



ANNUAL REPORT
2017 / 18



**DESTINATION
COROMANDEL**

Biking, Karangahake Gorge

www.thecoromandel.com

TRUSTEE'S *report*

At the time of writing this report the NZ\$ is at a 2 year low. This is good news for our tourism industry in that international visitors may be inclined to spend more while here. What's more, kiwis' make up around 75% of visitor arrivals to *The Coromandel* and might be more likely to have a holiday closer to home. Our objective is to ensure that they will choose to visit *The Coromandel!*

Looking back on the past year, the trustees continue to be encouraged by the overall performance of our marketing and retail sales (i-site) teams and the strategies that are playing out. Destination Coromandel's (DC's) marketing efforts have delivered on the core business of delivering increased visitor spend while responding to challenges presented from a growing industry. The domestic marketing campaigns our team regularly launch are great examples of promotions taking into account challenges at hand and turning them into opportunities for the future.

This approach by our Destination Coromandel team takes some pressure off hot spots in *The Coromandel* while infrastructure catches up with a sector that is already generating \$36 billion each year for the national economy. And that growth is forecast to continue over our next 3-year term. Ideally this responsible approach to visitor dispersal in our region will give *The Coromandel* time to get ahead of the growth curve and develop suitable infrastructure to ensure positive impacts through better experiences for visitors and residents alike.

The trustees would like to commend and thank the teams in the economic development units of both our funding councils, Hauraki and Thames-Coromandel. Those teams are tasked with coping with a \$456million (and growing), industry in their backyard and we are grateful for the way they support the Destination Coromandel team in helping grow the value of tourism to our region. We are also reassured by their appetite for product development. Destination Coromandel has been championing such an approach for some time and it is great to see the work that both our councils are doing in this regard. While product development is not part of the brief for Destination Coromandel, our team have developed Product Development and Leading Tourism Guides to aid the industry. As businesses prepare to launch new products or improve existing ones for our visitor market, we are equipped to provide support.

The development of the Waikato Regional Economic Development agency and the government's Provincial Growth Fund both open up further tourism development and funding opportunities to help us increase visitor value for our districts.

The Coromandel region is primed to continue to provide a solid return on tourism investment given our impressive visitor base and proximity to domestic and international markets.

This allows our team at Destination Coromandel to get on with our job of marketing *The Coromandel* and working with local tourism operators to deliver a *good for your soul* experience that is sustainably good for our districts.



John Sandford

Trustee and Chair, Destination Coromandel Trust

As the tourism industry grows it's become more important to hold on to the essence of what makes *The Coromandel "good for your soul"*. We don't necessarily need more visitors, rather ways to provide more value to the ones that are coming so they want to stay longer, spend more, and leave with a positive impression.

Spending continues to grow, albeit at a slower rate than New Zealand as a whole. Hauraki District is ahead of the national average of 9%, growing 10% this year, reaching \$89m in visitor spend for the YE June 2018. Thames-Coromandel grew by 4% to \$367m.

The January storm and associated media coverage had a massive impact on businesses around the Firth of Thames, particularly Coromandel Town. As a result, January was the only month to record a drop in spend compared to the previous year – down by \$5million. While it was a peak summer month the exceptional circumstances prompted a reaction to counter the headlines and to announce the reopening of the Kaiaua and Thames Coast Roads. DC released a low budget ad to counter the negative rhetoric.

Data and insights inform our marketing activity, hence the tactical campaigns dealing with the challenges of regional spread, seasonality, product development, quality and yield. These challenges have been met by promotion of year-round activities that are actually better outside of the summer months, and the subject of two tactical campaigns: the Coromandel Coastal Walkway and the Hauraki Rail Trail. The development of guided tours to Whenuakura Wildlife Sanctuary and establishment of a sustainability fund is another project DC has facilitated. In this case, tourism has provided the means for improving place.

Domestic spend increased 2.4% or \$8million compared to the previous year, and international visitor spend grew by 19% or \$5million for the same period. While the rate of growth for international spend is impressive and higher than the national growth (9%), the absolute value of the domestic market demonstrates the significance of attracting visitation from our neighbouring regions.

