



**DESTINATION  
COROMANDEL**

*Overlooking Forest Bay*

[www.thecoromandel.com](http://www.thecoromandel.com)

For the first nine months of our financial year (from 1 July, 2019), despite an anticipated slow-down in travel in New Zealand and worldwide, our region, *The Coromandel*, continued its upward trajectory of previous years; visitor numbers and visitor spend in the region continued to exceed our targets. This, in turn, continued helping to grow the economies and communities of *The Coromandel*. For this, we were pleased that as kaitiaki of the privilege of caring for Destination Coromandel Trust, our team continued to produce good outcomes for the communities of *The Coromandel*.

As we all now know, everything came to an unexpected and very abrupt halt at the end of March. The final three months of the year proved to be a real yoyo of life for us all. The global pandemic that stopped the travel industry in its tracks was far greater than the anticipated slowdown we signalled in our last Annual Report. *The Coromandel* finished the year ending 30 June 2020 with \$459m in visitor spend compared to \$496m last year. This impact was largely due to the March - April lockdown, effectively winding the clock back two years when looking at year-end results.

Despite the massive disruptions as a result of lockdowns, our team rose to the challenge. When the Covid-19 freight train hit New Zealand in late March, our team had to work harder than ever despite an abrupt end to all travel. We withdrew almost all our efforts in international visitor marketing and doubled up on our already significant marketing efforts in domestic markets. Likewise our service teams, at the Thames and Whitianga i-SITES (managed on behalf of Thames-Coromandel District Council), maintained exceptional levels of service given the trying circumstances.

We, your Trustees recognise and acknowledge the dedication and hard work of all our operational team at Destination Coromandel, and even more than ever over the past six months. Their efforts and results in promoting the region have continued to help *The Coromandel* punch above its weight amongst the 30 other tourism regions in NZ. We are fortunate that we are a popular destination for domestic travellers who represent some 75% of total visitor spend in *The Coromandel*. The domestic market has been the focus of Destination Coromandel since the trust was established in 2011. We are indeed fortunate that, not only is *The Coromandel* a highly attractive visitor destination, we are also within a two-hour drive of the two-thirds of New Zealand's population. Our neighbouring regions have been crucial to our economy over past years and will be even more so in years ahead.

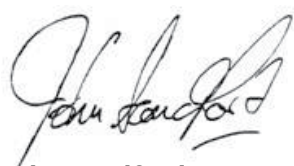
The acknowledgement of the value and influence of the tourism sector for regions has been recognised by Central Government. For Destination Coromandel this comes in the form of a \$700,000 grant to focus on Destination Management & Planning, Product Development & Industry Capability and Domestic Marketing.

The support from central government provides exciting new opportunities for the team at Destination Coromandel to help create a much more meaningful and robust tourism eco-system for *The Coromandel*. Our team will now expand on its previous destination marketing-focused brief and work with communities and businesses in *The Coromandel* to determine the course ahead. Our two funding councils will be central to the long-term success of new plans. As too, will be working closely with the Department of Conservation and local iwi in helping create truly sustainable economic, cultural and social outcomes for the people and communities of *The Coromandel*.

Finally but certainly not least, this Annual Report also notes the satisfactory situation regarding the financial well-being of Destination Coromandel Trust.

May the following thoughts be with you in these troubling times for so many; kia kaha, kia mārū, kia atawhai (be strong, be calm, be kind).

On behalf of the trustees



**John Sandford**

Chairperson, Destination Coromandel Trust

The arrival of Covid-19 in New Zealand prevented *The Coromandel* achieving its eighth year of consecutive growth. Growth in tourism was already slowing, but still heading for record highs in domestic and international visitor spend. While spend is a key measure of the region's performance, it is often a reflection of the state of the economy, weather events and other factors outside of our control.

Our marketing efforts definitely have an impact, demonstrated by our campaign performance metrics which we use to ensure effectiveness and return on investment. It has been a fantastic time to be part of *The Coromandel* tourism industry as it has grown by \$200 million in the last decade. This growth has afforded us the opportunity to focus outside of the peak season and help raise the performance and profile of lesser-known areas and times of the year that see less visitation. *The Coromandel* visitor season had grown to 7 months with improvements over winter during our target months.

