Destination Coromandel
Notes to the financial statements
for the year ended 30 June 2014

2 Other Income

	2014 Budget	2014	2013
			$
Revenue			
Website listings	44,000	60,418	47,795
Other income	11,000	31,451	47,189
Total Other Income	**55,000**	**91,869**	**94,984**

3 Expenditure

	2014 Budget	2014	2013
			$
Finance costs			
Interest -hire purchase	3,500	0	388
Interest charged by bank	0	3	91
Total Finance Costs	**3,500**	**3**	**479**
Employee Benefit Expenses			
Salaries and wages	161,000	190,265	144,585
Defined contribution plans (Kiwisaver)	0	5,743	3,251
Changes in employee entitlements	0	5,360	13,444
Employee Benefit Expenses	**161,000**	**201,368**	**161,280**

No comparative defined contributions benefit figures are available for 2012.
No termination benefits have been paid in the financial periods.

	2014 Budget	2014	2013
Depreciation & Amortisation			
Depreciation	20,000	15,141	19,898
Amortisation	0	83	-
Total Depreciation & Amortisation	**20,000**	**15,224**	**19,898**
Management and Administration Expenses			
Audit fees - Audit NZ	14,000	12,000	12,000
Tax costs	0	3,707	1,000
Bad and doubtful debts	0	22	385
Governance costs	40,000	37,611	37,794
Accountancy/audit	0	7,561	3,596
Total Management & Administration Expenses	**54,000**	**60,900**	**54,775**
Other Operating Expenditure			
Impairment of Inventory	0	8,000	
Marketing costs NZ	215,000	182,848	187,833
Marketing costs International	46,000	66,007	47,038
Meeting & seminars	0	3,189	884
Networking expenses	0	0	-
Travel/accommodation	5,000	6,400	8,073
Vehicle running expenses	10,000	8,247	8,289
Communication costs	16,000	47,711	28,155
Rent/Body corp fees	15,000	15,344	15,886
Legal costs	3,000	0	924
Bank charges	1,200	780	1,102
Office expenses	18,500	17,899	11,781
Lease - photocopier	0	486	674
Subscriptions	3,000	7,890	4,366
FBT	0	2,853	7,608
Loss on sale of assets	0	0	376
Total Operating Expenditure	**332,700**	**367,654**	**322,989**
Total Expenditure	**571,200**	**645,149**	**559,421**

4 Income Tax Expense

	2014	2013
		$
Profit before tax	12,364	96,823
Plus (less)		
Non-deductible expenditure	4,824	5,967
Non-taxable income	-	-
Taxable income	**17,188**	**102,789**
Tax at 33%	**5,672**	**33,920**
Comprising:		
Current tax	5,672	33,920
Taxation Expense	**5,672**	**33,920**

5 Trust Equity

	2014	2013
		$
Retained surpluses		
Opening Balance	#REF!	#REF!
Prior year adjustment	-	583
Net Surplus (Deficit)	6,692	62,903
Closing Balance	**#REF!**	**#REF!**

Prior year adjustment relates to an invoice repeated and since removed.

6 Cash & Cash Equivalents

	2014	2013
		$
Cash at bank and in hand	113,383	64,672
Cash equivalents for the purpose of the statement of cashflows	113,383	64,672

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

	2014	2013
		$
Trade Receivables	115	26,671
Prepayments	-	866
Related parties receivables	-	-
less Provision for Doubtful Debts	-	-
Net Trade Receivables	**115**	**27,537**
Amounts owing from related parties		
GST Refund	12,172	14,496
Total Net Trade and Other Receivables	**12,287**	**42,033**

8 Inventory

	2014	2013
		$
Corosaur books	884	8,884
Total Inventory	884	8,884

No inventories are pledged as security for liabilities.
$8,000 was written off the KC Corosaur books (2013 nil) due to stock being considered obsolete.

9 Property, plant, and equipment

2014	Motor vehicles $	Computer equipment $	Office equipment $	Total $
Cost				
Balance at 1 July 2013	35,217	10,040	53,778	99,035
Additions	-	-	-	-
Disposal	-	-	-	-
Balance at 30 June 2014	35,217	10,040	53,778	99,035
Accumulated depreciation and impairment losses				
Balance at 1 July 2013	5,074	9,021	43,211	57,306
Depreciation expense	7,395	472	7,339	15,206
Impairment losses	-	-	-	-
Disposals	-	-	-	-
Balance at 30 June 2014	12,469	9,493	50,550	72,512
Carrying amounts				
Balance at 1 July 2013	30,143	1,019	10,568	41,730
at 30 June 2014	22,748	547	3,228	26,524

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)	(3,809)	-	(60,239)
Balance at 30 June 2013	35,217	10,040	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)	(3,809)	-	(40,189)
Balance at 30 June 2013	5,074	9,021	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 Intangible Assets. No Intangible assets are pledged as security for liabilities.