At \$106million spend, international visitors make a valuable contribution to our local economy. DC continues to work with Tourism New Zealand on joint ventures into our most valuable market of Australia. Otherwise global activity is largely focused on international travel sellers, being the most cost-effective way to reach our long-haul markets.

Keen to assess and reduce our organisation's environmental impact, DC have joined the Tourism Industry Aotearoa Sustainability Commitment. We also worked in partnership to help establish "Pick it Up Now", a local campaign encouraging people to do our bit to reduce waste in *The Coromandel*. The first step being to change people's behaviour with rubbish – to pick up now – rather than walk on by.

DC remains excited about the avenues to consolidate and sustain the tourism industry for Thames-Coromandel and Hauraki Districts, particularly during this purple patch for New Zealand tourism. We have the opportunity to maximise long-term benefits for our visitor ecosystem (e.g. nature, locals, visitors). Marketing is only part of this effort, but still a significant component in communicating the essence of what makes *The Coromandel good for your soul*.



Hadley Dryden

General Manager, Destination Coromandel

OUR DOMESTIC *market*

The Coromandel performs well in the domestic market according to the Net Promoter Score* which sees our region as the North Island's number one visitor destination. We engage this fanbase via brand, digital and PR activity (hosting 12 domestic media for this reporting period).

This year we introduced two tactical campaigns promoting shoulder season travel to places that have capacity for growth. Based around quality experiences these campaigns should facilitate an improved visitor ecosystem in the medium term (3 – 5 years). Our role is to promote these attractions with compelling and accurate content resulting in desired visitor behaviour.

	TOTAL	% INCREASE	DOMESTIC	% INCREASE
thecoromandel.com	708,969	17%	519,787	18%
Commercial Nights	920,134	1.8%	63,280	1.1%
Total Visitor Nights	3,289,468	2.1%	n/a	n/a
Visitor Spend	\$456m	6%	\$345m	2.4%

The first tactical campaign ran from September to November promoting the Hauraki Rail Trail. Destination Coromandel focused on increasing awareness, sending visitors to www.thecoromandel.com. Website sessions for the campaign period saw an average increase of 20% on the previous year (29,000 visits). The Hauraki Rail Trail section received an increase of 228% page views (over 9,000 views).

Of the 4 media files hosted, Hunter Group Travel was the highlight. The Sydney-based agents had ridden the trail the previous year and returned with Newcastle's KOFM radio. DC extended coverage by filming their adventures on the trail and presenting their experience to our domestic audience. During this time, we also invested in one episode of "People on Bikes" television series, however this won't be screened until late 2018 (during the second iteration of the Hauraki Rail Trail campaign).

While there's been a lot of commentary on the growing popularity of cycling in New Zealand and particularly the accessibility of our trail being a friendly Grade 1 experience, the number of people willing to travel more than 2 hours to participate in hiking is double the size of the potential cycling market (almost 500,000 people aged 15+ in Auckland, Waikato and Bay of Plenty are interested in hiking – AA Traveller Fresh Info). The quality and diversity of our walks and hikes remain a key driver for visitation.

Previous Destination Coromandel activity has contributed to the popularity of The Pinnacles walk that is now a legitimate must-do walk in New Zealand. Achieving similar status for the Coromandel Coastal Walkway, the focus of our second tactical campaign, is unlikely in the short term however this walkway has the potential to provide more benefit for the region in terms of regional dispersal and visitor spend.

Having met with community representatives from Coromandel Town and Colville and beyond, DC launched a campaign to put the Coastal Walkway on the map as a year-round attraction. Coromandel Town is the base for the walk, with visitors required to stay at least one night to complete the full day tour. With ferry access from Auckland and the proximity of other local attractions and dining options, the northern Coromandel is ideal as a getaway destination. Self-drive visitors (to Coromandel Town) are urged to travel the Coromandel Peninsula loop, thereby increasing length of stay (and spend).

The campaign included 4 media stories and articles in travel publications, signage, advertisements in NZ House & Garden and North & South magazines, and digital ads and competitions across multiple channels. Key campaign performance measures were exceeded, such as the 1000% increase in traffic to the campaign page on www.thecoromandel.com in March 2017 compared to March 2018.

Marketing results achieved by these tactical campaigns have validated DC's strategy by meeting initial objectives and providing a solid platform to build upon in 2018/19 shoulder season campaigns.

**Net Promoter Score: a customer loyalty metric that gauges how willing a customer is to recommend a product or service. (AA Travel Fresh Info Survey)*

The Coromandel continues to appeal to our traditional markets as reflected in the 43 international trade professionals hosted last year from Australia, US and UK. We also hosted 17 international journalists for print and digital channels plus a Spanish television crew. All these famils are made possible with the support of trade-ready tourism businesses.

While trade activity is an effective means of promoting tourism product, PR is more geared towards promoting the region. DC played an important role in Tourism New Zealand's international media programme which secured \$8.48 million worth of global media coverage featuring *The Coromandel* in 420 stories.

	TOTAL	% INCREASE	INTERNATIONAL	% INCREASE
thecoromandel.com	708,969	17%	189,969	15%
Commercial Nights	920,134	1.8%	287,820	3.2%
Total Visitor Nights	3,289,468	2.1%	n/a	n/a
Visitor Spend	\$456m	6%	\$111m	19.4%

Our traditional international audience was also targeted in the 70 appointments held at TRENZ in Dunedin this year. The quality of buyers attending TRENZ was outstanding, and with genuine appetite for off the beaten track product and capacity issues in the main centres, the appeal of *The Coromandel* continues to grow. High season capacity issues for our region are addressed by the simple message that September-December and March-May are indeed the best times to visit.

The collaboration between the eight regions of the Explore Central North Island collective (ECNI) continued with the primary on-shore activity being the eXplore Trade Show at Eden Park. With a record number of exhibitors, including 7 from *The Coromandel*, this one-day expo continues to deliver a useful platform for New Zealand-based inbound travel agents to discover new products and connect with contracted suppliers.

ECNI activity focused on North America, with a West Coast roadshow in October training 288 agents and updating key wholesalers and media. Holiday arrivals from the US were up 6.3% for the year ending in May, and with an average length of stay of 12.8 days and an inclination to really get off the beaten track, they represent good value for *The Coromandel*.

Australians continue to be the most numerous visitors to our region, and with proximity and repeat visit rate, they remain the most valuable market over a lifetime. We participated in a 4-city roadshow with Tourism New Zealand training 584 frontline agents. This was followed up with 12 qualified agents visiting *The Coromandel*, and 100 agents being trained by DC in the Wellington finale. DC continued its investment in the NZD\$1.6m Tourism New Zealand North Island Road Trip campaign to east coast Australia consumers. A new focus on touring routes, including the Pacific Coast Highway, reinforced the work done with ECNI and provided a solid framework for visitors to plan an itinerary. The main retail partner delivered 30% more room nights to *The Coromandel* over the campaign booking period, and spend increased by 14%.

A highlight of the year was the selection of *The Coromandel* as one of the 4 regions to feature in the Tourism New Zealand global campaign. The response of locals embodied the spirit of the campaign, "arrive as strangers, leave as family", welcoming the large crew to film private locations, extras from salty fishermen to kids, kina and paua, and perfect autumn weather in which to film us at our best.

The 17/18 year has been one of consolidation for our digital platform, increasing the relevance for visitors dreaming, researching and planning travel. After a major site migration in the prior period, www.thecoromandel.com has rebounded with encouraging results (16% increase in sessions). Many challenges still exist, particularly reduced organic referrals from Google and newzealand.com. However our strategy for the year has contributed more than ever to local businesses and the region, and will continue to do so for the foreseeable digital future (mobile devices consistently deliver over 50% of traffic).

