



**DESTINATION
COROMANDEL**

Overlooking Forest Bay

www.thecoromandel.com

Any doubt about tourism's vital position in the New Zealand economy is well past. However, current national trends indicate the annual \$39 billion industry that provides around 1 in 10 jobs in New Zealand has peaked after consecutive years of growth. Although *The Coromandel* continues to grow, we expect a slow-down will allow us time to reflect on whether we are actually improving our tourism ecosystem (visitation that benefits nature, locals and future visitors) while our businesses and communities benefit from the economic growth.

Ensuring continual improvement of our tourism ecosystem is arguably even more important for a region like *The Coromandel*. With 400km of coastline surrounding dramatic bushclad ranges that meet rural plains, our communities must not lose sight of why *The Coromandel* attracts visitors year-after-year.

This is where private enterprise can provide quick and effective results. Developed by Tourism New Zealand, Tiaki, a nationwide programme to Care for New Zealand, is requesting that all visitors travel accordingly (with care). Tiaki is a fantastic initiative that will be all the better if our tourism businesses also enable its implementation – whether it's protecting Kauri in the national parks or helping manage our precious marine reserves. Businesses that get this right now will become even more relevant in the future.

As a marketing organisation Destination Coromandel has endeavoured to ensure any impacts on our tourism ecosystem have been positive. This is why there has been an enduring focus on domestic marketing outside of the peak summer period. Your trustees continue to be impressed, but not surprised, with the increasing results gained from our experienced team through their off-peak initiatives. National recognition for our i-SITE's training was another highlight for our region. We are confident that the team will continue to successfully position *The Coromandel* as one of NZ's must-visit destinations.

Because of these off-peak growth initiatives we have little concern of any negative effects with regard to the forecast national softening in visitation. We are able to encourage more attention on managing the tourism ecosystem via our team's promotional efforts. *The Coromandel* tourism industry, including retail, have obviously played an important part in the record \$496m dollar result and 11% growth (versus 3% national growth) for the period covered in this annual report. Now is the time to define our tourism ecosystem, and incorporate it into your plans – and bottom line.

The core funders of Destination Coromandel Trust, Thames-Coromandel District Council and Hauraki District Council, continue to build momentum for *The Coromandel* with a series of infrastructure projects delivered and more on the way. The Councils' respective economic development teams have also provided support to entities looking to progress concepts into development phase – with the recent announcement of the Paeroa Historical Maritime Park as an example. Hauraki District Council have recently released their tourism action strategy seeking to capitalise on their ideal position.

The focus of both our Councils on infrastructure improvement, product development and events allows our team to focus on what they do best – promoting *The Coromandel - good for your soul*.



John Sandford

Trustee and Chair, Destination Coromandel Trust

We've just come out of arguably our best year in tourism. The results from our marketing platform, campaigns and overall KPI* were fantastic. Driving bookings from campaigns and helping grow visitor spend in the region by 11% compared to the previous year substantiate this claim.

We're fortunate to have a capable team of leaders who focus on delivering core business with an eye to add to *The Coromandel good for your soul* brand – literally, as this year the team did an internal review and refresh of the logo. It lives comfortably in the consumer space where it belongs. We take this brand to the market most effectively through digital activity for which we received the inaugural Regional Tourism New Zealand Digital Award for last year – no mean feat when up against 30 other regions.

We've enjoyed a good reputation from international trade in the western markets courtesy of over two decades of work. International visitation to *The Coromandel* continued to grow by 10% compared to 3% nationally. Domestic travel to *The Coromandel* grew by 11% with increases in 10 of the 12 months. This year's autumn weather reflected the 'endless summer' months we present to the market helping deliver increases right into May.

Acknowledging that we only play a part in the overall results we developed campaigns that measured referrals and bookings. Working with our i-SITE team helped deliver bookings where online means couldn't. Results from the Coastal Walkway and particularly the Hauraki Rail Trail campaign were impressive, with well established operators performing the best. Success in these areas will truly be realised when there are multiple providers performing well year round, so it's early days.

