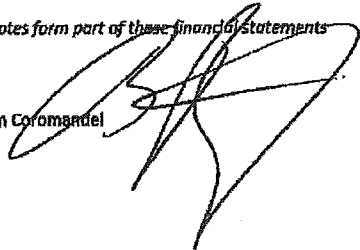


Destination Coromandel
Statement of Comprehensive Income
for the year ended 30 June 2013

	Note	2013 Budget	2013	2012 bud to act	Explanation
			\$	\$	of variances
Income					
Grant received from Thames Coromandel District Council		375000	375,000	272,529	
Grant received from Hauraki District Council		122000	122,000	79,333	
Sale of Visitor Guides		69100	61,140	-	1
Other Income	2	55000	94,984	27,181	2
Interest Income		5000	3,120	1,364	
Total Income		626,100	656,244	380,407	
Expenditure					
Finance costs	3	3500	479	1,566	
Employee benefit expenses	3	161000	161,280	157,421	
Depreciation and amortisation	3	20000	19,898	15,155	
Management and administration expenses	3	54,000	54,775	39,542	
Other operating expenditure	3	332,700	322,989	135,160	3
Total Expenditure		571,200	559,421	348,844	
Operating Surplus (Deficit) before taxation		54,900	96,823	31,563	
Taxation (expense)/credit	4	0	(33,920)	(16,705)	
Net Surplus (Deficit) after taxation		54,900	62,903	14,858	
Total Comprehensive Income		54,900	62,903	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 2013

		2013	2012
	Note	\$	\$
Assets			
Current Assets			
Cash & Cash Equivalents	6	64,672	4,603
Trade & Other Receivables	7	42,033	7,084
Inventory	8	8,884	9,410
Total current assets		115,589	21,097
Non-Current Assets			
Property, Plant and Equipment	9	41,730	44,235
Total non-current assets		41,730	44,235
Total Assets		157,319	65,332
Liabilities			
Current Liabilities			
Trade & Other Payables	10	150,204	95,508
Employee Entitlements	11	21,288	10,608
Finance leases	12	2,046	11,292
Total current liabilities		173,538	117,408
Non-Current Liabilities			
Finance leases	12	3,882	5,928
Advance payment owing to TCDC	13	50,000	75,000
Total non-current liabilities		53,882	80,928
Total Liabilities		227,420	198,336
Net Assets		(70,101)	(133,004)
Trust Equity			
Retained Earnings	5	(70,101)	(133,004)

The accompanying notes form part of these financial statements

Brent Page
 Chairman Destination Coromandel



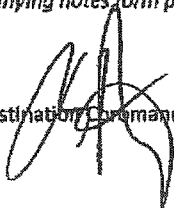
Statement of Changes in Equity

as at 30 June 2013

	Note	2013 \$	2012 \$
Balance at 1 November		(133,004)	(147,862)
Total comprehensive income previously reported		62,903	14,858
Equity as at 30 June 2013		(70,101)	(133,004)

The accompanying notes form part of these financial statements

Brent Page
Chairman Destination One



Explanation of variances - Statement of Comprehensive Income.

Budget to Actual

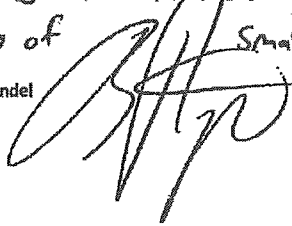
- 1 Sale of visitor guides. This included a budget of \$8,100 for Brochures -trade manual for the explore magazine. The actual revenue has been booked to Trade ECNI and shown in Other Income
- 2 Other Income- 2013 year includes \$11,000 for management of the Whitanga Scallop Festival and \$20,000 for bill boards. These incomes lines were not included in the 2013 budget. In addition Trade ECNI revenue is included at \$13,808. \$8,100 budget has been included in sale of visitors guides

3 Other operating expenditure

Marketing costs - NZ. Decrease of \$27,167 on budget due to restructuring of the business, more Board involvement with a concerted effort to reduce costs in a controllable area. Communication costs have increased by \$12,155 over the budget. Locked into a Telecom contract for 6 people when the staff reduced to 3. Unable to exit the contract as planned in the budget. Office expenses have decreased from the budget by \$8,719. Again this was due to costs control as with the comments on Marketing NZ.

The FBT was not included in the budget, the remaining variance is made up of small ups + downs in other expenses.

Brent Page
Chairman Destination Coromandel





NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2013.

