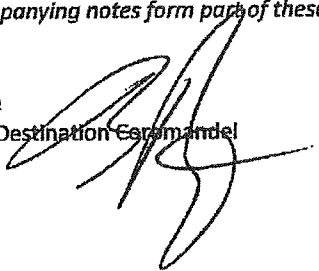


DESTINATION COROMANDEL
Statement of Comprehensive Income
for the eight months ended 30 June 2012

	Note	2012 \$
Income		
Grant received from Thames Coromandel District Council		272,529
Grant received from Hauraki District Council		79,333
Other income	2	27,181
Interest income		1,364
Total Income		380,407
Expenditure		
Finance costs	3	1,566
Employee benefit expenses	3	157,421
Depreciation and amortisation	3	15,155
Management and administration expenses	3	39,542
Other operating expenditure	3	135,160
Total Expenditure		348,844
Operating Surplus (Deficit) before taxation		31,563
Taxation (expense)/credit	4	(16,705)
Net Surplus (Deficit) after taxation		14,858
Total Comprehensive Income		14,858

The accompanying notes form part of these financial statements

Brent Page
 Chairman Destination Coromandel




DESTINATION COROMANDEL
Statement of Financial Position
as at 30 June 2012

	Note	2012 \$
Assets		
Current Assets		
Cash & Cash Equivalents	6	4,603
Trade & Other Receivables	7	7,084
Inventory	8	9,410
Total current assets		21,097
Non-Current Assets		
Property, Plant and Equipment	9	44,235
Total non-current assets		44,235
Total Assets		65,332
Liabilities		
Current Liabilities		
Trade & Other Payables	10	95,508
Employee Entitlements	11	10,608
Finance leases	12	11,292
Total current liabilities		117,408
Non-Current Liabilities		
Finance leases	12	5,928
Advance payment owing to TCDC	13	75,000
Total non-current liabilities		80,928
Total Liabilities		198,336
Net Assets		(133,004)
Trust Equity		
Retained earnings	5	(133,004)

Statement of Changes in Equity
as at 30 June 2012

	Note	2012 \$
Balance at 1 November		(147,862)
Total comprehensive income previously reported		14,858
Equity as at 30 June 2012		(133,004)

The accompanying notes form part of these financial statements

Brent Page
 Chairman Destination Coromandel



NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2012.

1. Statement of Accounting Policies

REPORTING ENTITY

Destination Coromandel Trust was established with \$100 equity and took over the assets and liabilities of Tourism Coromandel Peninsula Incorporated on 1 November 2011. The Trust has secured future funding from its settlors, Thames-Coromandel District Council and Hauraki District Council for three years ending 30 June 2015.

Destination Coromandel Trust is a Trust incorporated and domiciled in New Zealand. The office of the Trust shall be in Thames or such other place as the Trustees from time to time may decide.

These financial statements for the period ended 30 June 2012 were approved by the Board of Trustees on 18 July 2014.

The principal activities of Destination Coromandel Trust are to promote tourism and travel in the Coromandel and Hauraki regions for the benefit of the people in the communities in those regions rather than making a financial return.

BASIS OF PREPARATION

Statement of Compliance

The financial statements of the Trust have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with approved Financial Reporting Standards as appropriate for public benefit entities.

The Trust is a qualifying entity within the Framework for Differential Reporting. The Trust qualifies on the basis that it is not publicly accountable and it is not large in terms of criteria set out in the Differential Reporting Framework. The Trust has taken all advantage of differential reporting concessions.

Measurement Base

The financial statements have been prepared on a historical cost basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars (NZ\$)

Changes in accounting policies

There have been no changes in accounting policies during the year.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Trust will be eligible to apply either Tier 2 or Tier 3 of the public sector Public Benefit Entity Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. Therefore, the Trust will transition to the new standards in preparing its 30 June 2015 financial statements. The Trust has not assessed the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public



benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Grants

Grants received from Thames Coromandel District Council and Hauraki District Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the service level agreements with both Councils.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to the ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Trust will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the least term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Debtors and other receivables

Debtors and other receivables are measured at fair value.

Inventories

Inventories are KC Corosaur Books held for sales and are measured at cost using the FIFO method of valuation.

Property, plant and equipment

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value when control over the asset is obtained.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are presented net in the surplus or deficit.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised as an expense as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write-off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation of major classes of assets have been estimated as follows:

Motor vehicles	4.8 years (21.0%)
Computer equipment	2.5 years (40%)
Office equipment	3-12 years (8.5%-30%)

Creditors and other payables

Creditors and other payables are measured at their face value.

