kia Ora magazine. Earned media for this period exceeded a value of \$1.2 million. All traffic was directed to www.thecoromandel.com with an impressive 39% increase in package views during the campaign.

The visitor economy performance throughout the region was mixed. Tourism experiences on the Pacific Coast struggled due to persistent easterly winds. Thames, Waihi and Ngatea – Shorebird Coast had increases in visitor spend while all other communities witnessed a decrease compared to last year. Total spend was down 5.7% when compared with the previous year and the number of transactions were down 15%. Fortunately, the average transaction value was up 11% to \$46.74. The decrease in spend and transactions was largely attributed towards a tougher time for Thames Coromandel, with Hauraki much the same as the previous year (up 0.3% in visitor spend).

Government funded projects have required us to engage beyond our tourism industry and funding partners. Multiple projects are underway to deliver on our company vision where tourism enriches life for locals and visitors, contributing directly to the protection and enhancement of our cultural and natural environment. The Pūkoro Shorebird Centre, Paeroa Maritime Museum and Whangamatā Ridges Mt Bike Park are examples of specific locations we've supported to help deliver positive results to the community, and to help the local community and environment in the long term.

DESTINATION HAURAKI COROMANDEL *trust*

We farewelled the two i-SITE visitor centres in Thames and Whitianga this year. DHC operated these centres on behalf of Thames-Coromandel District Council, and our contracts expired at the end of 2021. The Whitianga i-SITE was handed over to a new community trust (Whitianga Information Centre Charitable Trust) and the Thames i-SITE repositioned as an information point in Goldfields Shopping Centre. We wish both ventures good luck for the future.

Other projects demonstrate our commitment to the protection of our natural environment such as the Sustainability Programme and work with Predator Free Hauraki Coromandel Trust. Having committed to the annual growth of the kiwi population as a key performance indicator we will be judged by results beyond visitor numbers and tourism dollars. We've made significant progress in walking the talk, becoming the first Regional Tourism Organisation to achieve Carbon Zero certification. 2021-22 was all part of the process, as we work towards a Hauraki Coromandel that's forever good for your soul.

STATEMENT OF FINANCIAL PERFORMANCE

Destination Hauraki Coromandel Trust
For the year ended 30 June 2022

	NOTES	2022	2021
REVENUE			
Council funding	1	637,416	772,297
Grants and sponsorship	1	700,465	276,015
Website, advertising, i-SITEs & brochures	1	22,576	114,807
Interest revenue	1	528	352
Other revenue		3,478	-
Total Revenue		1,364,463	1,163,470
EXPENSES			
Employee related costs	2	362,538	496,832
Advertising and marketing costs	2	891,950	509,859
Property, plant & equipment depreciation	2	14,302	13,940
Costs of providing goods and services	2	68,594	110,366
Trustee Fees	2	33,000	33,000
Grants and donations	2	25,602	-
Total Expenses		1,395,985	1,163,997
Surplus/(deficit)		(31,522)	(526)
Surplus/(deficit) for the year		(31,522)	(526)

DESTINATION HAURAKI COROMANDEL *trust*

STATEMENT OF FINANCIAL POSITION

Destination Hauraki Coromandel Trust
For the year ended 30 June 2022

	NOTES	30 JUNE 2022	30 JUNE 2021
ASSETS			
Current Assets			
Bank account and cash	3	637,234	616,390
Debtors and prepayments	3	35,276	26,269
Inventory	3	-	32,807
Total Current Assets		672,509	675,466
Non-Current Assets			
Property, Plant and Equipment	5	37,362	47,854
Total Non-Current Assets		37,362	47,854
Total Assets		709,872	723,319
LIABILITIES			
Current Liabilities			
Creditors and accrued expenses	4	774,992	736,983
Employee costs payable	4	5,038	24,222
Total Current Liabilities		780,030	761,205
Total Liabilities		780,030	761,205
Total Assets less Total Liabilities (Net Assets)		(70,159)	(37,886)
ACCUMULATED FUNDS			
Accumulated surpluses or (deficits)	7	(70,159)	(37,886)
Total Accumulated Funds		70,159	(37,886)

STATEMENT OF CASH FLOWS

Destination Hauraki Coromandel Trust
For the year ended 30 June 2022

	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES		
Council funding	637,416	718,297
Grants and sponsorship	700,465	276,015
Receipts from providing goods or services	14,410	117,607
Revenue in Advance	(4,346)	624,937
Interest revenue	528	352
Payments to suppliers and employees	(1,289,357)	(1,155,722)
GST	(1,114)	(14,531)
Cashflows from other operating activities	(30,250)	(34,500)
Total Cashflow from Operating Activities	27,751	532,454
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES		
Receipts from sale of property, plant and equipment	3,478	-
Payments to acquire property, plant and equipment	(10,385)	(35,968)
Total Cash Flows from Investing and Financing Activities	(6,907)	(35,968)
Net Increase/(Decrease) in Cash	20,844	496,486
BANK ACCOUNTS AND CASH		
Opening Cash	616,390	119,904
Closing Cash	637,234	616,390
Net change in cash for period	20,844	496,486

Revenue in Advance includes Council Funding, Signboard Income, Sponsorship for Business Awards and the Regional Grant received in Advance.