In addition to subtle changes, work completed on www.thecoromandel.com last year now features comprehensive information on the Hauraki Rail Trail, Coromandel Coastal Walkway, Dining/Foodie section and improved content for family and wellness travel. Locations are better represented particularly the Hauraki Plains & Shorebird Coast, Hahei & Cooks Beach, the remaining town portals have been updated as have the number of itineraries that had a massive 29% increase in views (27,815).

We have also installed 3 webcams in Whangamata, Kaiaua and on the Coromandel Coastal Walkway. New imagery and video content will be further complemented by our purchase of an AI-powered visual content marketing platform that will enable us to better understand and share consumer behaviour in *The Coromandel*. The User Generated Content tool allows us to integrate visual content into our channels and promises to deliver increased engagement, and interaction with operator listings on our website from the 70,000 delivered this year.

Our e-newsletter database has been refined as part of the EU privacy regulations which took effect May 2018. We now require a double opt-in process and new privacy and cookies policies have been adopted. The e-newsletter tool remains a good referral of traffic to operator listings and events on www.thecoromandel.com.

More recently DC opted to engage in a Google partnership programme for the purpose of increasing the presence of *The Coromandel* in the Google ecosystem and ensuring content is timely, relevant and correct. This project will be mutually beneficial to local businesses and to visitors using Google search – so long as businesses update their Google profiles.

Social media remains a key platform for engaging with visitors and for promoting the *good for your soul* message. While the 56,807 Facebook 'likes' are less relevant than the quality of content for each individual post and the reach gained, Facebook was the biggest referring channel to thecoromandel.com, up 26% on the previous year. It remains a cost-effective medium to target our audience with campaign messages and content that resonates with potential visitors.

Our Instagram platform has been used to share inspirational user-generated content and has achieved consistent organic growth. As the changing social media landscape increasingly favours paid promotions, adding Instagram to campaign messaging channels will broaden our audience reach and opportunities to engage.

Destination Coromandel were recognised at the inaugural Regional Tourism New Zealand Award for Online Performance. Of the 30 RTO's in New Zealand, Destination Coromandel had the strongest overall results in two key areas of online marketing performance: organic search traffic and online video audience.

i-SITES *(sales & information)*

Destination Coromandel continues to manage the Whitianga and Thames i-SITE on behalf of Thames Coromandel District Council. The i-SITES have separate accounts of each other and also Destination Coromandel. They also make a contribution to the governance of Destination Coromandel.

In the last year Whitianga i-SITE performed well, as expected. Commissions were on target and would've been higher had it not been for consecutive weeks of easterly winds in the peak season. Boat and kayak operators would've noticed the reduced activity during this time too. Retail was up significantly, \$13,000 on budget with the vast majority of stock being made in New Zealand.

Thames also had a good year with retail sales, \$5,000 higher than anticipated. Some of this is due to a contract taken on with New Zealand grown and sewn Zee Zee Merino clothing brand. The Thames i-SITE is their upper North Island base, they're now looking at stocking other i-SITES nationwide. Thames are also trialing a pick up and drop off Dry Cleaning service with Apparel Master based in Tauranga. This helps generate revenue particularly during the quieter winter months. Sales commissions were down \$3,000, potentially not helped with the closure of the Thames Coast Rd in January.

The Destination Coromandel Marketing team has taken on Thames i-SITE employee Hannah McMillan-Phillips on a marketing internship. Hannah is helping the marketing team during the off-season months and will return to the Thames i-SITE during the summer peak. This has allowed the organisation to retain and develop staff.

One of the tasks Hannah has been appointed, with staff from Whitianga i-SITE, is communicating and assisting the industry with the Google My Business programme. This helps develop their skills while benefiting the industry on the world's biggest search engine.



Cathedral Cove

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Financial Statements have been prepared independently.

DESTINATION COROMANDEL *trust*

ENTITY INFORMATION FOR THE YEAR ENDED 30 JUNE 2018

LEGAL NAME

Destination Coromandel Trust (“the Trust”).

TYPE OF ENTITY AND LEGAL BASIS

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. The nature and intent of the Trust’s undertaking is that it should 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.

THE TRUST’S PURPOSE OR MISSION

The Trust’s primary objective is to promote tourism and travel to benefit the people in the communities. It achieves this objective by promoting the region as a leading tourist and visitor destination.

STRUCTURE OF THE TRUST’S OPERATIONS, INCLUDING GOVERNANCE ARRANGEMENTS

A Board of three trustees oversee the governance of the Trust. A manager is responsible for day-to-day operations and reporting to the trustees, and other staff provide support to the manager in delivering the trust’s objectives. The trustees are appointed by the settlors.

MAIN SOURCES OF THE TRUST’S CASH AND RESOURCES

Operating grants are the primary source of funding received from the settlors to the Trust.

OTHER INFORMATION

The trust deed outlines the charitable purposes of the Trust.

- a) Promoting and marketing the region as a leading tourist and visitor destination.
- b) Supporting, promoting and assisting in activities and projects which increase the opportunities for employment in the tourism and visitor industries and as such contribute to the social development and well being of the communities within the region.
- c) Supporting and benefiting communities by promoting and assisting in sustaining the “green image” of the region with the aim of having visitor activities aligned with this concept.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

Notes	Actual 2018	Budget 2018	Actual 2017
Revenue			
1 Council funding	681,279	713,824	670,474
2 Website, Advertising, i-SITEs & Brochures	298,721	294,720	279,837
Interest revenue	185	360	362
<i>Total revenue</i>	<i>980,185</i>	<i>1,008,904</i>	<i>950,673</i>
Expenses			
3 Employee-related costs	513,931	507,896	490,117
Advertising and marketing costs	299,840	311,030	296,286
Lease expense	402	2,520	2,413
8 Property, plant, and equipment & tangibles	9,633	12,960	12,455
Costs of providing goods and services	126,829	137,848	124,402
14 Trustee fees	33,000	33,067	32,743
<i>Total expenses</i>	<i>983,635</i>	<i>1,005,321</i>	<i>958,417</i>
Surplus/(deficit)			
4 Income tax	1,544		-
Adjusted Surplus funds	(1,906)	3,583	(7,744)

Explanations of major variances against budget are provided in note 16.

DESTINATION COROMANDEL *trust*

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

Notes	Actual 2018	Budget 2018	Actual 2017
Assets			
Current assets			
5 Bank accounts and cash	70,946	130,015	92,626
6 Debtors and prepayments	27,661	13,084	13,127
7 Inventory	29,839	23,951	23,951
<i>Total current assets</i>	<i>128,446</i>	<i>167,050</i>	<i>129,704</i>
Non-current assets			
8 Property, plant, equipment & intangibles	28,235	38,017	13,016
<i>Total non-current assets</i>	<i>28,235</i>	<i>38,017</i>	<i>13,016</i>
Total assets	156,681	205,067	142,720
Liabilities			
Current liabilities			
9 Creditors and accrued expenses	151,522	196,256	141,794
10 Employee costs payable	36,315	34,477	30,176
Total liabilities	187,838	230,733	171,971
Total assets less total liabilities	(31,157)	(25,666)	(29,251)
11 Trust equity			
Accumulated surpluses/(deficits)	(31,157)	(25,666)	(29,251)
Total Trust equity			

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Actual 2018	Budget 2018	Actual 2017
Cash flows from operating activities			
Receipts of council funding	716,279	713,824	690,474
Receipts from sale of goods and services	330,629	295,500	312,938
Interest, dividends, and other investment receipts	185	360	362
Payments to suppliers and employees	(1,037,726)	(947,295)	(946,982)
GST	(6,195)	(9,304)	27,177
<i>Net cash flow from operating activities</i>	<i>3,172</i>	<i>53,085</i>	<i>83,969</i>
Cash flows from investing and financing activities			
Payments to acquire property, plant, and equipment	(24,852)	(25,000)	(4,694)
<i>Net cash flow from investing and financing activities</i>	<i>(24,852)</i>	<i>(25,000)</i>	<i>(4,694)</i>
Net increase/(decrease) in cash for the year	(21,680)	28,085	79,275
Add opening bank accounts and cash, including bank overdraft	92,626	92,626	13,351
Closing bank accounts and cash, including bank overdraft	70,946	120,711	92,626

Explanations of major variances against budget are provided in note 16.