Employee entitlements

Employee benefits are measured at nominal values based on accrued entitlements at current rates of pay.

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

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

Income Tax

Tax expense is calculated using the tax payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

DESTINATION COROMANDEL
Notes to the financial statements

2 Other income	30/06/12
	\$
Website listings	21,159
Other income	6,022
Total Other Income	27,181

3 Expenditure	30/06/12
	\$
Finance costs	
Interest -hire purchase	1,566
Total Finance Costs	1,566

Employee Benefit Expenses	
Salaries and wages	157,421
Changes in employee entitlements	-
Employee Benefit Expenses	157,421

Depredation & Amortisation	
Depreciation	15,155
Amortisation	-
Total Depreciation & Amortisation	15,155

Management and Administration Expenses	
Audit fees - Audit NZ	12,000
Tax costs	1,000
Governance costs	24,766
Accountancy/audit	1,776
Total Management & Administration Expenses	39,542

Other Operating Expenditure	
Marketing costs NZ	60,671
Marketing costs International	16,679
Meeting & seminars	724
Networking expenses	938
Travel/accommodation	1,222
Vehicle running expenses	13,764
Communication costs	10,161
Rent/Body corp fees	16,748
Legal costs	3,572
Bank charges	612
Office expenses	7,652
Lease - photocopier	845
Subscriptions	1,572
Total Operating Expenditure	135,160

Total Expenditure	348,844
--------------------------	----------------

4 Income Tax Expense	30/06/12
	\$
Profit before tax	31,563
<i>Plus (less)</i>	
Non-deductible expenditure	19,059
Non-taxable income	--
Taxable income	50,622
Tax at 33%	16,705
Comprising:	
Current tax	16,705
Taxation Expense	16,705

5 Trust Equity	30/06/12
	\$
Retained surpluses	
Opening Balance	(147,862)
Net Surplus/ (Deficit)	14,858
Closing Balance	(133,004)

6 Cash & Cash Equivalents	30/06/12
	\$
Cash at bank and in hand	4,603
Call deposits	-
Cash equivalents for the purpose of the statement of cashflows	4,603

The carrying value of cash and short-term deposits with maturity dates of three months or less approximates their fair value.

7 Trade & Other Receivables	30/06/12
	\$
Trade Receivables	3,225
Related parties receivables	-
less Provision for Doubtful Debts	-
Net Trade Receivables	3,225
Amounts owing from related parties	
GST Refund	3,859
Total Net Trade and Other Receivables	7,084

8 Inventory	30/06/12
	\$
Corosaur books	9,410
Total Inventory	9,410

No inventories are pledged as security for liabilities.

9 Property, plant, and equipment

	Motor vehicles \$	Computer equipment \$	Office equipment \$	Total \$
Cost				
Balance at 1 November 2011	51,632	17,410	52,790	121,832
Additions	-	-	-	-
Disposal	-	(4,798)	-	(4,798)
Balance at 30 June 2012	51,632	12,612	52,790	117,034
Accumulated depreciation and impairment losses				
Balance at 1 November 2011	19,515	13,729	29,199	62,443
Depreciation expense	7,228	2,310	5,616	15,154
Impairment losses	-	-	-	-
Disposals	-	(4,798)	-	(4,798)
Balance at 30 June 2012	26,743	11,241	34,815	72,799
Carrying amounts				
at 1 November 2011	32,117	3,681	23,591	59,389
at 30 June 2012	24,889	1,371	17,975	44,235

There are no restrictions over the title of property, plant and equipment (PPE). No PPE are pledged as security for liabilities.

10 Trade & Other Payables	30/06/12
	\$
Trade Payables	37,291
Amounts owing to related parties	7,354
Provision for Audit Fee	12,000
Provision for Income Tax	16,705
Sundry Accruals	1,000
Income in advance	21,158
Total Trade & Other Payables	95,508

11 Employee Benefit Liabilities	30/06/12
	\$
Accrued Pay	2,764
Annual Leave	7,844
Total Employee Benefit Liabilities	10,608

12 Finance Lease

	Total	Current	Non-current
	\$	\$	\$
Photocopier (Marac Finance)	7,786	1,858	5,928
Computer equipment (Flexirent)	1,155	1,155	-
Vehicle (Nissan Finance)	8,279	8,279	-
Total Finance Leases	17,220	11,292	5,928

The future aggregate minimum lease payments under non-cancellable leases are as follows:

2012	Total	Not later than one year	Later than one year but no	Later than five years
			later than five years	
	\$	\$	\$	\$
Photocopier (Marac Finance)	10,677	2,912	7,765	-
Computer equipment (Flexirent)	1,233	1,233	-	-
Vehicle (Nissan Finance)	8,611	8,611	-	-
Total Finance Leases	20,521	12,756	7,765	-

The Present value of finance lease are:

2012	Total	Not later than one year	Later than one year but no	Later than five years
			later than five years	
	\$	\$	\$	\$
Photocopier (Marac Finance)	7,786	1,858	5,928	-
Computer equipment (Flexirent)	1,155	1,155	-	-
Vehicle (Nissan Finance)	8,279	8,279	-	-
Total Finance Leases	17,220	11,292	5,928	-

13 Advance payment owing to Thames Coromandel District Council

The Trust has entered into a Service Level Agreement with Thames Coromandel District Council providing \$1,125,000 to the Trust for the 3 years from 2012/13 to 2014/15. \$75,000 was paid as an early payment on 20 April 2012, and \$25,000 of this will be recognised as income in each of the three years. The remaining \$1,050,000 will be paid in 6 six-monthly instalments commencing July 2012 and ending January 2015.

14 Related Party Disclosure

Destination Coromandel is a Council Controlled Organisation of both Thames Coromandel District Council and Hauraki District Council and received a significant amount of operating grants from both Councils to deliver its objectives as specified in the Trust Deed.

Thames Coromandel District Council

The Trust received \$272,529 in operating grants from Thames Coromandel District Council for the 2011/12 year. The Trust has amounts payable to Thames Coromandel District Council of \$nil and amounts receivable of \$nil as at 30 June 2012

Hauraki District Council

The Trust received \$79,333 in operating grants from Hauraki District Council for the 2011/12 year. The Trust has amounts payable to Thames Coromandel District Council of \$nil and amounts receivable of \$nil as at 30 June 2012

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

John Sandford is the Chairman of the Board of Trustees of Destination Coromandel. During the period November 2011 to June 2012 \$11,424 was paid to John Sandford Limited for trustee fees, mileage claims and other expenses via John Sandford Ltd and ZEBEX Ltd.

John Sandford is also a director of Jasons Travel Media limited. Payments to Jasons Travel Media between November 2011 and June 2012 were \$16,420.

Graeme Osborne is a trustee of Destination Coromandel. Trustee fee, mileage claims and other expenses of \$7,094 were paid to The New Zealand Company Limited of which Graeme Osborne is a shareholder and director between November 2011 to June 2012.

Brent Page is a trustee of Destination Coromandel. Trustee fee, mileage claims and other expenses of \$9,129 were paid to OCOM Finance Limited of which Brent Page is a shareholder and director between November 2011 to June 2012

15 Commitments

Destination Coromandel Trust has no significant capital commitments as at 30 June 2012

16 Contingent Liabilities

There are no contingent liabilities at 30 June 2012

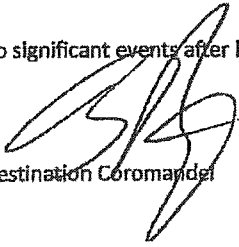
17 Contingent Assets

There are no contingent assets at 30 June 2012

18 Events after Balance Date

There are no significant events after balance date

Brent Page
Chairman Destination Coromandel



Independent Auditor's Report**To the readers of
Destination Coromandel Trust's
financial statements
for the eight months ended 30 June 2012**

The Auditor-General is the auditor of Destination Coromandel Trust (the Trust). The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust on her behalf.

We have audited the financial statements of the Trust on pages 1 to 10, that comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income and statement of changes in equity for the eight months ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

Opinion

In our opinion the financial statements of the Trust on pages 1 to 10:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Trust's:
 - financial position as at 30 June 2012; and
 - financial performance for the eight months ended on that date.

Our audit was completed on 18 July 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Trustees

The Trustees are responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Trust's financial position and financial performance.

The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Trustees' responsibilities arise from clause 10.9 of the Trust Deed of the Trust.

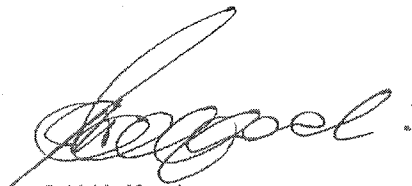
Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and clause 12.3 of the Trust Deed of the Trust.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the Trust.



B H Halford
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand