



ANNUAL REPORT
FOR THE YEAR ENDING 30 JUNE 2023



DIRECTORY

| | |
|--------------------------|---|
| Governing Body | Destination Lake Taupō Trust Board Tim Castle (Chairman) Nicola Harvey (resigned 07 June 2023) David Steele Kiri Atkinson-Crean Simon Jolly |
| General Manager | Jane Wilson |
| Bankers | Bank of New Zealand, Taupō – Transactional Banking |
| Auditors | Audit New Zealand on behalf of The Controller & Auditor General |
| Insurance Brokers | Aon New Zealand Limited |
| Address | Level 1, 32 Roberts Street, TAUPŌ |
| Telephone | (07) 376-04 |
| Email | kiaora@loveTaupo.com |
| Website | www.loveTaupo.com |

TABLE OF CONTENTS

| | |
|--|-------|
| DIRECTORY..... | 2 |
| TABLE OF CONTENTS..... | 3 |
| DESTINATION GREAT LAKE TAUPO AGM 2023: CHAIRMANS REPORT..... | 4 |
| REPORT ON TRUST ACTIVITIES..... | 7 |
| DESTINATION MARKETING:..... | 8 |
| DESTINATION MANAGEMENT:..... | 12 |
| OVERVIEW OF TOURISM PERFORMANCE..... | 13 |
| DGLT PERFORMANCE MEASURES..... | 14 |
| SUMMARY OF FINANCIAL STATEMENTS..... | 16 |
| AUDIT REPORT..... | 17-20 |
| FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023..... | 21 |
| STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE:..... | 22 |
| STATEMENT OF CHANGES IN EQUITY:..... | 22 |
| STATEMENT OF FINANCIAL POSITION..... | 23 |
| STATEMENT OF CASHFLOWS..... | 24 |
| STATEMENT OF ACCOUNTING POLICIES..... | 25-28 |
| NOTES TO THE ACCOUNTS..... | 29-38 |

DESTINATION GREAT LAKE TAUPŌ (DGLT) AGM 2023: CHAIRMAN'S REPORT

Tēnā rā koutou i ngā mihi ki o tātou ki ngā tini mate e hinga ake nei. Ko te whakatau noa ake, ko rātou ki a rātou, ko tātou ki a tātou i roto i te wā iti nei. No reira, tenā rā anō koutou.

We greet you, mindful of those who have passed on in recent times. Those who have departed to the gathering place of spirits, beyond the veil and left to recollection, leaving us here to mourn and to reminisce. As the saying goes: we leave them to the spirit world, and we of the world of light, to each other. Therefore, greetings again.

Introduction

I am very pleased to present this report as Chair of Destination Great Lake Taupō for the year ending 30 June 2023. It has been my privilege to undertake the role of Chair from April 2022. New Board appointments in the period to 30 June 2023 included Kiri Atkinson-Crean, Simon Jolly and David Steele. Upon Nicola Harvey's resignation as Deputy Chair in early June this year, Kiri Atkinson-Crean was elected Deputy Chair. I record our thanks to Nicola Harvey who joined the DGLT Board with me in March 2021. It was necessary for Nicola to stand down from the Board consequent upon her appointment to a new employment position, the responsibilities of which were considered likely to collide with her governance commitments at the DGLT Board. Nicola made a significant contribution to the work of the DGLT Board and I acknowledge it here. Thank you, Nicola.

Our People: Their continued commitment to the tourism sector in the Taupō region remains inspiring

Just as it was for the 2022 year, so it has been for the year ended 30 June 2023: the commitment and professionalism of the team at Destination Great Lake Taupō to the delivery of services to the region's tourism sector remains ever obvious and compelling. A culture of quality marketing and destination management services to tourism operators throughout the Taupō region remains at the forefront of every activity undertaken by the good people at Destination Great Lake Taupō. Leadership and dedication are the hallmarks of the work provided by General Manager, Jane Wilson, and her highly efficient team. These are more than well enough demonstrated in the comprehensive DGLT team report presented as part of the Annual General Meeting papers for consideration at our AGM on 29 September 2023. I invite readers to pay careful regard to the significant value to the tourism sector in the Taupō region provided by the DGLT team.

Te Ihirangi: The Taupō Region Destination Management Plan – 2022

Te Ihirangi is the name generously gifted by Ngāti Tūwharetoa to the Taupō Region Destination Management Plan (DMP) reflecting a collaboration with Iwi, the community and key stakeholders making up the broader tourism eco-system. The DMP represents a new dawn in tourism planning. It outlines an integrated approach to a common vision and framework for a more holistic and regenerative approach to tourism across the destination and the region. The approach is designed to ensure that tourism adds true value. As the foreword to the DMP explains, in the words of David Wilks, Chairperson of the Leadership Advisory Group (responsible for the collaborative drafting of the DMP), a strong note of appreciation is conveyed to mana whenua of the Taupō region and their representatives who provided guidance and leadership – and manaaki – for the planning journey, bringing the values and priorities of Iwi and of mātauhaka to the Plan.

There were many contributions, all of which are acknowledged both in the foreword to the Plan and in its substance. The DMP was endorsed by the Taupō District Council (TDC) at the end of 2022 for presentation publicly, commencing early 2023. In supporting the completion of the DMP, the Taupō District Council will soon undertake a review of governance arrangements for the implementation of the Plan. Should it be that decision makers at TDC determine that Destination Great Lake Taupō should play a part in the implementation of the Plan, we will take up this opportunity on behalf of the wider community to whom the Plan belongs. It is

more than desirable that there be a coordinated delivery of the DMP between Iwi/Hapū Māori, and key stakeholders, throughout the entire region which is aligned to, and complements, destination management planning in our wider overlapping rohe. The wider context for co-ordinated DMP delivery includes the Ruapehu District. I encourage all those in the community with an interest in this destination management programme to fully acquaint themselves with the contents of **Te Ihirangi** and its ambitious but entirely plausible objectives.

Strategic Planning for the Future

This year we began a robust programme to develop a strategic plan and strategic positioning for Destination Great Lake Taupō in an endeavour to best provide services reasonably expected of us to the tourism sector in our Taupō region. The planning links back into the DMP and has been a collective exercise across the Board and the entire team at Destination Great Lake Taupō. We are much persuaded by the careful strategic discussion and debates undertaken internally by the DGLT team. The team has identified five key focus areas by which DGLT will deliver its strategic value to the region:

- Marketing Support;
- Business Events;
- Industry Liaison;
- International Trade; and
- Industry Capability

Front and centre of implementation strategies must be mana whenua to build and maintain enduring foundations so that the entire community can “Share, Love and Care for Our Place”.

We are also developing initiatives with agencies in the wider region, in particular Amplify, to support forward thinking and far-reaching economic developments for the Taupō region. We seek to align objectives and achievements which can be enjoyed by everyone.

Conclusion

In the fullness of time what role DGLT is to undertake in the implementation of the DMP will be the subject of decisions by TDC doubtless in full consultation with us. We expect to be intimately involved in the discussions designed to yield best strategic plans and integrated results. We will continue to work closely with and report to the Taupō District Council as is to be expected under the operative terms of our DGLT Trust Deed.

I wish to acknowledge the industry, energy, and creativity of all members of the Board of DGLT. It is our privilege to undertake our responsibilities as entrusted to us under the Trust Deed.

I also record on behalf of DGLT, the Board and Management, our appreciation to the Mayor and TDC Councillors, in particular, Councillors Anna Park, Christine Rankin, and Sandra Greenslade, for ongoing support for our DGLT activity; and likewise, our appreciation extends to the key senior TDC office holders with whom we closely liaise.

Mauri ora kia a koutou

Report to Taupō District Council for 01 July 2021– 30 June 2023

On behalf of the DGLT Board:



Tim Castle
DGLT Board Chairman
15 September 2023

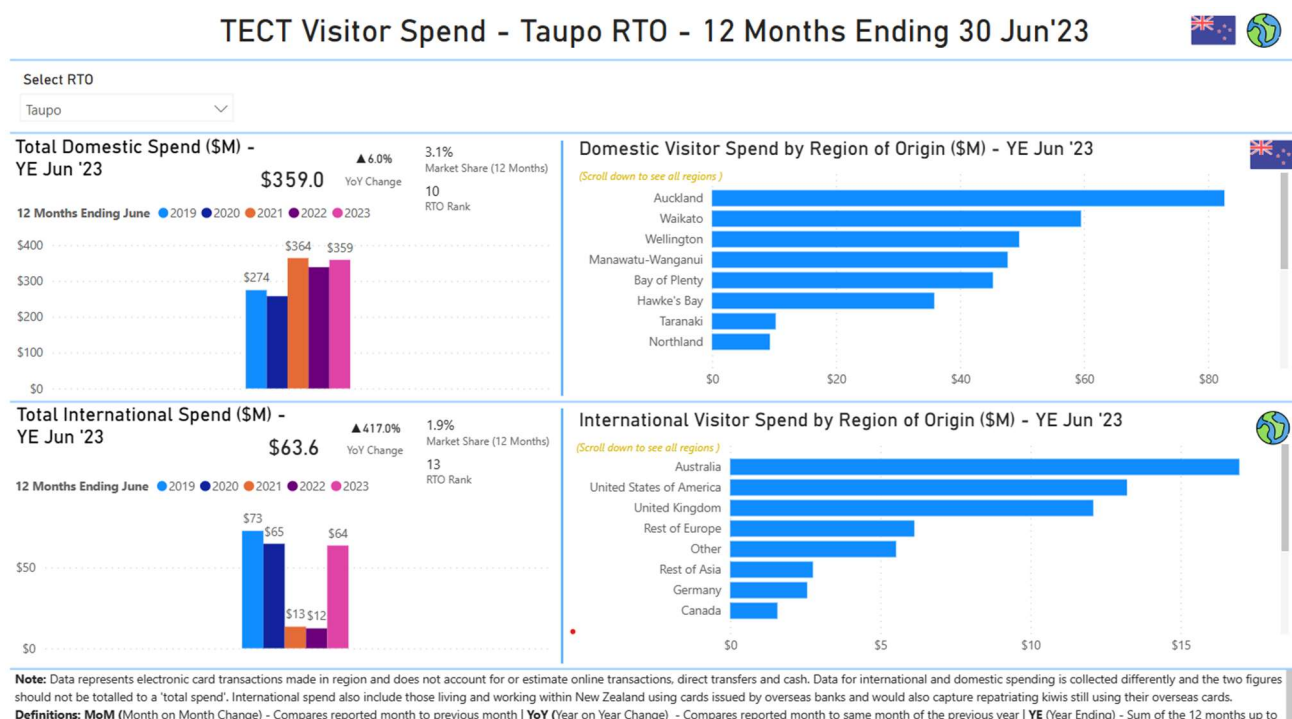
REPORT ON TRUST ACTIVITIES

This Annual Report consolidates the financial statements for the Destination Lake Taupō Trust, which trades as Destination Great Lake Taupō. The Annual Report provides an assessment against key performance indicators in the 2022-2023 DGLT Statement of Intent, and a report on the Trust's activities (in accordance with Sections 10.9(a) and (c) and 13.2(b) of the TrustDeed.

With the region totally reliant on domestic visitors during the Covid-19 pandemic, the reopening of international borders for all visitor categories from 31 July 2022 was welcome news for the tourism industry.

Domestic visitors to the Taupō region spent \$359M YE June 2023, up 31% on 2019 pre-pandemic levels for the same period. The significant growth in revenue from the domestic sector offset the loss in expected international revenue, placing the Taupō district as a strong performer compared to many other regions over the pandemic period.

International arrivals have bounced back more quickly than expected delivering \$64M for the YE June 2023-down just 12% on pre-Covid figures.



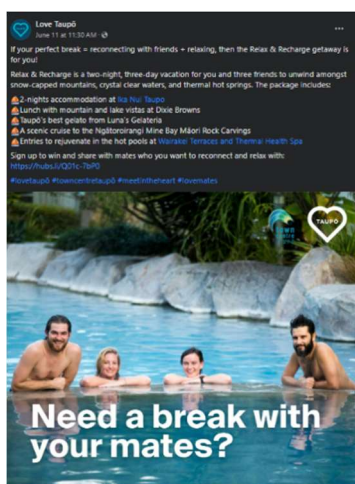
The continuation of Tourism Recovery funding from MBIE saw \$1M of funding added to DGLT’s revenue in 2021-2022 with a provision to roll over the balance until YE June 2023. This has allowed DGLT to undertake several projects (including the development of the DMP) which would normally have fallen outside the remit of the organisation. Although this has placed significant pressure on our team at times, it has challenged our thinking and provided significant opportunity for us to build much stronger relationships with Iwi and Hapu, build greater operator capability, and provide much needed marketing funds to position the region as a compelling and attractive holiday destination in a highly competitive marketplace.

DESTINATION MARKETING:

Domestic visitors are the key driver of tourism within the region, traditionally accounting for approximately 70% of both guest nights and spend.

Our marketing activity for the 2022-2023 financial year focused on 3 core objectives:

- to ensure the Taupō region is top of the consideration list for domestic leisure and business event visitors.
- to drive visitor referrals to our tourism businesses
- to leverage the rebound in international travel from the key markets of Australia, USA, UK, and Europe



In July- August '22 we launched the MATES campaign to encourage friends and couples to visit the region over the slower winter period. The campaign generated over 69,000 click-throughs to LoveTaupō.com and over 4,000 referrals to deals and packages loaded by our operators.

Attracting visitors who travel for their passion remains a key focus. This passion group strategy enables us to continue to ‘talk’ to these niche travellers on an ongoing basis and in an agile manner. Our Hubspot CRM allows us to deliver content quickly and cost effectively through automated marketing and nurture campaigns. Although resource heavy, due to a constant need for new content, this strategy has delivered excellent engagement with our content.

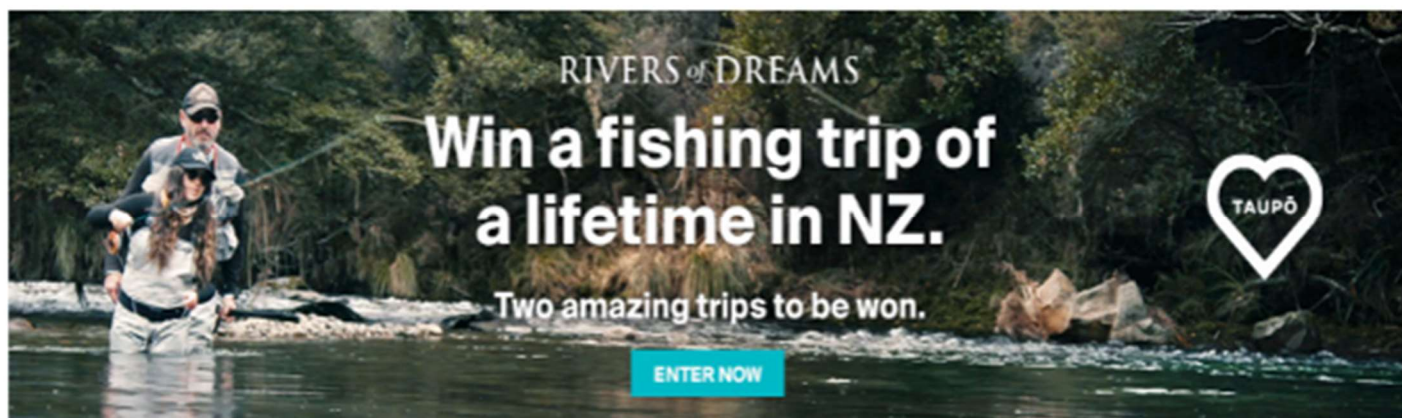
In addition to the existing fishing and biking passion groups we formed partnerships with NZ Mountain Safety Council and NZ Golf to launch our hiking and golf acquisition campaigns from June – August 2022. These partnerships provided an opportunity to extend our reach (by tapping into their consumer databases) and provided much needed insights on these niche travel groups. The hiking campaign added 9,300 contacts to our existing hiking database, and the golf campaign generated 9,000 highly qualified new golf contacts. Building on this earlier golf campaign we launched a repositioning campaign in June 2023, under the banner [All kinds of golf for all kinds of golfers](#). Using a specialist golf content writer, new footage and imagery delivered very strong engagement in the early weeks of the campaign.

