

Destination Wairarapa Incorporated

Financial Statements 2016

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DESTINATION WAIRARAPA INCORPORATED ENTITY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2016

Legal name:

Destination Wairarapa Incorporated

Type of entity and legal basis:

Destination Wairarapa is an incorporated society in New Zealand.

Purpose:

Destination Wairarapa was established to promote tourism to the Wairarapa region.

Structure of operations, including governance arrangements:

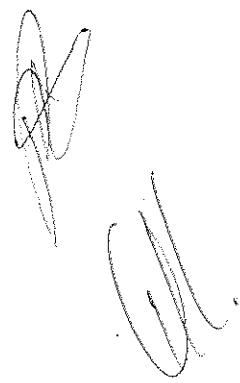
The board is comprised of seven Trustees who oversee the governance of the society, a General Manager who is responsible for the day-to-day operations of the society and reporting to the Trustees, and 11 other full time / part time staff who support the General Manager in delivering against the Society's objectives. Four Trustees are elected from the Incorporated Society's membership. One Trustee is appointed by each of the three District Councils.

Main sources of the Society's cash and resources:

The primary sources of funding are grants from the Masterton, Carterton and South Wairarapa District Councils under multi-year funding agreements. The society has also received grants from Trust House Foundation and earns membership subscription income.

Outputs:

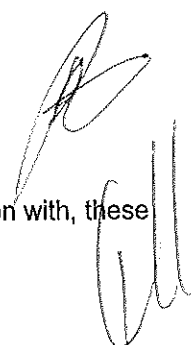
Grow the Wairarapa's Tourism revenue by attracting more visitors, who stay longer and spend more. This is done by ensuring the Wairarapa has the right tourism offerings, with outstanding delivery, marketed effectively.

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DESTINATION WAIRARAPA INCORPORATED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2016

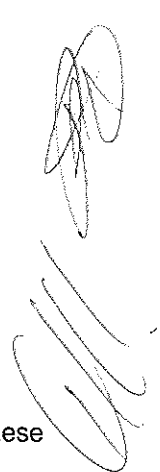
<i>Note</i>	2016	2015
	\$	\$
INCOME		
Grants	464,703	425,867
Donations	235,000	241,920
Membership Income	105,926	67,720
Other revenue	90,398	97,349
Interest received	1,707	3,531
Total Revenue	<u>897,734</u>	<u>836,387</u>
EXPENDITURE		
Personnel costs	(414,400)	(407,114)
Operating expenses	(419,455)	(449,803)
Total Expenditure	<u>(833,855)</u>	<u>(856,917)</u>
NET SURPLUS/(DEFICIT)	<u>63,879</u>	<u>(20,530)</u>

The accompanying notes and accounting policies form part of, and should be read in conjunction with, these financial statements.



DESTINATION WAIRARAPA INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	<i>Note</i>	2016 \$	2015 \$
<u>Current Assets</u>			
Funds at Bank		281,783	220,434
Accommodation Trust Account		21,192	8,836
Cash Floats		1,009	400
Inventories		1,322	975
Receivables & Prepayments	2	13,057	31,485
Total Current Assets		318,363	262,130
<u>Non-Current Assets</u>			
Property, Plant & Equipment	3	48,619	67,976
Total Non-Current Assets		48,619	67,976
TOTAL ASSETS		366,982	330,106
<u>Current Liabilities</u>			
Payables and Accruals	4	61,479	46,965
Income in Advance		-	38,123
Finance Leases		8,282	7,289
Loans		-	-
Employee Entitlements	5	35,906	32,011
Total Current Liabilities		105,667	124,388
<u>Non-Current Liabilities</u>			
Finance Leases		32,715	40,997
Loans		-	-
Total Non-Current Liabilities		32,715	40,977
<u>Equity</u>			
Retained Earnings	6	118,600	54,721
Contingency Reserve		70,000	70,000
Asset Replacement Reserve		40,000	40,000
Total Equity		228,600	164,721
TOTAL LIABILITIES & EQUITY		366,982	330,106



The accompanying notes and accounting policies form part of, and should be read in conjunction with, these financial statements.

DESTINATION WAIRARAPA INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
Cash Flows from Operating Activities		
Cash was provided from:		
Donations	235,000	241,920
Grants Received	437,742	398,754
Receipts from Customers	196,324	173,562
Interest Received	1,707	3,531
	870,773	817,767
Cash was applied to:		
Payments to Suppliers and Employees	783,392	828,559
Interest Paid	5,778	5,120
	789,170	833,679
Net Cash Flows from Operating Activities	81,603	(15,912)
 Cash Flows from Investing Activities		
Cash was provided from:		
Sale of Property, Plant & Equipment	-	21,640
	-	21,640
Cash was applied to:		
Purchase of Plant, Property and Equipment	-	56,511
	-	56,511
Net Cash Flows From Investing Activities	-	(34,871)
 Cash Flows from Financing Activities		
Cash was provided from:		
Proceeds from finance leases	-	52,653
	-	52,653
Cash was applied to:		
Finance Lease repayments	7,289	27,731
Loan repayments	-	766
	7,289	28,497
Net Cash Flows from Financing Activities	(7,289)	24,156
Net (Decrease) / Increase in Cash Held	74,314	(26,627)
Opening Cash Balance	229,670	256,297
Closing Cash Balance	303,984	229,670
 This Balance is made up as follows:		
Cash Floats	1,009	400
Funds at Bank	281,783	220,434
Accommodation Trust Account	21,192	8,836
	303,984	229,670

The accompanying notes and accounting policies form part of, and should be read in conjunction with, these financial statements.

DESTINATION WAIRARAPA INCORPORATED

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2016

ACCOUNTING POLICIES APPLIED

Basis of Preparation

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Society does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Society will continue to operate in the foreseeable future.

Goods and Services Tax

Destination Wairarapa is registered for GST.

These accounts are prepared on a GST exclusive basis with the exception of Accounts Receivable and Accounts Payable.

The amount of GST owing to or from the Inland Revenue Department at balance date, being the difference between Output GST and Input GST, is included Accounts Receivable or Accounts Payable (as appropriate).

Where GST is irrecoverable as an input tax, then it is recognised as part of the related asset or expense

Significant Accounting Policies

Receivables

Receivables are stated at estimated realisable value, after making provision for doubtful debts.

Inventories

Inventories are valued at the lower of cost, on a weighted average basis, and net realisable value.

Plant, Property and Equipment

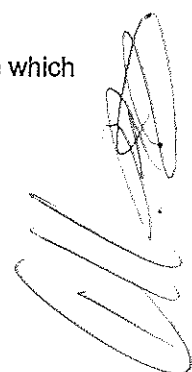
Property, plant and equipment and motor vehicles are recorded at cost and depreciated over their expected useful lives.

Depreciation

Depreciation is calculated on a diminishing value basis or straight line basis on all fixed assets at a rate which will write off the cost (or valuation) of the assets to their estimated residual value over their useful lives.

The depreciation rates for property, plant and equipment are as follows:

Furniture, Equipment and Plant	12.5% - 60%
Motor Vehicles	30%



When the components of an item of property, plant and equipment have different useful lives or provide benefits to the entity in different patterns, thus requiring different depreciation rates and methods, the cost of the item is allocated to its component and each component is accounted for separately.

Tax

Destination Wairarapa Incorporated is exempt from income tax as a regional promotional body.

Financial Instruments

Destination Wairarapa is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, receivables and payables. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to the financial instruments are recognised in the Statement of Financial Performance.

Except for items covered by a separate accounting policy, all financial instruments are shown at their estimated fair value.

Leases

Finance Leases

Leases which effectively transfer substantially all the risks and benefits incidental to the ownership of the leased item to the Society Group are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and the corresponding lease liabilities are recognised in the statement of financial position. The leased assets are depreciated over the period the Society is expected to benefit from their use.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease expenses are recognised on a systematic basis over the period of the lease.

Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Society invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the Society and records the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

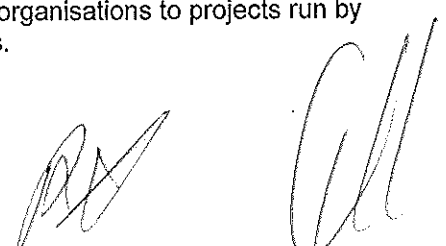
Financing activities comprise the change in equity and debt capital structure of the Society.

Charitable Donations, Grants and Membership Income

Are recognised in the year to which they relate.

Other Revenue

Consists of commissions, advertising revenue and contributions by outside organisations to projects run by Destination Wairarapa. Revenue is recognised in the year to which it relates.

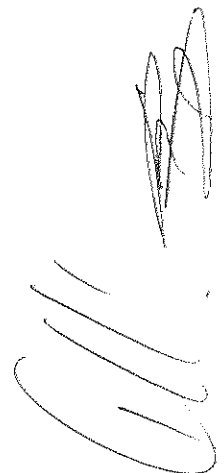


Tier 2 PBE Accounting Standards applied

The Society has not applied any Tier 2 Accounting Standards in preparing its financial statements.

Changes in accounting policies

There have been no changes in accounting policies in the year under review.

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DESTINATION WAIRARAPA INCORPORATED

Notes to the financial statements

For the year ended 30 June 2016

1 Operating Expenses

Details of operating expenses are:

	<i>Note</i>	<u>2016</u>	<u>2015</u>
		\$	\$
Cost of Sales		4,602	4,886
Administration & Financial		54,874	70,700
Advertising & Marketing		222,508	232,807
Audit Fees (for annual audit)		14,245	13,930
Depreciation	3	19,357	21,905
Interest		5,778	5,120
Property Expenses		46,796	41,540
Other Staff Costs		24,477	35,000
Trustee Fees & Expenses		26,818	23,915
		<u>419,455</u>	<u>449,803</u>

2 Receivables and Prepayments

	<u>2016</u>	<u>2015</u>
	\$	\$
Trade Debtors	13,057	25,893
Provision for Doubtful Debts	-	-
	<u>13,057</u>	<u>25,893</u>
GST Receivable	-	5,592
	<u>13,057</u>	<u>31,485</u>

3 Property, Plant and Equipment

	<u>2016</u>	<u>2015</u>
	\$	\$
Furniture, Equipment & Plant		
At Cost	89,965	89,965
Accumulated Depreciation	(68,119)	(60,236)
Furniture, Equipment and Plant – Net Carrying Value	<u>21,846</u>	<u>29,729</u>
Motor vehicles		
At Cost	49,351	49,351
Accumulated Depreciation	(22,578)	(11,104)
Motor Vehicles – Net Carrying Value	<u>26,773</u>	<u>38,247</u>
Total Net Carrying Amount	<u>48,619</u>	<u>67,976</u>

Depreciation by Asset Class

	<u>2016</u>	<u>2015</u>
	\$	\$
Furniture, Equipment & Plant	7,883	9,038
Motor Vehicles	11,474	12,867
	<u>19,357</u>	<u>21,905</u>

4 Payables and Accruals

	<u>2016</u>	<u>2015</u>
	\$	\$
Accrued Expenses	41,910	38,129
Accommodation Deposits	13,881	8,836
GST Payable	5,688	-
	<u>61,479</u>	<u>46,965</u>

5 Employee Entitlements

	<u>2016</u>	<u>2015</u>
	\$	\$
Accrued Pay	1,907	4,244
Annual Leave	33,999	27,767
	<u>35,906</u>	<u>32,011</u>

6 Retained Earnings

Retained Earnings

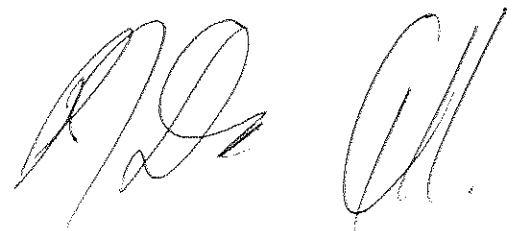
	<u>2016</u>	<u>2015</u>
	\$	\$
Balance at 1 July	54,721	75,251
Less transfer to Asset Replacement Reserve	-	-
	<hr/> 54,721	<hr/> 75,251
Plus Net Surplus/(Deficit)	63,879	(20,530)
Balance at 30 June	<hr/> 118,600	<hr/> 54,721

Contingency Reserve

	<hr/> 70,000	<hr/> 70,000
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Asset Replacement Reserve

Balance at 1 July	40,000	40,000
Plus Transfer from Returned Earnings	-	-
	<hr/> 40,000	<hr/> 40,000
Balance at 30 June	40,000	40,000
	<hr/> 40,000	<hr/> 40,000
Total Equity 30 June	<hr/> 228,600	<hr/> 164,721



7 Commitments and Contingencies

The Society had the following operating lease commitments as at 30 June 2016.

Non-Cancellable Operating Lease Commitments	<u>2016</u>	<u>2015</u>
	\$	\$
Less than 12 months	6,528	6,528
Between 1 year and 2 years	2,176	6,528
Between 2 years and 5 years	-	2,176
More than 5 years	-	-
Total	<u>8,704</u>	<u>15,232</u>

The Society had no capital commitments as at 30 June 2016 (2015: Nil).

8 Related Party Transactions

Masterton District Council

Masterton District Council has appointed one Trustee to the governing board of Destination Wairarapa. The council has provided funding of \$266,240 for the year ending 30 June 2016 (2015: \$264,680). Destination Wairarapa transacts with Masterton District Council in respect of services provided in the normal course of council activities.

Carterton District Council

Carterton District Council has appointed one Trustee to the governing board of Destination Wairarapa. The council has provided funding of \$53,000 for the year ending 30 June 2016 (2015: \$52,765).

South Wairarapa District Council

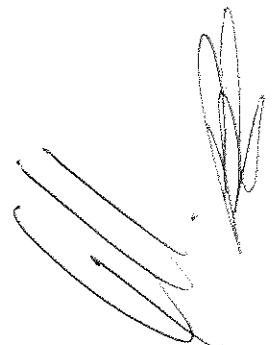
South Wairarapa District Council has appointed one Trustee to the governing board of Destination Wairarapa. The council has provided funding of \$145,463 for the year ending 30 June 2016 (2015: \$108,422). Destination Wairarapa transacts with South Wairarapa District council in respect of services provided in the normal course of council activities.

Trust House Limited

Trust House Limited has, through Trust House Foundation provided funding of \$235,000 for the year ending 30 June 2016 (2015: \$241,920). Destination Wairarapa paid Trust House Limited \$0 for accounting services for the year ending 30 June 2016 (2015: \$25,000).

Transactions with Trustees

A number of the Trustees own or manage accommodation businesses in the Wairarapa and transact with Destination Wairarapa as a result. All of these transactions are completed on normal commercial terms.



9 Contingencies

Contingent Liabilities

Destination Wairarapa has no contingent liabilities (2015: \$nil).

Contingent Assets

Destination Wairarapa has no contingent assets (2015: \$nil).

10 Events after balance date

Destination Wairarapa has no events after balance date (2015: \$nil).