STATEMENT FOR ACCOUNTING POLICIES

Destination Hauraki Coromandel Trust
For the year ended 30 June 2022

BASIS OF PREPARATION

The Trust has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the Trust will continue to operate in the foreseeable future.

GOODS AND SERVICES TAX (GST)

The Trust is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

SPECIFIC ACCOUNTING POLICIES

REVENUE RECOGNITION

Council grants are recognised as revenue on receipt where no performance conditions have been specified on receipt of the grant.

Council grants requiring specified future conditions to be met are recognised as a liability on receipt. The grants are recognised as income over the period that the specified conditions are complete and the associated costs are recognised.

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Sales of services are recognised in the period by reference to the stage of completion of the transaction at the end of the reporting period.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

BANK ACCOUNTS AND CASH

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

INVENTORIES

Inventories are stated at the lower of cost, determined on a first-in-first-out basis, and net realisable value.

ACCOUNTS RECEIVABLE

Accounts receivable are recognised initially at fair value, less an allowance for any uncollectible amounts. Individual debts that are known to be uncollectable are written off in the period that they are identified.

PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment is stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Depreciation has been written off Fixed Assets at rates reflecting the useful life of each asset. The straight line method of depreciation is used, applied to Fixed Assets at the following rates:

Furniture and fittings	8.5 to 30% SL
Computer Equipment	40 to 67% SL
Motor Vehicles	21% SL
Plant and Equipment	6 to 67% SL

LEASES

Finance leases which effectively transfer to the trust substantially all of the risks and rewards incidental to ownership of the leased item are capitalised at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Operating lease payments, where the lessors effectively retain substantially all the risk and benefits of ownership of the leased items, are recognised as an expense in profit or loss on a straight line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

INCOME TAX

Nil Income Tax returns have been filed on behalf of the Trust until and including the year ended 30 June 2019. Following IRD approval, from 1 July 2019 Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue in respect of each reporting period after adjusting for any variances between estimated and actual income tax payable in the prior reporting period.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

DESTINATION HAURAKI COROMANDEL *trust*

NOTES TO THE PERFORMANCE REPORT

Destination Hauraki Coromandel Trust
For the year ended 30 June 2022

	2022	2021
1. ANALYSIS OF REVENUE		
Council funding		
Grant from Thames-Coromandel District Council	517,416	649,910
Grant from Hauraki District Council	120,000	122,387
Total Council Funding	637,416	772,297
Grants and Sponsorship		
Hauraki Coromandel Business Awards Sponsorship	21,000	-
Regional Event Fund Grant	84,002	13,650
STAPP Grant	595,463	262,365
Total Grants and sponsorship	700,465	276,015
Website, advertising, i-SITES & brochures		
Brochures & advertising	16,015	48,932
Commissions	2,880	34,519
i-SITE retail	3,682	31,356
Total Website, advertising, i-SITES & brochures	22,576	114,807
Interest Revenue		
Interest Income	528	352
Total Interest revenue	528	352
Other Revenue		
Gain on Disposal of Fixed Assets	3,478	-
Total Other revenue	3,478	-
	2022	2021
2. ANALYSIS OF EXPENSES		
Employee Related Costs		
ACC	1,094	1,327
Salaries and wages	349,930	481,417
Employer superannuation contributions	11,514	14,088
Total Employee related costs	362,538	496,832

	2022	2021
2. ANALYSIS OF EXPENSES		
Advertising and marketing costs		
Domestic Marketing	131,781	116,927
International Marketing	21,009	13,630
Digital Marketing	30,970	78,758
Marketing Data Management	28,725	24,529
Regional Event Fund	84,002	13,650
STAPP Expenditure	595,463	262,365
Total Advertising and marketing costs	891,950	509,859
Property, plant and equipment depreciation		
Depreciation	14,302	13,940
Total Property, plant and equipment depreciation	14,302	13,940
Costs related to providing goods or services		
Cost of goods sold	7,782	19,518
Administration Expenses	60,812	90,848
Total Costs related to providing goods or services	68,594	110,366
Trustee Fees		
Trustee Fees	33,000	33,000
Total Trustee Fees	33,000	33,000
Grants and donations		
Donations	450	-
Donated Stock	25,152	-
Total Grants and donations made	25,602	-

Donated Stock

The Destination Hauraki Coromandel Trust donated inventory valued at \$25,152 to the Whitianga Information Centre Charitable Trust when the i-SITE operation was handed over. This inventory had been purchased for the overseas tourism market and was unable to be sold by Destination Hauraki Coromandel Trust when the Trust ceased operating the i-SITE. It was anticipated that the Whitianga Information Centre Charitable Trust might be able to sell this inventory as international tourism increases.