With the ongoing transformation of the Taupō town centre in 2022, the roadworks along Ruapehu Street caused disruption for some of our lakefront motels. To support them during this period, we ran a short competition in conjunction with Towncentre Taupō for a group of four people to ‘Meet in the middle’. The competition generated over 700 entries and the motels were very grateful for the assistance to help drive business to their properties at a challenging time.

With a focus on generating leads for our operators, we continue to run ‘always on’ search campaigns. We can capture attention when audience intent is high and remarket to ensure we stay top of mind as a

destination. This ongoing Google Ads activity has generated over 548,300 impressions resulting in a very high 70% conversion rate which has delivered over 84,138 operator pageviews and 40,380 operator referrals.

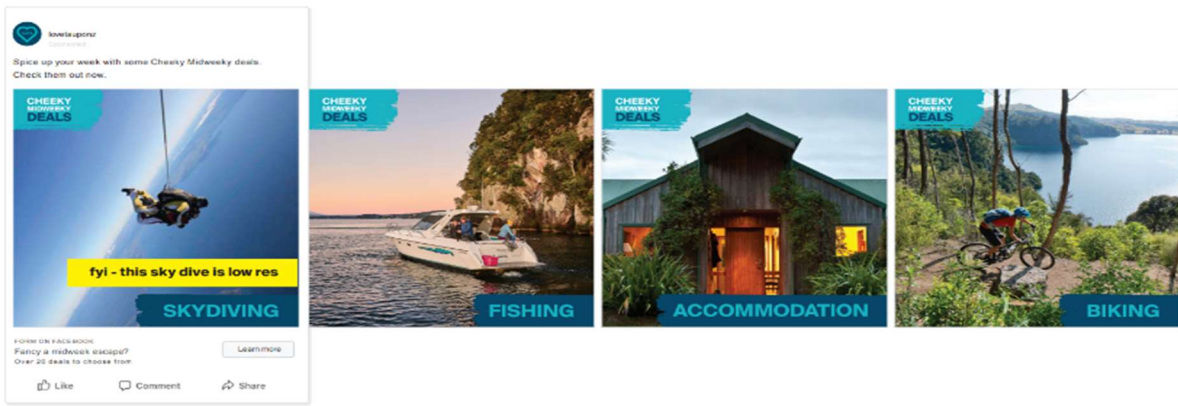
With the opening of international borders, our offshore marketing activity recommenced in June 2022. We relaunched our domestic 'River of Dreams' fishing acquisition campaign into the Australian market from June - August 2022. The purpose of the campaign was to build a database of Australian fishermen through giving away 2 luxury prize packages to Taupō-Tūrangi. Working in partnership with Poronui Lodge, Helisika, Chris Jolly Outdoors, Tongariro River Rafting and Tongariro Lodge the campaign generated 9.8k sign-ups, 27,000 click throughs to the landing page and over 145,000 video views. Watch video [here](#).



In September and October 2022, we partnered with the Big Bike Film Night (BBFN) to promote the region as a Central North Island Mountain biking mecca. The BBFN ran 63 screenings across NZ and 35 in Australian cinemas, with over 10,500 attendees across the events. The Australian screenings leveraged our earlier exposure for the Taupō regional bike trails through our inclusion in a full episode on the SBS Trail Town TV series which aired earlier in the year. DGLT gave away 2 biking holidays to Taupō as part of the promotion (3-night package for Australia and 2-night package for NZ winners).

LoveTaupō.com remains our key call to action for all campaign activity. Encouraging operators to keep their listings up to date and to leverage our marketing spend is an ongoing challenge but those that do proactively engage are reaping the benefits. For the 1 July 2022 – 30 June 2023 period the website has received over 2.4million pageviews. The average session time on site is a very healthy 2:28 minutes and our low bounce rate of 26% reflects a highly engaged audience once on the site.

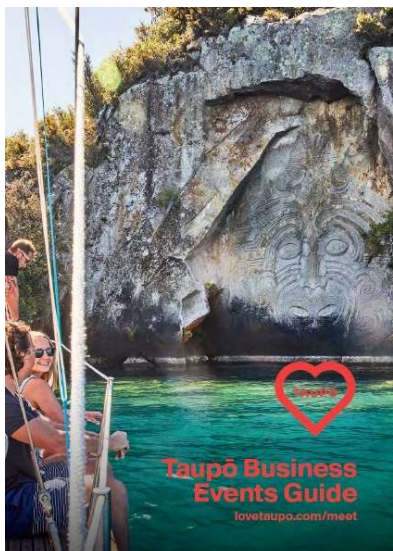
A new approach used [Connected TV](#) to relaunch our 'Cheeky Midweeky' campaign in May – June 2023. Mid-week deals aimed to fill the midweek slump by targeting grey nomads and active adventurers who can travel outside the busier weekend period. Reaching nearly one million people, the campaign attracted 30,000+ visitors to the campaign page with over 9,000 exploring specific deals. Effective use of Digital CTV targeted niche groups with minimal waste and high viewing rates (97%). The integrated campaign combined social ads, native content, and utilization of our owned channels for a strong ROI.



New film and photo shoots, working with specialist content writers and hosting journalists in the region ensures a library of fresh and compelling content for use across digital, print, and social channels. We also produce the Taupō Regional Visitor guide with over 40,000 copies distributed to local accommodation, tourism operators (locally and selected regions around the country) as well as the Cook Strait ferries and I-Sites throughout the North Island.

We have continued to work closely with Tourism New Zealand and have received extensive media coverage through the GO NZ partnership with Stuff and through other DGLT generated media opportunities across TV, radio, print and digital including full episodes on Country Calendar and the SBS series of Trail Towns.





Corporate, incentive and business event clients are high value and are a key source of revenue for the region, often visiting midweek and across the shoulder seasons. During the height of the pandemic, the region saw a significant rise in

enquiry for Business Events (BE). This has continued with most BE venues and hotels reporting high forward demand right through until early 2024. We continued to work closely with our Business Events Partnership

Group and have produced new printed and digital collateral and completed production of a BE video to use at tradeshows and in future marketing initiatives.

DGLT attended BE tradeshows in April and June with another tradeshow planned for November 2023. The attendance at these tradeshows has been hugely successful in strengthening relationships with both existing and new BE buyers and has significantly increased awareness around our regions BE offering.

Our Business Events strategy was completed in April 2023. Our focus over the next 3 years will include 4 key areas: attraction, market positioning, influencing, and leveraging.

We continue to engage regularly with industry through quarterly updates, one-on-one visits, our monthly beers and banter evenings and the development of a dedicated online Industry portal on loveTaupō.com. An annual Industry satisfaction survey is conducted in June which seeks feedback on our performance, how we can assist in capability building and how we can better support the sector.