DESTINATION COROMANDEL *trust*

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2018

ACCOUNTING POLICIES APPLIED

BASIS OF PREPARATION

The Board applies PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has less than \$2 million total annual expenses.

All transactions in the financial statements are reported using the accrual basis of accounting and are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

GOODS AND SERVICES TAX

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Grants

Council grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met (“use or return condition”).

If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

Sale of services

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Donated assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

Interest and dividend revenue

Interest revenue is recorded as it is earned during the year.

Employee related costs

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries, and leave entitlements.

Performance payments are recorded when the employee is notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

Advertising, marketing, administration, overhead, and fundraising costs

These are expensed when the related service has been received.

Lease expense

Lease payments are recognised as an expense on a straight-line basis over the lease term.

Bank accounts and cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Bank overdrafts are presented as a current liability in the statement of financial position.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Inventory

Inventory is initially recorded at cost. Goods held for sale are subsequently measured at the lower of cost and their selling price.

Goods for use or distribution are subsequently measured at cost and written down if they become obsolete.

Property, plant, and equipment

Property, plant, and equipment is recorded at cost, less accumulated depreciation and impairment losses.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Furniture and fittings	5 years	(8.50% to 30%)
Computer Equipment	2 to 5 years	(40%)
Intangible Assets	5 years	(20%)
Motor vehicles	5 years	(21%)
Billboards	5 years	(21%)

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

Employee costs payable

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

A liability and expense for long service leave and retirement gratuities is recognised when the entitlement becomes available to the employee.

Loans

Loans are recognised at the amount borrowed from the lender. Loan balances include any interest accrued at year-end that has not yet been paid.

Provisions

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Income tax

Tax expense, if applicable, is calculated using the taxes payable method. No allowance is made for deferred tax. Tax expense will include a current tax liability and adjustments for prior year liabilities.

Budget figures

The budget figures are derived from the statement of intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Tier 2 PBE Accounting Standards applied

The Trust has not applied any Tier 2 Accounting Standards in preparing its financial statements.

CHANGES IN ACCOUNTING POLICIES

The have been no changes to accounting policies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Notes	2018	2017
1 Council funding		
Grant from Thames-Coromandel District Council	560,000	550,000
Grant from Hauraki District Council	121,279	120,474
Total council funding	681,279	670,474
2 Website, advertising, i-SITEs & Brochures		
Website listings	51,350	53,750
Brochures & advertising	130,197	106,910
Commissions	83,043	86,042
i-SITE retail	34,131	33,135
Total Website, advertising, i-SITEs & Brochures	298,721	279,837
3 Employee related costs		
Salaries and wages	501,370	478,032
Employer superannuation contributions	12,562	12,085
Employee related costs	513,931	490,117
4 Income tax		
<p>Nil income tax returns have been filed on behalf of the Trust in accordance with Destination Coromandel being a Charitable Trust incorporated pursuant to the Charitable Trust Act 1957 and undertaking a charitable purpose. An adjustment has been made relating to previous years accrual in relation to income tax previously provided for.</p>		
Income tax expense		
<p>The Trust has applied Section CW40 of the Income Tax Act 2007 in accordance with its Trust deed and constitution. This is consistent with advice it has from its tax advisers and the precedent established by Inland Revenue to other CCO Charitable Trusts established in the same form as that of the Destination Coromandel Trust. The Trust requested formal confirmation that Section CW 40 of the Income Tax Act 2007 applies although Inland Revenue's views suggest the structural type and trust funds at dissolution may need to be tested, even though through precedent they have approved these structures.</p>		
5 Bank accounts and cash		
Cash on hand	800	800
Cheque account	70,146	91,826
Total bank accounts and cash	70,946	92,626
6 Debtors and prepayments		
Gross debtors	5,870	2,415
GST	21,629	10,712
Prepayments	162	-
Total debtors and prepayments	27,661	13,127