We're very aware of the perception that *The Coromandel* is only a summer beach destination and this year delivered our first winter campaign to challenge this. The wellness campaign was a means to promote all things #goodforyoursoul (e.g homegrown food, local art and boutique shopping). And the results were promising with a 16% increase over the previous year in domestic spend for July – August.

The overall performance reiterates the importance of a Regional Tourism Organisation and demonstrates the potential role i-SITE's and RTO's play for the future of our region's tourism. The two i-SITES (Whitianga and Thames) managed by Destination Coromandel, put their sales training to good, meeting incentive targets and overall results in a complete performance for the 18/19 period.

For those keen to understand more about our role they can refer to '*The Role of Destination Coromandel*' on the industry section of our website. The Destination Coromandel team look forward to working with our visitor industry and taking on the challenges for what remains of the 19/20 year.



Hadley Dryden
General Manager, Destination Coromandel

OUR DOMESTIC *market*

The growing contribution of domestic visitor spend now represents over 80% of visitor spend. Our drive market continues to fuel our local economy growing by \$41m last year, of which \$20m was during our shoulder and winter season promotions.

Domestic campaigns provide an opportunity to address regional challenges. Last year we ran 3 consecutive campaigns, repeating the Hauraki Rail Trail and Coromandel Coastal Walkway tactical campaigns and introducing a promotion to encourage winter travel.

| | TOTAL | % INCREASE | DOMESTIC | % INCREASE |
|--------------------------|---------|------------|----------|------------|
| thecoromandel.com visits | 909,086 | 29% | 669,024 | 30% |
| Commercial Nights* | 964,656 | 4.8% | 696,177 | 10.1% |
| Visitor Spend | \$496m | 10.5% | \$385m | 10.8% |

Our second iteration of the **Hauraki Rail Trail** campaign proved very successful. Domestic visitor spend for the targeted travel period – increased by \$8 million to \$57million for the October/November shoulder season period. Stimulating bookings on the trail was the key objective, achieved largely via digital advertising that provided the best results (reaching 2.1 million viewers). Traffic to the campaign landing page increased by 135% (compared to the same time last year) and views on our website listings were up 17% to 84,000. The value of individual bookings ranged from \$100 to \$17,000 – validating our strategy to present travel packages so visitors can take it easy.

The 2019 **Coromandel Coastal Walkway** campaign also performed well considering the Christchurch terror attack occurred in a key month of promotion. Domestic visitor spend for the targeted travel period – increased by \$7 million to \$67million for the March/April shoulder season period. Domestic spend in March dipped \$1m, at which time Destination Coromandel paused all marketing activity out of respect for those impacted by the Christchurch attacks. The Coastal Walkway is far from reaching its potential with Coromandel Town set to gain as the reputation of the walk grows – thus providing motivation for the town to champion this day walk that takes visitors into the last frontier. Like the Hauraki Rail Trail campaign the well established operators, who were organised to take advantage of the promotion, benefited from exposure and bookings. Presenting easy-to-purchase packages was important in driving and measuring bookings made. Advertising across digital and print contributed to a 100% increase on traffic to the campaign landing page.

The introduction of our first ever winter campaign was launched in 2018 driving travel in July and August. In addition to winter travel Destination Coromandel were addressing the perception that *The Coromandel* is solely a summer beach destination. Promoting the merits of visiting in winter to experience local food, art and retail therapy and all things wellness – which in this case translates to *good for your soul*. The results were more than encouraging with domestic visitor spend for both July and August increasing of 18% and 21% respectively (well above the national domestic average of 4% and 9%). Commercial accommodation guest nights increased by 8% in July and 4% in August. Campaign partner, Bachcare saw an increase in bookings of 7.2% over the July, August & September period (this is despite a significant decrease in booking in the Whitianga area due to the cancellation of the 2018 Whitianga Scallop Festival). Expedia bookings for July were up 6%, August 25% and September 16%. And sessions to www.thecoromandel.com grew by 23% for the campaign.