1. Statement of Accounting Policies

REPORTING ENTITY

Destination Coromandel Trust is a Council Controlled Organisation (CCO) as defined under section 6 of the Local Government Act 2002, by virtue of each of the shareholding Council's right to appoint the Trustees. The settlors who have established the Trust are: Thames Coromandel District Council and the Hauraki District Council. The Trust has been exempted as a CCO during the financial year.

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 2013 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 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

	2013 Budget	2013	2012	Explanation of variances
		\$	\$	
2 Other Income				
Revenue				
Website listings	44,000	47,795	21,159	
Other Income	11,000	47,189	6,022	2
Total Other Income	55,000	94,984	27,181	
3 Expenditure	2013 Budget	2013	2012	
		\$	\$	
Finance costs				
Interest - hire purchase	3,500	388	1,566	
Interest charged by bank	0	91	-	
Total Finance Costs	3,500	479	1,566	
Employee Benefit Expenses				
Salaries and wages	161,000	144,585	157,421	
Defined contribution plans (Kiwisaver)	0	3,251	-	
Changes in employee entitlements	0	13,444	-	
Employee Benefit Expenses	161,000	161,280	157,421	
No comparative defined contributions benefit figures are available for 2012.				
No termination benefits have been paid in the financial periods.				
Depreciation & Amortisation				
Depreciation	20,000	19,898	15,155	
Amortisation	0	-	-	
Total Depreciation & Amortisation	20,000	19,898	15,155	
Management and Administration Expenses				
Audit fees - Audit NZ	14,000	12,000	12,000	
Tax costs	0	1,000	1,000	
Bad and doubtful debts	0	385	-	
Governance costs	40,000	37,794	24,766	
Accountancy/audit	0	3,596	1,776	
Total Management & Administration Expenses	54,000	54,775	39,542	
Other Operating Expenditure				
Marketing costs NZ	215,000	187,833	60,671	
Marketing costs international	46,000	47,038	16,679	
Meeting & seminars	0	884	724	
Networking expenses	0	-	938	
Travel/accommodation	5,000	8,075	1,222	
Vehicle running expenses	10,000	8,289	13,764	
Communication costs	15,000	28,155	10,161	
Rent/Body corp fees	15,000	15,886	16,748	
Legal costs	3,000	924	3,572	
Bank charges	1,200	1,102	612	
Office expenses	18,500	11,781	7,652	
Lease - photocopier	0	674	845	
Subscriptions	3,000	4,366	1,572	
FBT	0	7,608	-	
Loss on sale of assets	0	576	-	
Total Operating Expenditure	332,700	322,889	135,160	3
Total Expenditure	571,200	559,421	348,844	

4 Income Tax Expense	2013	2012
	\$	\$
Profit before tax	96,823	31,563
<i>Plus (less)</i>		
Non-deductible expenditure	5,967	19,059
Non-taxable income	-	-
Taxable income	102,789	50,622
Tax at 33%	33,920	16,705
Comprising:		
Current tax	33,920	16,705
Taxation Expense	33,920	16,705

5 Trust Equity	2013	2012
	\$	\$
Retained surpluses		
Opening Balance	(133,004)	(147,862)
Net Surplus (Deficit)	62,903	14,858
Closing Balance	(70,101)	(133,004)

6 Cash & Cash Equivalents	2013	2012
	\$	\$
Cash at bank and in hand	64,672	4,603
Cash equivalents for the purpose of the statement of cashflows	64,672	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	2013	2012
	\$	\$
Trade Receivables	26,671	3,225
Prepayments	866	-
Related parties receivables	-	-
less Provision for Doubtful Debts	-	-
Net Trade Receivables	27,537	3,225
Amounts owing from related parties		
GST Refund	14,496	3,859
Total Net Trade and Other Receivables	42,033	7,084

8 Inventory	2013	2012
	\$	\$
Corosaur books	8,884	9,410
Total Inventory	8,884	9,410

No inventories are pledged as security for liabilities.