10 Intangible Assets

2014	Licences $
Cost	
Balance at 1 July 2013	-
Additions	5,000
Disposal	-
Balance at 30 June 2014	5,000
Accumulated depreciation and impairment losses	
Balance at 1 July 2013	-
Depreciation expense	83
Impairment losses	-
Disposals	-
Balance at 30 June 2014	83
Carrying amounts	
Balance at 1 July 2013	-
at 30 June 2014	4,917

2013	Licences $
Cost	
Balance at 1 July 2012	-
Additions	-
Disposal	-
Balance at 30 June 2013	-
Accumulated depreciation and impairment losses	
Balance at 1 July 2012	-
Depreciation expense	-
Impairment losses	-
Disposals	-
Balance at 30 June 2013	-
Carrying amounts	
at 1 July 2012	-
at 30 June 2013	-

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

11 Trade & Other Payables

	2014	2013 $
Trade Payables	64,684	40,555
Amounts owing to related parties	1,581	5,863
Provision for Audit Fee	12,000	24,000
Provision for Income Tax	54,598	#REF!
Sundry Accruals	874	1,940
Income in Advance	33,780	26,638
Total Trade & Other Payables	**167,516**	**#REF!**

12 Employee Benefit Liabilities

	2014	2013 $
Accrued Pay	4,588	6,814
Annual Leave	19,834	14,474
Total Employee Benefit Liabilities	**24,422**	**21,288**

13 Finance Lease

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

2014	Total	Not later than one year	Later than one year but no later than five years	Later than five years
	$	$	$	$
Photocopier (Marac Finance)	4,853	2,912	1,941	-
Total Finance Leases	**4,853**	**2,912**	**1,941**	**-**

The carrying amount of finance leases is included in Note 9 Property,Plant and equipment. The value at 30 June 2014 is $0

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

The Present value of finance lease are:

2014	Total	Not later than one year	Later than one year but no later than five years	Later than five years
	$	$	$	$
Photocopier (Marac Finance)	3,882	2,254	1,628	-
Total Finance Leases	**3,882**	**2,254**	**1,628**	**-**

The carrying amount of finance leases is included in Note 9 Property,Plant and equipment. The value at 30 June 2014 is $0

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

14 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.

15 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 2013/14 year (2013: $375,000). Fees of $3,000 have been charged by Thames Coromandel District Council for administration and management (2012: $4,000). The Trust has amounts payable to Thames Coromandel District Council of $nil and amounts receivable of $nil as at 30 June 2014.

Hauraki District Council

The Trust received $126,000 in operating grants from Hauraki District Council for the 2013/14 year (2013: $122,000) The Trust has amounts payable to Hauraki District Council of $nil and amounts receivable of $nil as at 30 June 2014.

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

Related Party Transactions - Trustees

John Sandford is the Chairman of the Board of Trustees of Destination Coromandel. During the year $13,214 was paid to John Sandford Limited for trustee fees, mileage claims and other expenses (June 2013: $19,509 via John Sandford Limited).

John Sandford is also a director of Jasons Travel Media limited. Payments to Jasons Travel Media were $5,689 for the year (June 2013: $17,534).

Graeme Osborne is a trustee of Destination Coromandel. Trustee fee,mileage claims and other expenses of $10,557 were paid to The New Zealand Company Limited of which Graeme Osborne is a shareholder and director (2013: $11,321).

No payments were made to Hamilton & Waikato Tourism Limited (2013: $1,863). Grame Osborne is a director of this company.
Brent Page is a trustee of Destination Coromandel. Trustee fees ,mileage claims and other expenses of $17,630 were paid to OCOM Finance Limited of which Brent Page is a shareholder and director (2013: $12,089).

16 Commitments

Destination Coromandel Trust has no significant capital commitments as at 30 June 2014 (2013: nil).

17 Contingent Liabilities

There are no contingent liabilities at 30 June 2014 (2013: nil).

18 Contingent Assets

There are no contingent assets at 30 June 2014 (2013: nil).

19 Events after Balance Date

The Trust has committed to the operations of the Whitianga Visitor Centre (the i-Site) from 1 July 2014.
The i-Site staff are to continue employment through the Trust. The inventory held by the i-Site has been acquired by the Trust for $8,000.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2014.

1. Statement of Accounting Policies

REPORTING ENTITY

Destination Coromandel Trust ("the Trust") is incorporated and domiciled in New Zealand. It is defined as a Council Controlled Organisation (CCO) 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 of the the Trust are: Thames Coromandel District Council and Hauraki District Council. The Trust has been exempted as a CCO during the financial year.

The Trust's office is in Thames or at such other place as the Trustees from time to time may decide.

The financial statements for the period ended 30 June 2014 were approved by the Board of Trustees on 19 September 2014

The Trust's principal activities 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 to make a financial return.

BASIS OF PREPARATION

Statement of Compliance

The Trust's financial statements 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 Differential Reporting Framework and qualifies on the basis that it is not publicly accountable and is not large in terms of criteria set out in the Differential Reporting Framework. The Trust has taken advantage of all 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 other than to the Inventory cost value.

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 as 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 lease 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, adjusted when applicable, for any loss of service potential. The loss of service potential of inventory held for distribution is determined on the basis of obsolescence. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the year of write-down.

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%)

Intangible assets

Acquired intangible assets are capitalised on the basis of the costs incurred to acquire and bring to use the specific asset.

Costs associated with the development and maintenance of the Trust's website are recognised as an expense when incurred because the website is primarily used for promoting the Trust's activities.

Amortisation

Intangible assets are amortised on a straight-line basis over their estimated useful life of 3-5 years. Amortisation begins when the asset is available for use and ceases at the date when the asset is disposed of. The amortisation charge for each year is recognised in the surplus or deficit.

Impairment

Property, plant and equipment and intangible assets are reviewed for indicators of impairment as at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated. The recoverable amount is the higher of an assets fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the service potential of the asset is not primarily dependent on the assets ability to generate net cash inflows and where the Trust would, if deprived of the asset replace its remaining service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The impairment loss is recognised in the surplus or deficit.

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

Income tax expense is the aggregate of current period movements in relation to both current and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences to tax losses can be utilised.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to items recognised in other comprehensive income or equity.