Notes	2018	2017
7 Inventory		
Items held for sale	29,839	23,951
Total inventory	29,839	23,951
8 Property, plant, equipment & intangibles		
Furniture and fittings		
Carrying amount at 1 July	7,361	8,416
Additions	2,250	-
Disposals (net of accumulated depreciation)	-	-
Depreciation expense	1,463	1,055
Carrying amount at 30 June	8,148	7,361
Computers and software		
Carrying amount at 1 July	2,825	6,184
Additions	5,595	-
Disposals (net of accumulated depreciation)	-	-
Depreciation expense	2,686	3,359
Carrying amount at 30 June	5,734	2,825
Motor vehicles		
Carrying amount at 1 July	913	7,955
Additions	-	-
Disposals (net of accumulated depreciation)	-	-
Depreciation expense	913	7,042
Carrying amount at 30 June	-	913
Billboards		
Carrying amount at 1 July	-	-
Additions	17,006	-
Disposals (net of accumulated depreciation)	-	-
Depreciation expense	3,571	-
Carrying amount at 30 June	13,435	-
Intangibles		
Carrying amount at 1 July	1,917	2,917
Additions	-	-
Disposals (net of accumulated depreciation)	-	-
Depreciation expense	999	1,000
Carrying amount at 30 June	918	1,917

DESTINATION COROMANDEL *trust*

Notes	2018	2017
9 Creditors and accrued expenses		
Creditors	137,200	101,024
Provision for Audit (refer to note 12)	-	26,500
Provision for tax	-	1,734
Income in Advance	-	8,546
Accrued expenses	14,322	3,990
Total creditors and accrued expenses	151,522	141,794
10 Employee costs payable		
Accrued salaries (salaries in advance) and wages	5,723	2,958
Annual leave	30,592	27,218
Total employee costs payable	36,315	30,176
11 Equity		
Accumulated surpluses/(deficits)		
Balance at 1 July	(29,251)	(21,507)
<i>Surplus/(deficit) for the year</i>	<i>(1,906)</i>	<i>(7,744)</i>
<i>\$25,000 of audit provisions contributing to deficits from prior years have been reversed</i>		-
Total Equity	(31,157)	(29,251)
Commitments		
There are no commitments since balance date.		
12 Contingent liabilities		
There are no known contingent liabilities at balance date.		
13 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 arm's length in the same circumstances.		
John Sandford is a Trustee and was paid through John Sandford Limited for trustee fees, mileage claims and other expenses.		
Tony 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.		
14 Trustee fees		
John Sandford	15,000	14,743
A B Coombe	9,000	9,000
Scott Lee	9,000	9,000
Total trustee fees	33,000	32,743

Notes**2018****2017**

15 Events after the balance date

No significant events have occurred since balance date.

16 Explanations of major variances against budget

Explanations for major variances from the Trust's budgeted figures in the statement of intent are as follows:

Statement of financial performance

Marketing expenses incurred that were not planned included:

Reduced printing cost for <i>The Coromandel</i> Visitor Guide	(9,500)
Contract with Crowdrift social media platform to track and utilise user generated content	10,000
Google DMO project	15,000
Awareness objectives achieved with Coastal Walkway tactical campaign with lower than anticipated spend	(8,000)
Local industry events underbudget due to industry support	(2,000)
Cost savings on brand related spend	(2,500)
Less investment in TRENZ Australia than planned as two TNZ trips were replaced with onshore Australian activity	(10,000)
Increased industry support for famils reduced anticipated costs	(2,000)
Refocus of Chinese market campaigns	(2,000)
	(11,000)

Statement of financial position

There are no major variances

Statement of cash flows

There are no major variances