DESTINATION MANAGEMENT:

DGLT completed the Regional [Destination Management Plan](#) (DMP) in December 2022 which articulates a collaborative vision and priority action plan for the future management and development of tourism across the Taupō District.

One of the key goals of the plan is to ensure tourism exists in a way that contributes, enriches, and looks after the place we all love for the benefit of future generations.

The Plan is owned by all Leadership Advisory Group entities. An early priority action, to be led by Taupō District Council, includes a review of the governance and framework required to deliver the Plan and this will be completed once the Section 17A review of the CCO entities is completed in the first quarter of 2023.

Three key actions that DGLT has led to date include a review and update of our Product Audit in September 2022, the commencement of the Love Taupō Brand Review and the implementation of a 3-month sustainability pilot programme for 12 operators in partnership with Tourism Industry Aotearoa.

Growing our cultural identity across the region was also identified as a key priority within the plan. DGLT continues to work closely with Iwi and Hapu to assist and support product development initiatives and to facilitate the formation of an Iwi led Māori Tourism Group. We also acknowledge the importance of the Mana Whakahono agreement with Ngāti Tūrangitukua and have begun our conversations with the Ngāti Tūrangitukua Charitable Trust.

OVERVIEW OF TOURISM PERFORMANCE

Current data sources, although limited, provide a trending analysis of performance.

Expenditure:

Prior to Covid-19, the key spending metric was the Monthly Regional Tourism Estimates (MRTE), produced by MBIE. This data provided an estimate of regional monthly expenditure on tourism related products for both international and domestic consumers. With closed borders and a stop in international arrivals the data was no longer considered a reliable measure and a change in reporting of visitor spend was announced by MBIE. Tourism Electronic Card Transactions (TECT) is now used as an interim replacement for the Monthly Regional Tourism Estimates but is currently under review.

The TECT data moves away from estimating all tourism spend (as in the MRTEs) and does not include any other form of spending such as cash, pre-purchases or online. Therefore, the figures in the TECTs are smaller than those of the MRTEs, as they only represent part of the total tourism spend.

MBIE recommends looking at trends (rather than numbers) when interpreting tourism spending using the TECTs. Comparing the TECTs with the MRTEs will not be meaningful.

Overall, the Taupō region has performed strongly compared to many regions for the year ending 30 June 2023. Domestic visitor spend grew 6% on YE June 2022, claiming 3% market share nationally and ranking in the top 10 RTO's in the country. As expected, the return of international visitors to NZ saw a significant increase in International spend over the last 12 months. Total spend was up 417% on the previous year, and down just 12% on pre-Covid spend.

Guest nights:

The Accommodation Data Programme (ADP) provides a measure of occupancy, guest nights, average length of stay and a ranking of performance against all other RTO regions nationally.

The ADP has placed the Taupō region's occupancy rates as a top 10 performer for 11 months of the year reaching the highest occupancy in New Zealand in December 2022 and January 2023. Taupō regional occupancy, across all styles of accommodation, averaged 63% (+20% on 2022) compared to 54% nationally for the year ending May 2023. Taupō received 1.4 M guest nights across the region, representing 3.7% market share of all guest nights nationally.

It is important to note that short term accommodation platforms such as Air BnB play a significant role in accommodating our guests, with the number of properties listed on this channel increasing from 36 in 2016 to over 1700 YE June 2023. Visitor nights in Air BnB style accommodation has bounced back from the lows of lockdown (+66% on June 2022) and contributes approximately USD\$48M in revenue and over 400,000 supply nights to the accommodation pool.

The average length of stay in the region remains consistent at 1.9 nights in commercial accommodation although it is expected many domestic visitors are staying for significantly longer periods in non-commercial accommodation such as holiday homes and baches.

DGLT PERFORMANCE MEASURES:

| Objective 1 – Grow the value of the local tourism economy | | | | | | |
|--|---|---|---|--|-----------------|--|
| As measured | Data Source | Prior Year Actual YE Jun 2022 | Target/Goal YE Jun 2023 | YE Actual 2022-2023 | Status | Comments |
| Growth in tourism expenditure | TECT's | Domestic: \$339 M | Retain domestic spend | Domestic: \$359M (+6%) | Achieved | Domestic visitors have continued to support the destination over the last year with spend up 6% on YE 2022 and up 30% since 2019. |
| | | International: \$14M | Grow international spend 100% if borders reopen | International: \$64M (+417%) | Achieved | International visitors have returned more quickly than anticipated and growth is now just 12% down on pre-Covid levels. |
| Objective 2 – Sustainably manage and develop the destination to create a “Destination of Excellence” | | | | | | |
| As measured | Performance Measures | Baseline | Target/Goal YE Jun 2022 | YE Actual 2022-2023 | Status | Comments |
| Develop a Destination Management strategy ensuring the balance of economic growth with the social, cultural and environmental well-being of the community. | Quarterly meetings of Leadership Advisory Group | Development of Destination Management Plan | Ongoing | Complete | Achieved | Completed Dec 2022 |
| | Grow industry capability. | Industry workshops | Minimum 4 per year | 9 | Achieved | |
| | Product Development | Product Audit | Ongoing | Complete | Achieved | Product Audit refreshed in August '22 |
| | Social license - connect with residents. | Annual Community Sentiment Survey, brand and community workshops. | Ongoing | Ongoing | Change of scope | Community Survey to be conducted biannually (next survey in 2023-24) Community engagement commenced in June for Brand review of LoveTaupō |

| Objective 3 – Run an efficient and effective tourism organisation, strongly supported by the local tourism industry | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|----------------------------------|----------------------------------|--|------------------------------|--|--------------|---------|------------------|----------|--------------|----------|------------|-------|--------------|----------|-----------------|---------|---------------------|----------|-----------------|----------|----------------------|------------------|
| As measured | Data Source | Prior Year Actual YE Jun 2022 | Target/Goal YE Jun 2023 | YE Actual 2022-2023 | Status | Comments | | | | | | | | | | | | | | | | | | |
| Support for DGLT marketing initiatives | Measured by free of charge, in-kind or advertising support for marketing and famils activity. Participation in DGLT hosted activities. | \$101,825 | \$80,000 120 deals | \$ 102,312 178 deals https://lookerstudio.google.com/reporting/7b00760c-4007-49b6-8303-2220359f95ef | Achieved Achieved | <table border="0"> <tr> <td>Media Famils</td> <td>\$9,300</td> </tr> <tr> <td>Content Creation</td> <td>\$13,311</td> </tr> <tr> <td>Trade Famils</td> <td>\$18,994</td> </tr> <tr> <td>BE In Kind</td> <td>\$600</td> </tr> <tr> <td>DGLT Support</td> <td>\$13,016</td> </tr> <tr> <td>Campaign Prizes</td> <td>\$2,663</td> </tr> <tr> <td>Website Advertising</td> <td>\$19,090</td> </tr> <tr> <td>BE Partnerships</td> <td>\$25,338</td> </tr> <tr> <td>Total In Kind</td> <td>\$102,312</td> </tr> </table> | Media Famils | \$9,300 | Content Creation | \$13,311 | Trade Famils | \$18,994 | BE In Kind | \$600 | DGLT Support | \$13,016 | Campaign Prizes | \$2,663 | Website Advertising | \$19,090 | BE Partnerships | \$25,338 | Total In Kind | \$102,312 |
| Media Famils | \$9,300 | | | | | | | | | | | | | | | | | | | | | | | |
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| Trade Famils | \$18,994 | | | | | | | | | | | | | | | | | | | | | | | |
| BE In Kind | \$600 | | | | | | | | | | | | | | | | | | | | | | | |
| DGLT Support | \$13,016 | | | | | | | | | | | | | | | | | | | | | | | |
| Campaign Prizes | \$2,663 | | | | | | | | | | | | | | | | | | | | | | | |
| Website Advertising | \$19,090 | | | | | | | | | | | | | | | | | | | | | | | |
| BE Partnerships | \$25,338 | | | | | | | | | | | | | | | | | | | | | | | |
| Total In Kind | \$102,312 | | | | | | | | | | | | | | | | | | | | | | | |
| | | | \$30,000 in operator advertising | \$19,090 in operator listings | Not Achieved | | | | | | | | | | | | | | | | | | | |
| Stakeholder Satisfaction | Survey of active tourism operators | 82% | 85% | 93% | Achieved | The survey conducted via Survey Monkey was sent out to 283 industry operators across the Taupō District. 42 responses were received. 10% margin of error at 95% confidence level. | | | | | | | | | | | | | | | | | | |