**Does not include holiday homes, private dwellings, huts, hosted accommodation.*

Growth in International travel to New Zealand has slowed in the last 12 months, growing by approximately 2%. According to MBIE visitor spend data, *The Coromandel* has enjoyed a 10% increase in international visitor spend during this period. International guest nights in Commercial Accommodation* has decreased. We suspect this is due to the rapid rise in peer to peer accommodation coming online with travellers having a greater range of accommodation options. Naturally international traffic to www.thecoromandel.com continues to climb helping to inspire and inform travellers researching *The Coromandel*.

| | TOTAL | % INCREASE | INTERNATIONAL | % INCREASE |
|--------------------------|---------|------------|---------------|------------|
| thecoromandel.com visits | 909,086 | 29% | 669,024 | 30% |
| Commercial Nights* | 964,656 | 4.8% | 268,480 | -6.7% |
| Visitor Spend | \$496m | 10.5% | \$111m | 9.7% |

International activity is based around the travel trade, as many consumers in our key markets use an agent, in person and online. We partner with 7 other regions in the Explore Central North Island (ECNI) marketing alliance for trade activity in longhaul markets, with the focus on North America, UK and Europe. This year we targeted the Australia consumer directly during domestic campaigns, owing to their proximity, booking behaviour and ease of reach.

ECNI conducted a sales mission in the US, training 313 agents across 6 locations and meeting with key wholesalers. The group has also been in campaign with one agent consortium in the US and engaged a representative in the UK to train reservation teams and provide valuable market insight. Although Destination Coromandel did not attend in-market events this year, our region continues to perform well relative to other central north island partners.

Two annual trade events provide the opportunity to develop relationships and find new distribution channels for export-ready tourism businesses. The Explore Trade Show in Auckland connects businesses with inbound tour operators, and another record number of exhibitors, including 5 from *The Coromandel* met with over 200 travel sellers and product managers. Tourism Rendezvous New Zealand (TRENZ) was back in Rotorua this year – good for our region in terms of attracting international agents on trade famils, with Destination Coromandel hosting 41 agents over the year. We conducted 81 TRENZ appointments with preselected agents and media from our key markets.

Tourism New Zealand remains a key avenue to a global audience. Some trade familiarisations were postponed owing to the incidents in Christchurch. We invested for the 4th year in the North Island Road Trip campaign targeting East coast Australian consumers. While spend and visitation objectives were not met, *The Coromandel* package ranked in the top 5 performers for commercial partner, Flight Centre. Over the year we hosted 13 international media familiarisations in conjunction with Tourism New Zealand, with a combined Estimated Advertising Value of \$1.2m. Total international media content over the year was 192 stories, with an EAV of \$4.9m. A highlight was filming one episode of “Griff’s Great Kiwi Adventure”, to be screened in the UK on ITV and ABC in Australia.

**Does not include holiday homes, private dwellings, huts, hosted accommodation.*

DIGITAL *focus*

The majority of our work is viewed by New Zealanders and predominantly on our digital channels such as Facebook, Instagram, Youtube, e-newsletters and our most important promotional tool – www.thecoromandel.com. As with all other visitor and digital metrics, visitation to www.thecoromandel.com has increased – by 30% for user sessions. Reaching 909,086 for this reporting period, page views also increased by 23% to 2.2 million.

Destination Coromandel committed to the Google DMO program and specifically the Google Post activity. This plays a big role in our online activity, at no additional cost (outside of human resource) and is very targeted. During the marketing campaigns google posts can return around 250k views per month.

Destination Coromandel was recognised at the inaugural Regional Tourism New Zealand award for Online Performance. One of 30 RTO's in New Zealand, Destination Coromandel had the strongest overall results in two key areas of marketing performance: organic search traffic and online video audience. We encourage tourism operators to establish a strong digital marketing platform via our work and opportunities with experts such as Tourism New Zealand who held a digital workshop in Thames.

i-SITES (*sales & information*)

Destination Coromandel manages the Whitianga and Thames i-SITES on behalf of the Thames-Coromandel District Council to provide visitor information services for the region. The Whitianga i-SITE had an excellent year despite a slowdown in traffic due to the Whitianga town centre upgrade, with 60,735 visitors and 3,567 booking transactions. Thames i-SITE hosted 32,506 visitors and managed to cover operational costs which is quite an achievement given challenges such as commissionable product in the locale.