While our core business remains the same, channels to market are evolving. *The Coromandel* tourism industry and wider business community that depends on visitor spend are now in survival mode and counting on a strong summer season. For this reason our marketing play book has been adapted to include our most important time of the year which normally requires little promotion to achieve bookings. We know that when towns on the Pacific Coast perform well the whole region benefits, so this year our key attractions will feature as well. That's not to say we won't feature attractions on the west coast or Hauraki Plains, they will remain central to our promotion. What this does mean is that if needed we will not shy away from featuring icons such as Cathedral Cove, Hot Water Beach and Karangahake Gorge to stimulate travel and spend to our region.

We appreciate that bigger is not always better, Covid has certainly taught us that. Businesses on *The Coromandel* are typically owner-operated and adept at weathering the 5 month off-season. This resilience and simple structure (plus government support such as wage subsidies) has meant the large majority of businesses will be ready and operating when travel resumes.

We have also learnt that travel is essential to our well-being, to connect with nature, people and communities. Beyond Covid-19 *The Coromandel* is ideally positioned to provide moments that are good for your soul.

All these factors give us confidence. And while this report reflects on the year that was, our team has already moved on and is working to meet the challenge in front of us and the opportunities that come with it.



**Hadley Dryden**

General Manager, Destination Coromandel

## OUR DOMESTIC *market*

Destination Coromandel endeavoured to build on the success of the previous domestic marketing campaigns that addressed seasonality and regional spread. Two of the three planned promotions went live, with one being stopped within days of its launch.

Domestic travellers from our drive market (Auckland, Waikato and Bay of Plenty) have always been the bread and butter for the region and targets for the majority of our domestic activity. Their importance to our communities is all the more appreciated in 2020.

	TOTAL	% INCREASE	DOMESTIC	% INCREASE
thecoromandel.com visits	867,328	-4.6%	664,571	-0.7%
Visitor Spend	\$459m	-7.5%	357m	-7.3%
Average Transaction Value	\$42.52	2%	\$41.34	2.1%

July – August 2019 was a repeat of the prior year – a Winter Wellness campaign that challenged perceptions of *The Coromandel* solely being a summer beach destination. Local food, art and retail therapy helped deliver on the #goodforyoursoul proposition. An increase in \$5m spend from domestic travellers for the target period made for an impressive start to the 2019/20 Financial Year.

We followed this up with the Take it Easy (Hauraki Rail Trail) campaign. The 2018 Hauraki Rail Trail campaign was one of the best promotions we had ever done, based on conversion and referrals to local businesses. A softening tourism market made achieving similar objectives tougher than previous years. We increased our campaign budget to secure a prime digital billboard site at the Auckland Airport. Other activity was spread across digital and print media and extended into metro Australia, in partnership with the Hauraki Rail Trail Trust.

Results for the 2019 campaign as measured by traffic to [www.thecoromandel.com](http://www.thecoromandel.com) were excellent. There was an 11% increase in overall web traffic and an 89% increase in campaign page views compared to the same time last year. Referrals to product packages and specials were almost 3000, an impressive conversion rate driving qualified leads to engaged businesses. Google posts delivered significant results with campaign views nearing 500,000 – up 1037% on last year. Google ads performed well with a 20% click-through rate (compared to a 2.18% industry average). Measuring the effectiveness of activity outside of digital is challenging, however a print ad in the Melbourne Age had a unique weblink and 164 people sought further information via this link, building on awareness gained from the ad. Growth in visitor spend for October and November was also positive with an increase of \$1m from 2018 to \$59m.

The 2020 Spring promotion was an evolved version of our shoulder season campaigns – where the Hauraki Rail Trail and Coromandel Coastal Walkway were combined into one Take it Easy campaign. The campaign had barely begun when the Covid-19 pandemic saw us pause all activity to go into response mode. The campaign target months of March and April 2020 saw a significant loss of \$50m in total visitor spend (compared to the previous year) and a new destination marketing strategy in development.

The focus of our international marketing activity remained on travel trade distribution channels, owing to the key role they play in influencing travel decisions and making bookings for visitors from our key markets. One of the best ways to leverage our trade relationships is by bringing the agents to visit *The Coromandel* to familiarise themselves with the region and to contract product. In the first 6 months of the year we hosted 67 top agents from our key markets.

	TOTAL	% INCREASE	INTERNATIONAL	% INCREASE
thecoromandel.com visits	867,328	-4.6%	202,757	-15.5%
Visitor Spend	\$459m	-7.5%	\$101m	-9%
Average Transaction Value	\$42.52	2%	\$57.16	-1.4%

Destination Coromandel continued its long-term investment partnership with 7 other regions in the Explore Central North Island (ECNI) marketing alliance in long-haul markets, with North America, UK and Europe remaining priorities, owing to their value to our regions. Representatives from ECNI conducted an 8-day sales mission into the US and Canada, training 380 agents at 25 events across 5 cities. Destination Coromandel staff did not attend this mission, but information, updates and training were provided to our partner RTO colleagues, who presented our regional offering as part of the Central North Island message.