9 Property, plant, and equipment

2012	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

2013	Motor vehicles	Computer equipment	Office equipment	Total
	\$	\$	\$	\$
Cost				
Balance at 1 July 2012	51,632	12,612	52,790	117,034
Additions	35,217	1,237	989	37,443
Disposal	(51,632)	(8,607)	-	(60,239)
Balance at 30 June 2013	35,217	5,242	53,779	94,238
Accumulated depreciation and impairment losses				
Balance at 1 July 2012	26,743	11,241	34,815	72,799
Depreciation expense	9,913	1,589	8,396	19,898
Impairment losses	-	-	-	-
Disposals	(31,582)	(8,607)	-	(40,189)
Balance at 30 June 2013	5,074	4,223	43,211	52,508
Carrying amounts				
at 1 July 2012	24,889	1,371	17,975	44,235
at 30 June 2013	30,143	1,019	10,568	41,730

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	2013	2012
	\$	\$
Trade Payables	41,138	37,291
Amounts owing to related parties	5,853	7,354
Provision for Audit Fee	24,000	12,000
Provision for Income Tax	50,625	16,705
Sundry Accruals	1,940	1,000
Income in Advance	26,638	21,158
Total Trade & Other Payables	150,204	95,508

11 Employee Benefit Liabilities	2013	2012
	\$	\$
Accrued Pay	6,814	2,764
Annual Leave	14,474	7,844
Total Employee Benefit Liabilities	21,288	10,608

12 Finance Lease

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

2013	Total	Later than one		Later than five years
		Not later than one year	year but no later than five years	
	\$	\$	\$	\$
Photocopier (Marac Finance)	7,765	2,912	4,853	-
Total Finance Leases	7,765	2,912	4,853	-

The carrying amount of finance leases is included in Note 9 Property, Plant and equipment. The value at 30 June 2013 is \$4,000.

2012	Total	Later than one		Later than five years
		Not later than one year	year but no 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:

2013	Total	Later than one		Later than five years
		Not later than one year	year but no later than five years	
	\$	\$	\$	\$
Photocopier (Marac Finance)	5,928	2,046	3,882	-
Total Finance Leases	5,928	2,046	3,882	-

The carrying amount of finance leases is included in Note 9 Property, Plant and equipment. The value at 30 June 2013 is \$4,000.

2012	Total	Later than one		Later than five years
		Not later than one year	year but no 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 3 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 \$375,000 in operating grants from Thames Coromandel District Council for the 2012/13 year (2012: \$272,529). Fees of \$4,000 have been charged by Thames Coromandel District Council for administration and management (2012: \$nil). The Trust has amounts payable to Thames Coromandel District Council of \$nil and amounts receivable of \$nil as at 30 June 2013.

Hauraki District Council

The Trust received \$122,000 in operating grants from Hauraki District Council for the 2012/13 year (2012: \$79,333). The Trust has amounts payable to Thames Coromandel District Council of \$nil and amounts receivable of \$nil as at 30 June 2013.

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 year \$19,509 was paid to John Sandford Limited for trustee fees, mileage claims and other expenses (November 2011 to June 2012: \$11,424 via John Sandford Limited and ZEBEX Ltd. John Sandford is also a director of Jasons Travel Media Limited. Payments to Jasons Travel Media were \$17,534 for the year (November 2011 to June 2012: \$16,420).

Graeme Osborne is a trustee of Destination Coromandel. Trustee fee, mileage claims and other expenses of \$11,321 were paid to The New Zealand Company Limited of which Graeme Osborne is a shareholder and director (2012: \$7,094).

In addition payment were made to Hamilton & Waikato Tourism Limited of \$1,863 (2012: nil). Graeme Osborne is a director of this company. Brent Page is a trustee of Destination Coromandel. Trustee fee, mileage claims and other expenses of \$12,089 were paid to OCOM Finance Limited of which Brent Page is a shareholder and director (2012: \$9,129).

15 Commitments

Destination Coromandel Trust has no significant capital commitments as at 30 June 2013 (2012: nil).

16 Contingent Liabilities

There are no contingent liabilities at 30 June 2013 (2012: nil).

17 Contingent Assets

There are no contingent assets at 30 June 2013 (2012: nil).

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 year ended 30 June 2013

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 12, that comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, and the statement of changes in equity for the year 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 12:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Trust's:
 - financial position as at 30 June 2013; and
 - financial performance for the year 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, in our judgement, are likely to influence readers' 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 are also responsible for the publication of the financial statements, whether in printed or electronic form.

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

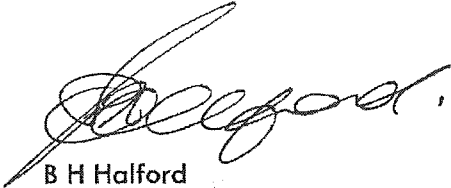
Responsibilities of the Auditor

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 External Reporting Board.

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

A handwritten signature in black ink, appearing to read 'B Halford', written in a cursive style.

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