Destination Coromandel recognise the i-SITES as an incubator to develop and progress talent in the industry. The marketing team of 3 has 2 employees who previously worked in the visitor information network. We also have a marketing intern who was working in the Thames i-SITE earlier this year. All staff received training in sales and the Whitianga i-SITE supervisor went on to attend a 3-day sales training course. Destination Coromandel Thames and Whitianga i-SITES were recognised at the 2019 i-SITE Conference, winning the i-SITE Training Achievement Award.

Both Whitianga and Thames met 2 out of 3 incentive targets throughout the year – they're measured according to commissions, retail and customer feedback measures. The i-SITE team also introduced a Squawk Squad monitor into Whitianga, allowing visitors to fund a trap as part of a national predator programme.

THE COROMANDEL *Sustainability*

Destination Coromandel helped established Pick it Up Now with local resident Jo Sanderson. Pick it Up Now is about influencing a culture change to get people to pick up rubbish, rather than walk past it. Over 10 clean ups throughout the region have helped build awareness in what is an overwhelming challenge. Pick it Up Now complements the achievements of communities such as Waihi and Coromandel Town who featured in the Keep New Zealand Beautiful awards.

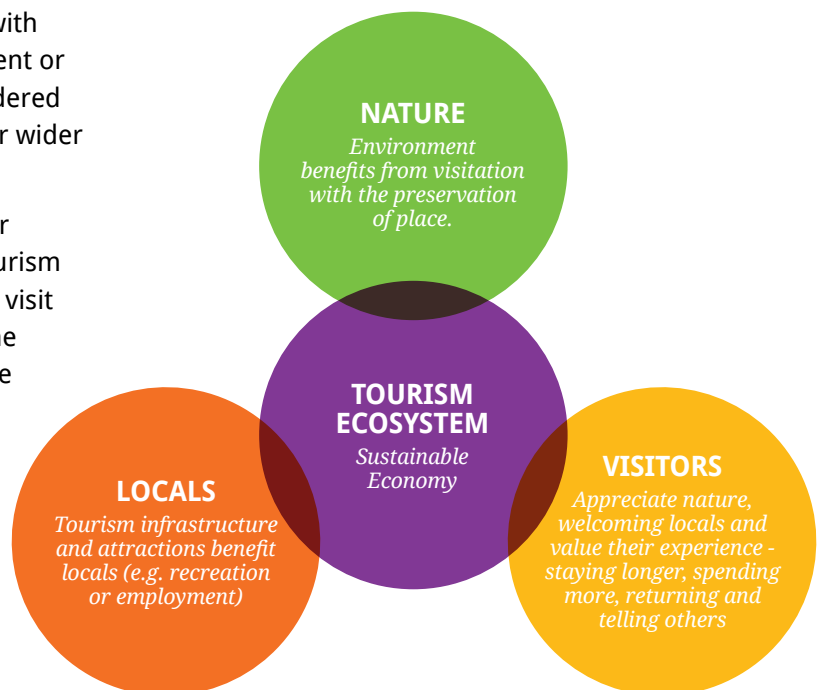
Destination Coromandel are identifying ways to minimise our impact on the environment, such as the cardboard furniture used for our trade stand at TRENZ. We have supported the Tiaki Promise – which encourages visitors to Care for New Zealand and signed up to the Tourism Industry Association’s Sustainability Charter which provides resources to help identify ways to minimise our impact on the environment.

Perhaps the biggest area we can contribute is via our core role – marketing. We don’t run summer campaigns, as this travel period looks after itself. We do promote land based travel (e.g Hauraki Rail Trail and Coastal Walkway) to improve the value of tourism to the area rather than volume. We also promote winter as the ideal time to experience all things good for your soul - local art, food and retail.

THE COROMANDEL *Tourism Ecosystem*

While Destination Coromandel is not tasked with Destination Management, Product Development or Event Management these elements are considered in our marketing approach with respect to our wider Tourism Ecosystem.

Anyone involved in the local visitor industry or considering development should build the tourism ecosystem into their plans. Every time people visit *The Coromandel* they should be improving the tourism ecosystem, thereby helping to achieve the region’s MVP (mission, vision, purpose).





Cathedral Cove

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Financial Statements have been prepared independently.

COMPILATION REPORT

Destination Coromandel Trust For the year ended 30 June 2019

Compilation Report to the Trustees of Destination 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 Coromandel Trust for the year ended 30 June 2019.

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 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: 6 August 2019

ENTITY INFORMATION

Destination Coromandel Trust For the year ended 30 June 2019

LEGAL NAME OF ENTITY

Destination Coromandel Trust

ENTITY TYPE AND LEGAL BASIS

Charitable Trust

REGISTRATION NUMBER

2555842

ENTITY'S PURPOSE OR MISSION

Destination Coromandel Trust is a not for profit Charitable Trust established to promote tourism and travel in the Coromandel and Hauraki Regions for the benefit of the people in these communities.

The Trust aims are:

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

To support, promote and assist in activities and projects which 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 operates two i-SITES which provide information services to locals and visitors. The i-SITES sell retail goods, make commission sales and sell website, signage and brochure advertising.

DESTINATION COROMANDEL *trust*

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 Coromandel Trust For the year ended 30 June 2019

The Trustees are pleased to present the approved financial report including the historical financial statements of Destination Coromandel Trust for the year ended 30 June 2019.

APPROVED



John Sandford
Trustee, Chairperson
Date 26.9.2019



Anthony Coombe

Trustee

Date 26/9/19



Scott Lee

Trustee

Date 26/9/19

STATEMENT OF SERVICE PERFORMANCE

Destination Coromandel Trust
For the year ended 30 June 2019

DESCRIPTION OF ENTITY'S OUTCOMES

Destination Coromandel Trust is a not for profit Charitable Trust established to promote tourism and travel in the Coromandel and Hauraki Regions for the benefit of the people in these communities.

The Coromandel is an area of low population that relies largely on tourism for employment. Visitor numbers increase significantly during the summer months. Promoting the Coromandel as a tourist and visitor destination, especially in the shoulder seasons, supports the viability of local business, increasing opportunities for employment in the tourism and visitor industries which contributes to the social development and well being of these communities.

Greater job opportunities directly benefit the youth in the area, enabling them to find employment in their home town. Greater tourist numbers allow local businesses to become more profitable and viable, resulting in a more stable community. This benefits the wider community as it is these businesses that often provide financial and other support and sponsorship to the local schools and sports, arts, environmental and community groups, enhancing the well-being of all members of the community.

The Trust runs two i-SITEs which provide information services to locals and visitors.

DESTINATION COROMANDEL *trust*

DESCRIPTION AND QUANTIFICATION OF THE ENTITY'S OUTPUTS

The 2018/19 period has been the best year for tourism in *The Coromandel*. The region, that includes the Thames-Coromandel and Hauraki districts, had the second highest increase in visitation behind Kaikoura (a region that has been on the rebound since the earthquake in late 2016). *The Coromandel* was up 11% on the previous year, reaching \$496m, compared to a national average of 3% growth. This visitor spend increase is off the back of 6 years of record growth.

According to Market View the number of transactions in *The Coromandel* was 8.1 million with the average transaction value being \$41.97, compared to a \$48.51 national average. The Coromandel received the 9th highest number of transactions, however we are 12th in terms of total spend by electronic card transaction. When other methods of spend are considered e.g. online bookings in advance, *The Coromandel* drops further down the list of 30 + Regional Tourism Organisations. Our share of the tourism market by spend is 2.8%.