Australia provides most international visitors and spend to *The Coromandel* and Destination Coromandel worked closely with the travel trade in Australia, attending an annual expo to update product managers and hosting agent famil visits. We continued to target potential Australian visitors directly during campaigns, mostly by digital channels, owing to our understanding of their travel preferences, booking behaviour and ease of reach. We also attended a media expo to build relationships with editors and writers to increase our earned media presence in Australian and global travel publications.

Tourism New Zealand remained a key partner to reach international markets, through trade activity and the International Media Programme. The highlight was a Japanese crew filming for a daily TV magazine-style show showcasing New Zealand during the rugby World Cup. Total international media content over the year was 71 stories, with an Estimated Advertising Value of \$7.6m.

Another media highlight for the year was a visit from 5 North American journalists, visiting *The Coromandel* as the only New Zealand destination on a joint Destination Coromandel-Air New Zealand itinerary that also included Australia.

It is worth noting that all activity highlighted above occurred in the first 6 months of the financial year. Preparations for the second half of the year were promptly stalled. Major trade events for export-ready tourism businesses, the eXplore Trade Show in Auckland for inbound tour operators, and TRENZ, our largest international event scheduled for Christchurch were cancelled. Tourism New Zealand also ceased international marketing activities in March, and since that time we provided updates and participated in trade webinars hosted by the offshore teams. While international travel businesses comprising New Zealand-based inbound teams, offshore wholesalers, tour companies and retailers have been severely affected by travel restrictions, they will be key to selling itineraries that include *The Coromandel* when borders reopen. Destination Coromandel will support partners including Tourism New Zealand at every opportunity to ensure *The Coromandel* remains on the list for international visitors when they are again able to plan and travel.

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## DIGITAL *focus*

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In the first 6 months of the reporting period [www.thecoromandel.com](http://www.thecoromandel.com) performed well with at least 10% increase across key measures including users, sessions and page views. Online visitors from key markets outside of New Zealand continued to increase, particularly from Australia which was up 21%.

Online visitation has since decreased from all our off shore markets as a result of Covid-19, however Australia hasn't dropped as significantly as others (down 7% across the 12 month period compared to the previous year). New Zealanders have continued to visit the site with Aucklanders, by far our biggest audience, recording the greatest increase in online visits from our key regions.

Destination Coromandel dedicated significant resource to developing digital content. This included a Travel Tips video series to inform visitors on the appropriate travel etiquette when visiting our most popular locations.

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## **i-SITES** (*sales & information*)

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The Thames and Whitianga i-SITES are managed by Destination Coromandel on behalf of the Thames-Coromandel District Council. The 2019-2020 financial year was a complete contrast to the very successful year prior.

Late in 2019 a review of both i-SITES was conducted to identify how we could improve their performance in an increasingly challenging space. Despite having just received an i-SITE Training Award, the challenges continued to mount.

When Covid-19 hit the pressure intensified, in particular on the staff who were dealing with travellers from all around the world in a difficult situation, on a daily basis. Adjustments were made as the lockdown continued – until we eventually closed the doors and monitored the 0800 number and emails. The i-SITE staff helped assess accommodation capacity and availability for international travellers as part of a national programme.

The Thames and Whitianga i-SITE staff and likely other information centre staff around the region deserve plaudits for the professionalism and commitment to both the traveller and the tourism industry that they deliver day to day and particularly during the evolving Covid-19 pandemic.

Destination marketers are charged with ensuring every strategy, campaign and activity supports the sustainability of the region: environmental, social and economic. That requires us to focus on the value visitors bring and where they go, rather than purely the number of visitors.

For the last 3 years our campaigns have encouraged shoulder season travel to lesser-known attractions (e.g. Coromandel Coastal Walkway and Hauraki Rail Trail). The target locations are more likely to feature higher scores on socio-economic deprivation indicators and less visitation than other areas in *The Coromandel*. Support from the communities, existing infrastructure and capacity for growth provide rationale to concentrate on these locations. Importantly, these locations have genuine 'Must Do' attractions that are yet to reach their potential in terms of the visitor experience, benefits to the surrounding environment and positive local impacts (e.g. community assets and jobs). Not every town or community needs to be a destination or cater for the visitor market – the focus is directed towards improving tourism ecosystems where genuine potential exists.

As referenced in this report we've also promoted winter travel to our towns in recent years in an effort to stimulate retail trade and guest nights.

Having never previously had reason to run a summer campaign, Destination Coromandel will be entering new territory this coming season in an effort to secure business to help sustain the economy during the most crucial time of the year for the tourism industry.

We continue to work with Pick it up Now – encouraging locals and visitors to pick up rubbish rather than walking on by. We have also been working with the Hauraki Coromandel Predator Free Trust, developing a plan to help achieve their longterm goal of making *The Coromandel* predator free. These initiatives are currently in their infancy and will ideally be aligned with the upcoming Strategic Tourism Asset Protection Programme that Destination Coromandel has been charged with leading for our region.



*Cathedral Cove*



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*Financial Statements have been prepared independently.*

## COMPILATION REPORT

### Destination Coromandel Trust For the year ended 30 June 2020

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 2020.

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: 27 August 2020

## ENTITY INFORMATION

**Destination Coromandel Trust  
For the year ended 30 June 2020**

### 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 to collectively market the two districts as *The Coromandel* for the benefit of the people in these communities.

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 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.

**Physical Address**

200 Mary Street, Thames, New Zealand, 3500

**Postal Address**

PO Box 592, Thames, New Zealand, 3540

**Website**

[www.thecoromandel.com](http://www.thecoromandel.com)

## APPROVAL OF FINANCIAL REPORT

**Destination Coromandel Trust  
For the year ended 30 June 2020**

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 2020.

APPROVED

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John Sandford

Trustee, Chairperson

Date .....

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Anthony Coombe

Trustee

Date .....

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Scott Lee

Trustee

Date .....

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## 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 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 visitor 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.

#### DESCRIPTION AND QUANTIFICATION OF THE ENTITY'S OUTPUTS

Covid-19 prevented *The Coromandel* achieving its eighth year of consecutive growth. Growth in tourism was already slowing, but still heading for record highs in domestic and international visitor spend. While spend is a key measure in the region's performance, the results are often a reflection of the state of the economy, weather events and other factors outside of our control.

Our marketing efforts definitely have an impact, we've made a point of measuring campaign performance to prove this point. It's been a fantastic time to be part of *The Coromandel* tourism industry as it's grown by \$200m in the last decade. This growth has afforded us the opportunity to focus outside of the peak season and help raise the performance and profile of locales and periods that see less visitation – we had grown to a seven month season with improvements over winter during our target months.

While our core business remains the same, channels to market are evolving. *The Coromandel* tourism industry and wider business community that depend on visitor spend are now in survival mode and hoping for a strong summer season. Should good health and freedom of travel for kiwis exist we are confident that *The Coromandel* will perform well this summer.

Destination Coromandel are adept at taking on challenges, it is central to our role hence our strategy to grow shoulder and off season visitation to areas less travelled. July – August 2019 was a repeat of the prior year – a Winter Wellness campaign that challenges perceptions of *The Coromandel* solely being a summer beach destination. Local food, art and retail therapy helped deliver on the #goodforyoursoul proposition. An increase in \$5m from domestic travellers for the target period made for an impressive start to the 2019/20 financial year.

In this year we managed to out-perform the previous Hauraki Rail Trail campaign (which was arguably our best ever). There was an 11% increase in overall web traffic and 89% increase in campaign page views compared to the same time last year. Product package/special referrals were almost 3000, an impressive conversion rate driving qualified leads to engaged businesses. The 2019 campaign results were particularly impressive. October – November growth in visitor spend was also achieved with \$59m spent during the target months (\$1m more than 2018).

## DESTINATION COROMANDEL *trust*

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The focus of our international marketing activity remained on travel trade distribution channels, owing to the key role they play in influencing travel decisions and making bookings for visitors from our key markets. One of the best ways to leverage our trade relationships is by bringing the agents to visit *The Coromandel* to familiarise themselves with the region and to contract product. In the first 6 months of the year we hosted 67 top agents from our key markets.

Tourism New Zealand remained a key partner to reach international markets, through trade activity and the International Media Programme. The highlight was a Japanese crew filming for a daily TV magazine-style show showcasing New Zealand during the rugby World Cup. Total international media content over the year was 71 stories, with an EAV of \$7.6m.