SUMMARY OF FINANCIAL STATEMENTS

OVERVIEW

Destination Great Lake Taupō (DGLT) is a Council Controlled Organisation of the Taupō District Council (TDC). Funding is primarily provided by a grant from the Taupō District Council. However, over the 2021 and 2022 financial years, DGLT has received significant additional funding from Central Government through grants from the Strategic Tourism Assets Protection Programme (STAPP), the Regional Events post-covid recovery fund and Tourism New Zealand. The total funding from this source was \$1,765,000 of which \$418,764 was treated as revenue in the 2022-2023 financial year. In addition, industry has continued to provide great support with current year activity and advertising sales for loveTaupō.com valued at \$38,633.

STATEMENT OF FINANCIAL PERFORMANCE

Revenue for the year was \$2,550,178 and comprised TDC funding, Central Government funding through the Strategic Tourism Assets Protection Programme, Business Events partnership activity with industry, website advertising and interest income. Operating expenditure for the year was \$ 2,423,385, resulting in a surplus of \$126,793. The surplus primarily relates to an underspend in planned marketing initiatives due to timing changes from partnership activity with Tourism New Zealand, trade partner famils and the roll out of actions sitting within the destination management plan which will commence once the Section 17 A review has been undertaken by TDC.

STATEMENT OF FINANCIAL POSITION

Trust equity has increased to \$410,266 and the Trust has a working capital position of \$383,098.

COMMENTARY ON FINANCIALS:

TDC Grant income was set at \$2,063,896 for 2022-2023, an increase of \$52,000 on prior year base funding of \$1,779,636.

Unused STAPP funding of \$418,764 has been carried forward from the 2021-2022 financial year and was primarily used in the development of a regional Destination Management Plan and a continued focus on building industry capability.

DGLT remains in a very strong financial position with sufficient cash and reserves carrying over to the 2023-2024 financial year. The Trust has a cash reserves position of \$604,920 at 30 June 2023.

Report to Taupō District Council for 01 July 2022 – 30 June 2023

Prepared By:



Jane Wilson

General Manager
Destination Great Lake Taupō
14 August 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF THE DESTINATION GREAT LAKE
TAUPO TRUST'S FINANCIAL STATEMENTS AND
PERFORMANCE INFORMATION FOR THE YEAR ENDED 30
JUNE 2023**

The Auditor-General is the auditor of Destination Lake Taupo Trust (the Trust). The Auditor-General has appointed me, Cameron Town, using the staff and resources of Silks Audit Chartered Accountants Limited to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the trust on pages 22 to 38 , that comprise the Statement of Financial Position as at 30 June 2023, the Statement of Comprehensive Revenue and Expenses, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information and
- the performance information of the Trust on pages 14 to 15.

In our opinion:

- the financial statements of the Trust:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Tier 2 Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information of the Trust presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2023.

Our audit was completed on 29 September 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Trustees for the financial statements and the performance information

The Trustees is responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustees is also responsible for preparing the performance information for the Trust.

The Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Trustees is responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Trustees' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Destination Great Lake Taupo Trust's approved budget prepared by management.

- We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.
- As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:
- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board is responsible for the other information. The other information comprises the report on trust activities included on page 7 and the Chairman's report on page 4, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Trust in accordance with the *independence requirements of the Auditor-General's Auditing Standards*, which incorporate the independence requirements of *Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the *New Zealand Auditing and Assurance Standards Board*.

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



Cameron Town
Silks Audit Chartered Accountants Ltd
On behalf of the Auditor-General
Whanganui, New Zealand

**Destination Lake Taupō Trust
Financial Statements
For the year ended 30 June 2023**



Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2023



| | | DLTT Actual 2023 \$ | SOI 2023 \$ | Actual 2022 \$ |
|--|-------|------------------------------|-------------------|----------------------|
| Revenue | | | | |
| Operating grants | 5 | 2,482,660 | 2,263,896 | 2,560,735 |
| Revenue from services provided | 4 | 44,555 | 30,000 | 34,865 |
| Finance revenue | 6 | 22,963 | - | 6,125 |
| Total revenue | | 2,550,178 | 2,293,896 | 2,601,725 |
| Expenditure | | | | |
| Personnel costs | 7 | 668,289 | 585,907 | 592,729 |
| Depreciation and amortisation expense | 11,12 | 27,083 | 27,041 | 49,855 |
| Finance costs | 6 | 0 | - | 365 |
| Other expenses | 7 | 1,728,013 | 1,680,948 | 1,894,831 |
| Total operating expenditure | | 2,423,385 | 2,293,896 | 2,537,780 |
| Operating surplus/(deficit) before tax | | 126,793 | - | 63,945 |
| Income tax (expense)/credit | | - | - | - |
| Total comprehensive revenue and expenses attributable to: | | | | |
| Destination Lake Taupo Trust | | 126,793 | - | 63,945 |

Summary of significant accounting policies and the accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2023

| | | DLTT Actual 2023 \$ | SOI 2023 \$ | Actual 2022 \$ |
|---|---|------------------------------|-------------------|----------------------|
| Net Assets/Equity at start of the year | 8 | 283,473 | 410,266 | 219,528 |
| Total comprehensive revenue and expenses | | 126,793 | - | 63,945 |
| Balance at 30 June | 8 | 410,266 | 410,266 | 283,473 |

Summary of significant accounting policies and the accompanying notes form part of these financial statements.



Statement of Financial Position

As at 30 June 2023



| | Note | DLTT Actual 2023 \$ | SOI 2023 \$ | Actual 2022 \$ |
|--|------|------------------------------|-------------------|----------------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 9 | 604,920 | 545,888 | 895,344 |
| Trade and other receivables | 10 | 33,435 | 35,000 | 35,001 |
| Prepayments | | 53,431 | 30,000 | 37,754 |
| Total current assets | | 691,786 | 610,888 | 968,099 |
| Non-current assets | | | | |
| Property, plant and equipment | 11 | 10,416 | 7,936 | 14,826 |
| Intangible assets | 12 | 16,752 | 14,648 | 34,800 |
| Total non-current assets | | 27,168 | 22,585 | 49,626 |
| Total assets | | 718,954 | 633,473 | 1,017,725 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 13 | 237,013 | 300,000 | 674,973 |
| Employee entitlements | 14 | 71,675 | 50,000 | 59,279 |
| Total current liabilities | | 308,688 | 350,000 | 734,252 |
| Total liabilities | | 308,688 | 350,000 | 734,252 |
| Net assets (assets minus liabilities) | | 410,266 | 283,473 | 283,473 |
| EQUITY | | | | |
| Contributed equity | 8 | 100 | 100 | 100 |
| Accumulated funds | 8 | 410,166 | 283,373 | 283,373 |
| Total equity | | 410,266 | 283,473 | 283,473 |

Summary of significant accounting policies and the accompanying notes form part of these financial statements.



Statement of cashflows
For the year ended 30 June 2023



| | DLTT Actual 2023 \$ | SOI 2023 \$ | Actual 2022 \$ |
|---|------------------------------|-------------------|----------------------|
| Cash flows from operating activities | | | |
| Receipts from customers | 42,436 | 37,755 | 39,461 |
| Receipts from Taupo District Council operating grant | 2,063,896 | 2,063,896 | 1,779,636 |
| Finance revenue | 22,963 | - | 6,125 |
| Other revenue | - | 200,000 | 1,000,000 |
| Payments to suppliers | (1,762,886) | (2,061,393) | (1,699,218) |
| Payments to employees | (655,893) | (595,186) | (579,554) |
| Interest paid | - | - | (365) |
| Net GST refunded / (paid) | 3,685 | 5,473 | (5,473) |
| Net cash flow from operating activities | (285,799) | (349,456) | 540,612 |
| Cash flows from investing activities | | | |
| Proceeds from sale of property, plant and equipment | - | - | - |
| Purchase and development of property, plant and equipment | (1,465) | - | (4,267) |
| Purchase and development of intangibles | (3,160) | - | (26,732) |
| Net cash flow from investing activities | (4,625) | - | (30,999) |
| Net increase (decrease) in cash held | (290,424) | (349,456) | 509,613 |
| Add cash at start of year | 895,344 | 895,344 | 385,731 |
| Cash, cash equivalents, and bank overdrafts at the end of the year | 604,920 | 545,888 | 895,344 |

Note

9

The GST (net) component of cash flows from operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

Reconciliation of Statement of cashflows operating activities

| | DLTT Actual 2023 \$ | SOI 2023 \$ | Actual 2022 \$ |
|--|------------------------------|-------------------|----------------------|
| Surplus/(deficit) after tax | 126,793 | - | 63,945 |
| Add/(less) non cash items: | | | |
| Depreciation and amortisation | 27,083 | 27,041 | 49,855 |
| Bad debts written off as per note 7 | - | - | 840 |
| Asset impairment and write-off | - | - | - |
| Add/(less) movements in working capital items | | | |
| (increase)/decrease in accounts receivable | 1,566 | 1 | (877) |
| (increase)/decrease in prepayments | (15,677) | 7,754 | (17,579) |
| Increase/(decrease) in accounts payable | (437,960) | (374,973) | 431,253 |
| Increase/(decrease) in employee entitlements | 12,396 | (9,279) | 13,175 |
| Net cash inflow/(outflow) from operating activities | (285,799) | (349,456) | 540,612 |

The accompanying notes form part of these financial statements.



01. Statement of accounting policies for the year ended 30 June 2023

1.1 Reporting entity

The Destination Lake Taupo Trust ('the Trust') is a Council Controlled Organisation of Taupo District Council, by virtue of the Council's right to appoint the Board of Trustees. Governance is provided by the Trust Board as per the Destination Lake Taupo Trust deed. The relevant legislation governing the Trust's operations includes the LGA. The financial statements of the Destination Lake Taupo Trust have been prepared in accordance with the provisions of section 68 and section 69 of the Local Government Act 2002.

The primary objective of the Trust is to promote the Great Lake Taupo region to the domestic and international visitor market with the specific intention of growing this market, rather than for making a financial return. Accordingly, the Trust has designated itself as a public benefit entity for financial reporting purposes.

The financial statements of the Trust are for the year ended 30 June 2023. The audited financial statements were approved by the Board of Trustees on 29 September 2023.

02. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared on a Going Concern basis, and the accounting policies have been applied consistently throughout the period.

This is dependent on continuing support from the Taupo District Council. On the 26th July 2023 Council passed resolution TDC202207/09 agreeing to fund the Trust for the next 12 months.

Statement of compliance

The financial statements of the Trust have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZGAAP).

They comply with NZ PBE IPSAS as appropriate for public benefit entities.

The financial statements of the Trust have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with Public Sector Public Benefit Entity Standards (PS PBE Standards).

The financial statements have been prepared in accordance with Tier 2 PBE accounting standards RDR as it has no public accountability and has total expenses (including grants) of > \$2million but < \$30million.

These financial statements comply with PBE standards.

The Trust has adopted External Reporting Board Standard A1 Accounting Standards Framework (FP Entities & PS PBEs Update) (XRB A1). XRB A1 establishes a PBE tier structure and outlines which suit of accounting standards entities in different tiers must follow. The Trust is a Tier 2 PBE as it has no public accountability and has total expenses (including grants) of less than \$30 million.

Measurement base

The financial statements have been prepared on a historical cost basis except for certain classes of assets and liabilities which are recorded at fair value. These are detailed in the specific policies below.

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.

Changes in accounting policies

There have been no changes in accounting policies

2.2 Foreign currency transactions

The functional and presentation currency is New Zealand dollars. Transactions in foreign currencies are translated at the foreign exchange rate ruling on the day of the transaction.

2.3 GST

The financial statements have been prepared exclusive of GST, except for trade and other receivables and trade and other payables. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

Commitments and contingencies are disclosed exclusive of GST.



Summary of significant accounting policies

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the cash flow statements.

2.4 Revenue

Revenue is measured at fair value.

Grants

All grants (including the grant from Taupo District Council) and bequests received, including non-monetary grants at fair value, shall be recognised as revenue when there is reasonable assurance that:

- (a) the entity will comply with the conditions accounting to them; and
- (b) the grants will be received.

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue.

Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Marketing fees

Marketing fees are fees charged for the advertising and promotion of businesses and tourism operators. This includes but is not limited to website advertising and other print advertising. Marketing fees are recognised as revenue when the Trust invoices the customer.

Interest and dividends

Interest revenue is recognised as it accrues, using the effective interest method.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2.5 Leases

(i) Operating leases

Payments made under operating leases are recognised in the surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense as an integral part of the total lease expense.

2.6 Equity

Equity is the community's interest in the Trust as measured by the value of total assets less total liabilities. Equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses DGLT makes of its accumulated surpluses.

Equity is the community's interest in the Trust, and is measured as the difference between total assets and total liabilities

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short term highly liquid investments with maturities of less than three months.

2.8 Financial assets

The Trust classifies its investments as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments, which are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the balance date, which are included in non-current. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Revenue and Expense.

2.9 Trade and other receivables

Trade and other receivables are initially measured at face value, less impairment losses (note 2.12). A provision for impairment of receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the present value of the estimated future cashflows, discounted using the effective interest method.

Summary of significant accounting policies

2.10 Property, plant and equipment

Property, plant, and equipment consist of:

Operational assets – These include plant and equipment.

No property, plant or equipment owned by the Trust are subject to restrictions in title or have been pledged as security for liabilities. There are also no contractual commitments for the acquisition of plant, property and equipment.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Valuation methodologies

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Trust and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the surplus or deficit during the financial period in which they are incurred.

Borrowing costs are not capitalised as part of the cost of an asset. They are recognised as an expense in the period in which they are incurred.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

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 reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

When the use of a property changes from owner-occupied to investment property, the property is reclassified to investment property at its fair value at the date of the transfer.

Subsequent measurement

Subsequent to initial recognition, classes of property, plant & equipment are accounted for as set out below. Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of PP&E, less any residual value over its remaining useful life.

Depreciation

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

| | | |
|---------------------------------|-----------------|---------------|
| • Office and computer equipment | 4 - 10 years | 8.5% - 30% |
| • Furniture and fittings | 2 - 10 years | 7% - 33% |

2.11 Intangible assets

Intangible assets are initially recorded at cost. Where acquired in a business combination, the cost is the fair value at the date of acquisition. The cost of an internally generated intangible asset represents expenditure incurred in the development phase.