While *The Coromandel* enjoys significant tourism numbers and growing spend we continue to face multiple challenges. Destination Coromandel attempts to address these challenges via our core business – marketing via *The Coromandel. good for your soul* brand.

The majority of our work is viewed by New Zealanders and predominantly on our digital channels such as Facebook, Instagram, Youtube, e-newsletters and our most important promotional tool – www.thecoromandel.com. As with all other visitor and digital metrics, visitation to www.thecoromandel.com has increased – by 30% for user sessions. Reaching 909,086 for the 2018/19 period, page views also increased by 23% to 2.2 million.

Growth in International travel to New Zealand has slowed in the last 12 months, growing by approximately 2%. According to MBIE visitor spend data, *The Coromandel* has increased by 11% during this period, despite the drop in arrivals. The majority of the work we do in the international markets is to maintain our profile in the medium and long term. Planning and hosting over 30 trade and media famils in the course of 12 months is huge task that will pay off in future years.

One of the best ways we can address regional challenges is via our domestic marketing campaigns. Given summer looks after itself we continue to concentrate on shoulder season travel. The two land based campaigns, promoting the Hauraki Rail Trail and Coromandel Coastal Walkway, generated significant growth to www.thecoromandel.com (33% and 35% respectively) and both helped generate referrals and bookings for operators, a key objective of the campaigns. During this time we also introduced our first winter campaign to address perceptions of *The Coromandel* solely being a summer beach destination and ultimately increase winter trade in the quieter months. Visitor spend increased by \$6 million compared to the same months in the previous year for July/August.

Destination Coromandel also manages the Whitianga and Thames i-SITES on behalf of the Thames-Coromandel District Council to provide visitor information services for the region. The Whitianga i-SITE had an excellent year despite a slowdown due to the Whitianga town centre upgrade, with 60,735 visitors and 3,567 booking transactions. Thames i-SITE hosted 32,506 visitors making 2,795 bookings.

STATEMENT OF FINANCIAL PERFORMANCE

Destination Coromandel Trust
For the year ended 30 June 2019

| | NOTES | 2019 | 2018 |
|---|-------|------------------|------------------|
| REVENUE | | | |
| Council funding | 1 | 760,701 | 681,279 |
| Grants and sponsorship | | 27,600 | 24,000 |
| Website, advertising, i-SITEs & brochures | 1 | 333,594 | 317,026 |
| Interest revenue | 1 | 741 | 185 |
| Total Revenue | | 1,122,636 | 1,022,490 |
| EXPENSES | | | |
| Employee related costs | 2 | 516,858 | 514,447 |
| Advertising and marketing costs | | 387,694 | 299,840 |
| Property, plant & equipment depreciation | | 9,523 | 9,633 |
| Costs of providing goods and services | 2 | 176,470 | 169,020 |
| Trustee Fees | | 33,000 | 33,000 |
| Total Expenses | | 1,123,544 | 1,025,940 |
| Surplus/(deficit) | | (908) | (3,450) |
| INCOME TAX | | | |
| Income Tax | | - | (1,544) |
| Total Income Tax | | - | (1,544) |
| Surplus/(deficit) for the year | | (908) | (1,906) |

DESTINATION COROMANDEL *trust*

STATEMENT OF FINANCIAL POSITION

Destination Coromandel Trust
For the year ended 30 June 2019

| | NOTES | 30 JUNE 2019 | 30 JUNE 2018 |
|---|-------|-----------------|-----------------|
| ASSETS | | | |
| Current Assets | | | |
| Bank account and cash | 3 | 87,890 | 70,946 |
| Debtors and prepayments | 3 | 28,737 | 27,643 |
| Inventory | 3 | 41,144 | 29,839 |
| Total Current Assets | | 157,772 | 128,428 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 5 | 31,055 | 28,235 |
| Total Non-Current Assets | | 31,055 | 28,235 |
| Total Assets | | 188,826 | 156,663 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Creditors and accrued expenses | 4 | 213,003 | 151,504 |
| Employee costs payable | 4 | 6,535 | 36,316 |
| Total Current Liabilities | | 219,539 | 187,820 |
| Total Liabilities | | 219,539 | 187,820 |
| Total Assets less Total Liabilities (Net Assets) | | (30,712) | (31,157) |
| ACCUMULATED FUNDS | | | |
| Accumulated surpluses or (deficits) | 6 | (30,712) | (31,157) |
| Total Accumulated Funds | | (30,712) | (31,157) |

STATEMENT OF CASH FLOWS

Destination Coromandel Trust
For the year ended 30 June 2019

| | 2019 | 2018 |
|---|-----------------|-----------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Council funding | 705,701 | 716,279 |
| Grants and sponsorship | 27,600 | 24,000 |
| Receipts form providing goods or services | 336,045 | 306,629 |
| Interest revenue | 741 | 185 |
| Payments to suppliers and employees | (1,034,003) | (1,037,726) |
| GST | (5,881) | (6,195) |
| Total Cashflow from Operating Activities | 30,204 | 3,172 |
| CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES | | |
| Payment to acquire property, plant and equipment | (13,259) | (24,852) |
| Total Cash Flows from Investing and Financing Activities | (13,259) | (24,852) |
| Net Increase/(Decrease) in Cash | 16,944 | (21,680) |
| BANK ACCOUNTS AND CASH | | |
| Opening Cash | 70,946 | 92,626 |
| Closing Cash | 87,890 | 70,946 |
| Net change in cash for period | 16,944 | (21,680) |

STATEMENT FOR ACCOUNTING POLICIES

Destination Coromandel Trust
For the year ended 30 June 2019

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% 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

Income tax has not been accounted for. Nil Income Tax returns have been filed on behalf of the Trust. If accounted for, Income tax would be calculated using the taxes payable method. The income tax expense in profit or loss would represent 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 COROMANDEL *trust*

NOTES TO THE PERFORMANCE REPORT

Destination Coromandel Trust
For the year ended 30 June 2019

| | 2019 | 2018 |
|--|----------------|----------------|
| 1. ANALYSIS OF REVENUE | | |
| Council funding | | |
| Grant from Thames-Coromandel District Council | 638,900 | 560,000 |
| Grant from Hauraki District Council | 121,801 | 121,279 |
| Total Council Funding | 760,701 | 681,279 |
| Grants and Sponsorship | | |
| Hauraki Coromandel Business Awards Sponsorship | 24,000 | 24,000 |
| Pub Charity Grant | 3,600 | - |
| Total Grants and sponsorship | 27,600 | 24,000 |
| Website, advertising, i-SITES & brochures | | |
| Website listings | 49,233 | 51,350 |
| Brochures & advertising | 109,085 | 106,197 |
| Commissions | 79,042 | 83,043 |
| i-SITE retail | 96,233 | 76,436 |
| Total Website, advertising, i-SITES & brochures | 333,594 | 317,026 |
| Interest Revenue | | |
| Interest Income | 741 | 185 |
| Total Interest revenue | 741 | 185 |
| | 2019 | 2018 |
| 2. ANALYSIS OF EXPENSES | | |
| Employee Related Costs | | |
| ACC | 1,019 | 516 |
| Salaries and wages | 502,306 | 501,370 |
| Employer superannuation contributions | 13,534 | 12,562 |
| Total Employee related costs | 516,858 | 514,447 |
| Advertising and marketing costs | | |
| Domestic Marketing | 211,901 | 133,799 |
| International Marketing | 72,703 | 66,313 |
| Brand, Development and PR | 103,090 | 99,728 |
| Total Advertising and marketing costs | 387,694 | 299,840 |