The Thames and Whitianga i-SITEs are managed by Destination Coromandel on behalf of the Thames-Coromandel District Council. The 2019/20 financial year was more challenging than the very successful prior year as booking channels continue to evolve. When Covid-19 hit the pressure intensified with service level changes being made frequently as required – until we eventually closed the doors and monitored the 0800 number and emails during lockdown. Recovery for both i-SITEs is slowly underway.

## STATEMENT OF FINANCIAL PERFORMANCE

Destination Coromandel Trust  
For the year ended 30 June 2020

	NOTES	2020	2019
<b>REVENUE</b>			
Council funding	1	722,615	760,701
Grants and sponsorship		2,885	27,600
Website, advertising, i-SITEs & brochures	1	317,904	333,594
Interest revenue	1	96	741
<b>Total Revenue</b>		<b>1,043,501</b>	<b>1,122,636</b>
<b>EXPENSES</b>			
Employee related costs	2	504,698	516,858
Advertising and marketing costs		339,691	387,694
Property, plant & equipment depreciation		12,985	9,523
Costs of providing goods and services	2	155,830	176,470
Trustee Fees		33,000	33,000
<b>Total Expenses</b>		<b>1,046,204</b>	<b>1,123,544</b>
<b>Surplus/(deficit)</b>		<b>(2,703)</b>	<b>(908)</b>
<b>Surplus/(deficit) for the year</b>		<b>(2,703)</b>	<b>(908)</b>

# DESTINATION COROMANDEL *trust*

## STATEMENT OF FINANCIAL POSITION

Destination Coromandel Trust  
For the year ended 30 June 2020

	NOTES	30 JUNE 2020	30 JUNE 2019
<b>ASSETS</b>			
<b>Current Assets</b>			
Bank account and cash	3	119,904	87,890
Debtors and prepayments	3	24,187	28,737
Inventory	3	47,969	41,144
<b>Total Current Assets</b>		<b>192,060</b>	<b>157,772</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	25,825	31,055
<b>Total Non-Current Assets</b>		<b>25,825</b>	<b>31,055</b>
<b>Total Assets</b>		<b>217,885</b>	<b>188,826</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	4	232,489	213,003
Employee costs payable	4	21,512	6,535
<b>Total Current Liabilities</b>		<b>254,001</b>	<b>219,539</b>
<b>Total Liabilities</b>		<b>254,001</b>	<b>219,539</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>(36,116)</b>	<b>(30,712)</b>
<b>ACCUMULATED FUNDS</b>			
Accumulated surpluses or (deficits)	6	(36,116)	(30,712)
<b>Total Accumulated Funds</b>		<b>(36,116)</b>	<b>(30,712)</b>



## STATEMENT OF CASH FLOWS

Destination Coromandel Trust  
For the year ended 30 June 2020

	2020	2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Council funding	776,615	705,701
Grants and sponsorship	2,885	27,600
Receipts form providing goods or services	319,726	336,045
Interest revenue	96	741
Payments to suppliers and employees	(1,069,349)	(1,034,003)
GST	(9,796)	(5,881)
<b>Total Cashflow from Operating Activities</b>	<b>39,770</b>	<b>30,204</b>
<b>CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES</b>		
Payment to acquire property, plant and equipment	(7,756)	(13,259)
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>(7,756)</b>	<b>(13,259)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>32,013</b>	<b>16,944</b>
<b>BANK ACCOUNTS AND CASH</b>		
Opening Cash	87,890	70,946
Closing Cash	119,904	87,890
<b>Net change in cash for period</b>	<b>32,013</b>	<b>16,944</b>

## STATEMENT FOR ACCOUNTING POLICIES

**Destination Coromandel Trust**  
**For the year ended 30 June 2020**

### **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 2020

	2020	2019
<b>1. ANALYSIS OF REVENUE</b>		
<b>Council funding</b>		
Grant from Thames-Coromandel District Council	600,825	638,900
Grant from Hauraki District Council	121,790	121,801
<b>Total Council Funding</b>	<b>722,615</b>	<b>760,701</b>
<b>Grants and Sponsorship</b>		
Hauraki Coromandel Business Awards Sponsorship	-	24,000
Pub Charity Grant	2,885	3,600
<b>Total Grants and sponsorship</b>	<b>2,885</b>	<b>27,600</b>
<b>Website, advertising, i-SITES &amp; brochures</b>		
Website listings	49,100	49,233
Brochures & advertising	111,160	109,085
Commissions	64,694	79,042
i-SITE retail	92,950	96,233
<b>Total Website, advertising, i-SITES &amp; brochures</b>	<b>317,904</b>	<b>333,594</b>
<b>Interest Revenue</b>		
Interest Income	96	741
<b>Total Interest revenue</b>	<b>96</b>	<b>741</b>
	<b>2020</b>	<b>2019</b>
<b>2. ANALYSIS OF EXPENSES</b>		
<b>Employee Related Costs</b>		
ACC	1,089	1,019
Salaries and wages	489,234	502,306
Employer superannuation contributions	14,375	13,534
<b>Total Employee related costs</b>	<b>504,698</b>	<b>516,858</b>
<b>Advertising and marketing costs</b>		
Domestic Marketing	209,822	211,901
International Marketing	38,434	72,703
Brand, Development and PR	91,435	103,090
<b>Total Advertising and marketing costs</b>	<b>339,691</b>	<b>387,694</b>

	2020	2019
<b>2. ANALYSIS OF EXPENSES</b>		
<b>Property, plant and equipment depreciation</b>		
Depreciation	12,985	9,523
<b>Total Property, plant and equipment depreciation</b>	<b>12,985</b>	<b>9,523</b>
<b>Costs related to providing goods or services</b>		
Cost of goods sold	55,715	50,939
Administration Expenses	100,115	125,531
<b>Total Costs related to providing goods or services</b>	<b>155,830</b>	<b>176,470</b>
<b>Trustee Fees</b>		
Trustee Fees	33,000	33,000
<b>Total Trustee Fees</b>	<b>33,000</b>	<b>33,000</b>

#### COVID-19 Wage Subsidy

A 12 week wage subsidy was made available by the government to support employers who were significantly impacted by COVID-19 to retain employees. Destination Coromandel Trust applied for and was granted this subsidy, which totalled \$77,237.

The subsidy has been offset against wages paid to employees.

	2020	2019
<b>3. ANALYSIS OF ASSETS</b>		
<b>Bank accounts and cash</b>		
Cash on hand	845	800
Cheque accounts	119,059	87,090
<b>Total bank accounts and cash</b>	<b>119,904</b>	<b>87,890</b>
<b>Debtors and prepayments</b>		
Debtors	817	2,283
GST	23,370	26,453
<b>Total Debtors and prepayments</b>	<b>24,187</b>	<b>28,737</b>
<b>Inventory</b>		
Stock on Hand	47,969	41,144
<b>Total Inventory</b>	<b>47,969</b>	<b>41,144</b>

## DESTINATION COROMANDEL *trust*

	2020	2019
<b>4. ANALYSIS OF LIABILITIES</b>		
<b>Creditors and accrued expenses</b>		
Accounts Payable	221,390	165,296
Income in advance	11,099	47,708
<b>Total Creditors and accrued expenses</b>	<b>232,489</b>	<b>213,003</b>
<b>Employee costs payable</b>		
Accrued salaries and wages	3,829	-
Annual leave and holiday pay	17,684	6,535
<b>Total Employee costs payable</b>	<b>21,512</b>	<b>6,535</b>
	<b>2020</b>	<b>2019</b>
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Billboards</b>		
Opening Balance	9,864	13,435
Depreciation expense	(3,571)	(3,571)
<b>Total Billboards</b>	<b>6,292</b>	<b>9,864</b>
<b>Computers and Software</b>		
Opening Balance	4,558	6,651
Additions (disposals)	-	(4,170)
Depreciation expense	(3,241)	2,077
<b>Total Computers and Software</b>	<b>1,317</b>	<b>4,558</b>
<b>Furniture, Fittings and Equipment</b>		
Opening Balance	16,633	8,148
Additions	7,756	10,789
Depreciation expense	(6,173)	(2,304)
<b>Total Furniture, Fittings and Equipment</b>	<b>18,216</b>	<b>16,633</b>
<b>Total Property, Plant and Equipment</b>	<b>25,825</b>	<b>31,055</b>

	2020	2019
<b>6. ACCUMULATED FUNDS</b>		
<b>Accumulated Funds</b>		
Opening Balance	(30,712)	(31,157)
Accumulated surpluses or (deficits)	(2,703)	(908)
Entertainment - Non deductible	(2,700)	(1,810)
Prior Period Adjustment	-	3,162
<b>Total Accumulated Funds</b>	<b>(36,116)</b>	<b>(30,712)</b>

## 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 and 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.

	2020	2019
<b>8. TRUSTEE FEES</b>		
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 2020 (Last year - nil).

## 10. COMMITMENTS

There are no commitments as at 30 June 2020 (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.



*The Pinnacles*