Subsequent to initial recognition, intangible assets with finite useful lives are recorded at cost, less any amortisation and impairment losses and are reviewed annually for impairment losses. Amortisation of intangible assets is provided on a straight-line basis that will write off the cost of the intangible asset to estimated residual value over their useful lives. Assets with indefinite useful lives are not amortised but are tested, at least annually, for impairment and are carried at cost less accumulated impairment losses.

Realised gains and losses arising from the disposal of intangible assets are recognised in statement of comprehensive income in the year in which the disposal occurs.

Summary of significant accounting policies

Software acquisition and development

Costs that are directly associated with the development of the development of the Love Taupo website are recognised as an intangible asset.

Costs associated with maintaining the website are recognised as an expense when incurred.

Amortisation

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

| Class of intangible asset | Estimated useful life |
|---------------------------|-----------------------|
| Website | 4 years |

2.12 Impairment

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

2.13 Financial Liabilities

Short term creditors and other payables are recorded at their face value.

2.14 Employee entitlements

Provision is made in respect of the Trust's liability for salaries and wages accrued up to balance date as well as annual leave.

Liabilities for annual leave are accrued on an actual entitlement basis, using current rates of pay.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Superannuation schemes

Defined contribution schemes

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

2.15 Interest bearing borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

2.16 Income tax

The Inland Revenue Department has previously confirmed the Trust is exempt from income tax under sections CW 40 of the Income Tax Act 2007. The Inland Revenue Department has advised that the exemption is not back-dated and applies from the date that the trust deed was amended on 12 June 2015.

2.17 Budget figures

The budget figures in the Statement of Comprehensive Revenue and Expense are those approved by the Board in the Statement of Intent and in complying with sections 64, 66, and 67 of the Local Government Act 2002.

The budget figures in the Statement of Financial Position and Statement of Cashflows were calculated retrospectively.

2.18 Advertising costs

Advertising costs are expensed when the related service has been rendered.

03. Critical accounting estimates and judgements

In preparing the financial statements the Trust made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



04. Revenue from services provided

| | Actual 2023 \$ | Actual 2022 \$ |
|---|----------------------|----------------------|
| Revenue from significant activities | | |
| Other revenue | 5,922 | - |
| Marketing fees | 38,633 | 34,865 |
| Total revenue from services provided | 44,555 | 34,865 |

05. Revenue from grants

| | Actual 2023 \$ | Actual 2022 \$ |
|---|----------------------|----------------------|
| Grants | | |
| Other government grants* | 418,764 | 781,099 |
| Operating grant from Taupo District Council | 2,063,896 | 1,779,636 |
| Total revenue from government grants | 2,482,660 | 2,560,735 |

• Other government grants was comprised of the balance of the \$1,700,000 grant received from MBIE as part of the Strategic Tourism Assets Protection [STAPP] Programme. The programme was nationwide and was intended to protect core tourism offerings to ensure their survival through the disruption caused by Covid 19.

There are no unfulfilled conditions or other contingencies attached to the government grants which have been recognised.

06. Finance revenue and finance costs

| | Actual 2023 \$ | Actual 2022 \$ |
|---------------------------|----------------------|----------------------|
| Finance revenue | | |
| Interest revenue | 22,963 | 6,125 |
| Less finance costs | | |
| Interest expense | - | 365 |
| Net finance costs | 22,963 | 5760 |




07. Operating expenditure

| | Actual 2023 \$ | Actual 2022 \$ |
|--|----------------------|----------------------|
| Employee benefit expenses | | |
| Salaries and wages | 641,929 | 566,669 |
| Increase/(decrease) in employee entitlements/liabilities | 12,396 | 13,175 |
| Defined contribution plan employer contributions | 13,964 | 12,885 |
| Total employee benefit expenses | 668,289 | 592,729 |
| Depreciation by asset class: | | |
| Office Furniture & Equipment | 5,875 | 8,013 |
| Amortisation of intangible assets: | | |
| Website | 21,208 | 41,842 |
| Total depreciation and amortisation | 27,083 | 49,855 |
| Advertising | 903,053 | 1,362,750 |
| Audit fees for financial statements audit | 12,011 | 11,822 |
| Bad debts written off | - | 840 |
| Bank fees | 479 | 497 |
| Board meeting fees | 35,860 | 36,951 |
| Building Rental | 25,488 | 31,681 |
| Conferences & Industry Training | 108,006 | 36,261 |
| Insurance | 2,713 | 2,582 |
| Maintenance | 9,840 | 9,134 |
| Materials and supplies | 18,114 | 20,104 |
| Memberships and subscriptions | 125,002 | 103,292 |
| Other expenses | 49,191 | 41,562 |
| Printing & stationery | 1,307 | 2,138 |
| Professional services fees | 303,350 | 138,075 |
| Publicity | 381 | 625 |
| Taupo District Council administration fee | 50,000 | 50,000 |
| Travel & accommodation | 83,218 | 46,517 |
| Total Other expenses | 1,728,013 | 1,894,831 |

08. Net assets/equity

| | Actual 2023 \$ | Actual 2022 \$ |
|------------------------------|----------------------|----------------------|
| Trust Equity | | |
| Accumulated funds | 410,166 | 283,373 |
| Balance as at 30 June | 410,166 | 283,373 |
| Contributed equity | | |
| Equity | 100 | 100 |
| Balance as at 30 June | 100 | 100 |
| Total equity | 410,266 | 283,473 |
| Accumulated funds | | |
| Balance as at 1 July | 283,373 | 219,428 |
| Surplus for the year | 126,793 | 63,945 |
| Balance as at 30 June | 410,166 | 283,373 |

09. Cash and cash equivalents

| | Actual 2023 \$ | Actual 2022 \$ |
|---|----------------------|----------------------|
| Cash at bank | 404,920 | 695,344 |
| Term deposits with maturities of less than three months | 200,000 | 200,000 |
| Total cash and cash equivalents used in statement of cashflows | 604,920 | 895,344 |

The Trust has a BNZ Visa with a credit limit of \$40,000.




10. Trade and other receivables

| | Actual 2023 \$ | Actual 2022 \$ |
|---|-------------------------------|-------------------------------|
| Trade receivables | 4,402 | 2,891 |
| Net debtors | 4,402 | 2,891 |
| Receivables from related parties (note 15) | 480 | 278 |
| Other | 1,542 | 1,136 |
| GST refund | 27,011 | 30,696 |
| | 29,033 | 32,110 |
| Total current net trade and other receivables | 33,435 | 35,001 |
| Total debtors and other receivables from exchange transactions | 4,402 | 2,891 |
| Total current net trade and other receivables from non-exchange transactions | 29,033 | 32,110 |
| Total current net trade and other receivables | 33,435 | 35,001 |

Debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

The status of receivables as at 30 June 2023 are detailed below:

| | Actual 2023 \$ | Actual 2022 \$ |
|------------------------------|-------------------------------|-------------------------------|
| Current | 3,741 | 2,891 |
| Past due 1-30 days | 661 | - |
| Past due 31-60 days | - | - |
| Past due 61+ days | - | - |
| Total Net receivables | 4,402 | 2,891 |

The Trust holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.




11. Property, plant and equipment

| | Furniture & fittings | Office & Computer equipment | Total |
|--|----------------------|-----------------------------|-----------------|
| As at 30 June 2023 | | | |
| Cost | | | |
| Opening cost | 27,824 | 39,344 | 67,168 |
| Additions | - | 1,465 | 1,465 |
| Disposals | - | - | - |
| Impairment | - | - | - |
| Closing cost | 27,824 | 40,809 | 68,633 |
| Accumulated depreciation | | | |
| Opening accumulated depreciation | (22,121) | (30,221) | (52,342) |
| Depreciation expense | (1,493) | (4,382) | (5,875) |
| Disposals | - | - | - |
| Closing accumulated depreciation | (23,614) | (34,603) | (58,217) |
| Total carrying amount at 30 June 2023 | 4,210 | 6,206 | 10,416 |
| As at 30 June 2022 | | | |
| Cost | | | |
| Opening cost | 26,663 | 50,645 | 77,308 |
| Additions | 1,161 | 3,106 | 4,267 |
| Disposals | - | - | (14,407) |
| Impairment | - | - | - |
| Closing cost | 27,824 | 39,344 | 67,168 |
| Accumulated depreciation | | | |
| Opening accumulated depreciation | (18,897) | (39,839) | (58,736) |
| Depreciation expense | (3,224) | (4,789) | (8,013) |
| Disposals | - | 14,407 | 14,407 |
| Closing accumulated depreciation | (22,121) | (30,221) | (52,342) |
| Total carrying amount at 30 June 2022 | 5,703 | 9,123 | 14,826 |

12. Intangible assets

| | Website | Capital work in progress | Total |
|--|------------------|-----------------------------|------------------|
| As at 30 June 2023 | | | |
| Cost | | | |
| Opening cost | 169,583 | 1,457 | 171,040 |
| Additions | 4,617 | 3,160 | 7,777 |
| Disposals | - | (4,617) | (4,617) |
| Impairment | - | - | - |
| Closing cost | 174,200 | - | 174,200 |
| Accumulated amortisation | | | |
| Opening accumulated amortisation | (136,240) | - | (136,240) |
| Amortisation expense | (21,208) | - | (21,208) |
| Disposals | - | - | - |
| Closing accumulated amortisation | (157,448) | - | (157,448) |
| Total carrying amount at 30 June 2023 | 16,752 | - | 16,752 |
| As at 30 June 2022 | | | |
| Cost | | | |
| Opening cost | 144,308 | - | 144,308 |
| Additions | 25,275 | 1,457 | 26,732 |
| Disposals | - | - | - |
| Impairment | - | - | - |
| Closing cost | 169,583 | 1,457 | 171,040 |
| Accumulated amortisation | | | |
| Opening accumulated amortisation | (94,398) | - | (94,398) |
| Amortisation expense | (41,842) | - | (41,842) |
| Disposals | - | - | - |
| Closing accumulated amortisation | (136,240) | - | (136,240) |
| Total carrying amount at 30 June 2022 | 33,343 | 1,457 | 34,800 |

13. Trade and other payables

| | DLTT Actual 2023 \$ | Actual 2022 \$ |
|---|------------------------------|----------------------|
| Trade payables | 77,811 | 128,466 |
| Accrued expenses | 150,177 | 76,126 |
| Provision for ACC | 865 | 302 |
| Revenue in advance | - | 418,764 |
| Payables to controlled entities (note 15) | 8,160 | 51,315 |
| Total creditors and other payables | 237,013 | 674,973 |
| Total creditors and other payables from exchange transactions | 236,148 | 255,907 |
| Total creditors and other payables from non-exchange transactions | 865 | 419,066 |
| Total current creditors and other payables from exchange and non-exchange transactions | 237,013 | 674,973 |

Trade payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade payables approximates their fair value.

14. Employee benefit liabilities

| | DLTT Actual 2023 \$ | Actual 2022 \$ |
|------------------------------------|------------------------------|----------------------|
| Current portion | | |
| Accrued pay | 35,526 | 21,484 |
| Annual leave | 36,149 | 37,508 |
| Alternative leave | - | 287 |
| Total current portion | 71,675 | 59,279 |
| Total employee entitlements | 71,675 | 59,279 |




15. Related party transactions

The Destination Lake Taupo Trust (the Trust) is a Council Controlled Organisation of Taupo District Council and received a significant operating grant of \$2,063,896 (2022: \$1,779,636) from the Council to deliver its objectives as specified in the Trust Deed. All transactions with related parties have been conducted at arms-length.

Key management personnel

| | DLTT Actual 2023 \$ | Actual 2022 \$ |
|---|------------------------------|----------------------|
| Remuneration (Trustees and Senior Management Personnel) | 320,042 | 288,358 |
| Full Time Equivalent Personnel | 7 | 8 |
| Total key management personnel compensation | 320,042 | 288,358 |
| Total full-time equivalent personnel | 7 | 8 |

Due to the difficulty in determining the full-time equivalent for both the Trustees and the Senior Management Team, the fulltime equivalent figure is taken as the number of persons in these roles at balance date.

Key management personnel include the Trustees and the Senior Management Team.

16. Capital and operational commitments and operating leases

Operating sub-lease as sub-lessee:

The Destination Lake Taupo Trust sub-leases a building from the Taupo District Council in the normal course of the Trust's business. The building is situated at 32 Roberts Street Taupo. The sub-lease expired on 2nd February 2023 and the lease is currently on a month by month basis. The future aggregate minimum lease payments to be paid under the operating sub-lease is as follows:

| | DLTT Actual 2023 \$ | Actual 2022 \$ |
|---|------------------------------|----------------------|
| Payable no later than one year | - | 15,233 |
| Later than one, not later than two years | - | - |
| Total non-cancellable operating leases | 0 | 15,233 |

17. Contingencies

As at 30 June 2023 the Trust had no contingent liabilities or assets (2022: \$nil).

18. Financial instruments

Financial instrument categories

| | DLTT Loans and receivables 2023 \$ | Loans and receivables 2022 \$ |
|-------------------------------------|--|--|
| Assets | | |
| Cash and cash equivalent | 604,920 | 895,344 |
| Receivables | 4,402 | 2,891 |
| Total assets at 30 June | 609,322 | 898,235 |
| | Measured at amortised cost 2023 \$ | Measured at amortised cost 2022 \$ |
| Liabilities | | |
| Payables and accruals | 237,013 | 674,973 |
| Total liabilities at 30 June | 237,013 | 674,973 |

19. Events after balance date

There were no significant events after balance date.

20. Explanation of major variances against budget

| | DLTT Actual 2023 \$ | SOI 2023 \$ |
|---|------------------------------|--------------------|
| Total Revenue | 2,550,178 | 2,293,896 |
| Total Expenditure | (2,423,385) | (2,293,896) |
| Explanations for major variations from the Statement of Intent | | |
| Major variances in revenue against budget | | |
| TDC Funding | 2,063,896 | 2,063,896 |
| STAPP Grant - balance of grant unspent at June 2022 higher than expected | 418,764 | 200,000 |
| Revenue from services provided - unbudgeted website advertising | 44,555 | 30,000 |
| Finance Revenue - unbudgeted interest income | 22,963 | - |
| | 2,550,178 | 2,293,896 |
| Major variances in expense against budget | | |
| Employee benefit expenses - higher than budget utilising the additional STAPP funding | (668,289) | (585,907) |
| Marketing, advertising and other expenses - slightly over budget utilising the additional STAPP funding | (1,755,096) | (1,707,989) |
| | (2,423,385) | (2,293,896) |
| Actual - surplus before tax | 126,793 | 0 |



21. Impact of Covid-19

In July 2022, the borders re-opened to all international visitors. Numbers bounced back but were still down on 2019 figures. Staff levels have been reinstated to pre-covid levels to deliver trade marketing initiatives. Despite increased spending, the higher than budgeted balance of STAPP funding at June 2022 has resulted in a surplus in the current year.

22. Going Concern

The financial statements have been prepared on the basis that the Trust is a going concern. The Trust is dependent upon the continued financial support of Taupo District Council in order to continue as a going concern. Taupo District Council has provided a letter of comfort to the Trustees that outlines the Council will continue to provide support to the Trust to ensure it remains a going concern.