| | 2019 | 2018 |
|---|----------------|----------------|
| 2. ANALYSIS OF EXPENSES | | |
| Property, plant and equipment depreciation | | |
| Depreciation | 9,523 | 9,633 |
| Total Property, plant and equipment depreciation | 9,523 | 9,633 |
| Costs related to providing goods or services | | |
| Cost of goods sold | 50,939 | 42,305 |
| Administration Expenses | 125,531 | 126,715 |
| Total Costs related to providing goods or services | 176,470 | 169,020 |
| Trustee Fees | | |
| Trustee Fees | 33,000 | 33,000 |
| Total Trustee Fees | 33,000 | 33,000 |
| Income Tax | | |
| Income Tax | - | (1,544) |
| Total Income Tax | - | (1,544) |
| | 2019 | 2018 |
| 3. ANALYSIS OF ASSETS | | |
| Bank accounts and cash | | |
| Cash on hand | 800 | 800 |
| Cheque accounts | 87,090 | 70,146 |
| Total bank accounts and cash | 87,890 | 70,946 |
| Debtors and prepayments | | |
| Debtors | 2,283 | 5,852 |
| GST | 26,453 | 21,629 |
| Prepayments | - | 162 |
| Total Debtors and prepayments | 28,737 | 27,643 |
| Inventory | | |
| Stock on Hand | 41,144 | 29,839 |
| Total Inventory | 41,144 | 29,839 |

DESTINATION COROMANDEL *trust*

| | 2019 | 2018 |
|--|----------------|----------------|
| 4. ANALYSIS OF LIABILITIES | | |
| Creditors and accrued expenses | | |
| Accounts Payable | 165,296 | 76,965 |
| Income in advance | 47,708 | 74,539 |
| Total Creditors and accrued expenses | 213,003 | 151,504 |
| Employee costs payable | | |
| Accrued salaries and wages | - | 5,723 |
| Annual leave and holiday pay | 6,535 | 30,592 |
| Total Employee costs payable | 6,535 | 36,316 |
| | 2019 | 2018 |
| 5. PROPERTY, PLANT AND EQUIPMENT | | |
| Motor Vehicles | | |
| Opening Balance | - | 913 |
| Depreciation expense | - | (913) |
| Total Motor Vehicles | - | - |
| Billboards | | |
| Opening Balance | 13,435 | - |
| Additions | - | 17,007 |
| Depreciation expense | (3,571) | (3,571) |
| Total Billboards | 9,864 | 13,435 |
| Computers and Software | | |
| Opening Balance | 6,651 | 4,742 |
| Additions (disposals) | (4,170) | 5,595 |
| Depreciation expense | 2,077 | (3,686) |
| Total Computers and Software | 4,558 | 6,651 |
| Furniture, Fittings and Equipment | | |
| Opening Balance | 8,148 | 7,361 |
| Additions | 10,789 | 2,250 |
| Depreciation expense | (2,304) | (1,463) |
| Total Furniture, Fittings and Equipment | 16,633 | 8,148 |
| Total Property, Plant and Equipment | 31,055 | 28,235 |

| | 2019 | 2018 |
|-------------------------------------|-----------------|-----------------|
| 6. ACCUMULATED FUNDS | | |
| Accumulated Funds | | |
| Opening Balance | (31,157) | (29,251) |
| Accumulated surpluses or (deficits) | (908) | (1,906) |
| Entertainment - Non deductible | (1,810) | - |
| Prior Period Adjustment | 3,162 | - |
| Total Accumulated Funds | (30,712) | (31,157) |

7. 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 John Sandford 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.

| | 2019 | 2018 |
|------------------------|--------|--------|
| 8. TRUSTEE FEES | | |
| John Sandford | 15,000 | 15,000 |
| Anthony Coombe | 9,000 | 9,000 |
| Scott Lee | 9,000 | 9,000 |

9. CONTINGENT LIABILITIES AND GUARANTEES

There are no contingent liabilities or guarantees as at 30 June 2019 (Last year - nil).

10. COMMITMENTS

There are no commitments as at 30 June 2019 (Last year - nil).

11. 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).

12. ABILITY TO CONTINUE OPERATING

The entity will continue to operate for the foreseeable future.

13. PRIOR PERIOD ERRORS

An adjustment has been made to accumulated funds for an understatement of the GST receivable in the Trial Balance from 30 June 2012.



The Pinnacles