	2022	2021
3. ANALYSIS OF ASSETS		
Bank accounts and cash		
Cash on hand	-	800
Cheque accounts	637,234	615,590
Total bank accounts and cash	637,234	616,390
Debtors and prepayments		
Debtors	-	859
GST	32,791	25,039
Prepayments	2,485	372
Total Debtors and prepayments	35,276	26,269

DESTINATION HAURAKI COROMANDEL *trust*

	2022	2021
3. ANALYSIS OF ASSETS		
Inventory		
Stock on Hand	-	32,807
Total Inventory	-	32,807
	2022	2021
4. ANALYSIS OF LIABILITIES		
Creditors and accrued expenses		
Accounts Payable	143,303	100,947
Income in advance	631,689	636,036
Total Creditors and accrued expenses	774,992	736,983
Employee costs payable		
Accrued salaries and wages	5,038	24,222
Total Employee costs payable	5,038	24,222
	2022	2021
5. PROPERTY, PLANT AND EQUIPMENT		
Motor Vehicles		
Opening Balance	25,936	-
Additions (Disposals)	(10,870)	29,557
Depreciation expense	4,663	(3,621)
Total Motor Vehicles	19,729	25,936
Billboards		
Opening Balance	2,721	6,292
Depreciation expense	(2,721)	(3,571)
Total Billboards	-	2,721
Computers and Software		
Opening Balance	3,923	1,317
Additions (disposals)	(4,958)	(1,702)
Depreciation expense	4,755	4,308
Total Computers and Software	3,720	3,923
Furniture, Fittings and Equipment		
Opening Balance	15,274	18,216
Additions (disposals)	(10,587)	2,045
Depreciation expense	9,226	(4,987)
Total Furniture, Fittings and Equipment	13,913	15,274
Total Property, Plant and Equipment	37,362	47,854

	2022	2021
6. LOSSES TO CARRY FORWARD		
Net Trustees Income (Loss) for the year		
Current Year Earnings	(31,522)	(526)
Total Net Trustees Income (Loss) for the year	(31,522)	(526)

Deductions from Taxable Profits		
Losses Brought Forward	3,230	2,703
Total Deductions from Taxable Profits	3,230	2,703
Total Losses to Carry Forward	34,752	3,230

Losses in 2022 were incurred with the closure of the two i-SITEs and comprised of donated stock and the disposal of assets. The Whitianga i-SITE incurred a loss of \$15,214 and the Thames i-SITE a loss of \$16,308.

	2022	2021
7. ACCUMULATED FUNDS		
Accumulated Funds		
Opening Balance	(37,886)	(36,116)
Accumulated surpluses or (deficits)	(31,522)	(526)
Entertainment - Non deductible	(751)	(1,244)
Total Accumulated Funds	(70,159)	(37,886)

8. 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 conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arms length in the same circumstances.

John Sandford is a trustee and was paid through Zabex Limited for trustee fees, mileage claims and other expenses.

Anthony Coombe is a trustee and was paid for trustee fees, mileage claims and other expenses.

Scott Lee is a trustee and was paid for trustee fees, mileage claims and other expenses.

	2022	2021
9. TRUSTEE FEES		
John Sandford	15,000	15,000
Anthony Coombe	9,000	9,000
Scott Lee	9,000	9,000

10. CONTINGENT LIABILITIES AND GUARANTEES

There are no contingent liabilities or guarantees as at 30 June 2022 (Last year - nil).

11. CAPITAL EXPENDITURE COMMITMENTS

There are no commitments for capital expenditure as at 30 June 2022 (Last year - nil).

12. EVENTS AFTER THE BALANCE DATE

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

13. ABILITY TO CONTINUE OPERATING

Destination Hauraki Coromandel Trust will continue to operate for the foreseeable future. Commitments have been made by both Settlers in their long-term plans to continue support for a regional tourism organisation. MBIE has also awarded a STAPP grant and Regional Event fund grant to the entity to administer.