



INTERIM REPORT

For the six months ending 31 December 2023

DIRECTORY:

Governing Body:

Destination Lake Taupō Trust Board

Kiri Atkinson - Crean (Co-Chair)

David Steele (Co-Chair)

Simon Jolly

Tom Loughlin

Hayden Porter

General Manager:

Jane Wilson

Bankers:

Bank of New Zealand Taupō – Transactional Banking

Auditors:

Silks Audit on behalf of

The Controller and Auditor General

Insurance Brokers:

Aon New Zealand Limited

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Level 1, 32 Roberts Street, Taupō

Phone: +64 7 376 0400

Email: info@lovetaupo.com

Website: lovetaupo.com

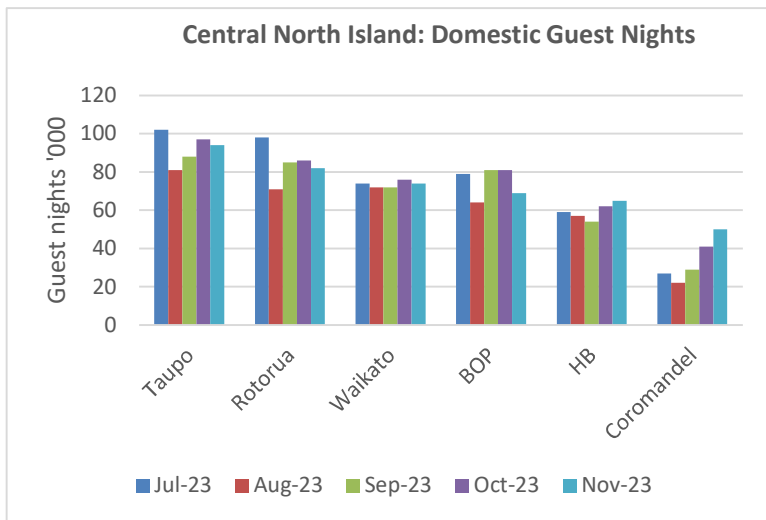
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EXECUTIVE SUMMARY

This Interim Report consolidates the 6 monthly financial statements for the Destination Great Lake Taupō Trust, an assessment against key performance indicators in the Destination Great Lake Taupō 2023-24 Statement of Intent, and a report on the Trust’s activities in accordance with Section 13.2(a) of the Trust Deed.

Tourism continues to deliver strong economic and social benefits to the Taupō region, delivering an exceptional ROI for ratepayer’s investment into the sector. Over the 12-month period to 31 October 2023, DGLT has received \$2.08M in grant funding from Taupō District Council. For every dollar spent in attracting visitation to the region, domestic and international visitors have contributed \$362¹ back into the local economy. Tourism remains the number one employment sector across the region (13.8% of all filled jobs) ahead of Forestry and Agriculture (11%)², and contributes a significant 7%³ share of the regions GDP, compared to 2.7% nationally.



Domestic visitors underpin the visitor economy, providing over 78 % of visitor spend YE October 2023⁴. The significant growth in domestic visitation during the pandemic, and the continued support from our key domestic markets, has ensured the region has a strong competitive edge when compared to our neighbouring Central North Island regions.

However, it is important to note that domestic visitation has dropped YE October 2023 – down from the highs of the pandemic period. This is expected to continue as cost-of-living pressures and the return of outbound travel impacts forward forecasts. To maintain our competitive advantage,

it is critical that DGLT has the resources to maintain our share of voice in an increasingly competitive marketplace.

International arrivals, especially from North America, Australia and UK/Europe have returned strongly with visitor spend from these source markets sitting at approx. 75% of 2019 pre-Covid figures. It is expected that by mid-2025 international visitor numbers will be back at 100% of pre-pandemic levels.

DGLT’s marketing strategy continues to focus on attracting visitation, dispersal and spend from our domestic markets, with some activity delivered in the high value international source markets of Australia, USA, and UK/Europe. Business Events visitors also contribute an important source of revenue midweek and off -peak. Our team has continued to work in partnership with a core group of Business Event operators who report strong forward demand into March 2024.

In the 12 months since the completion of Te Ihirangi, our Destination Management Plan (DMP), several action items are in progress. The DMP clearly articulates our vision and values as a community and outlines a pathway that ensures a regenerative approach to the future management, development, and protection of our region.

A review of the Love Taupō brand was a key action point in the DMP. Following extensive engagement and robust discussion with the community, Iwi, sector groups, Council, and tourism stakeholders the review is nearing completion. The Love Taupō brand is exceptionally strong and recent web data clearly demonstrates its value – in both visitor engagement and operator referrals. With a unanimous consensus to retain the Love Taupō brand at all community workshops, we are now developing a content plan to enhance, strengthen and celebrate the uniqueness

¹ MBIE – MRTES October 2023

² Infometrics 2023

³ Infometrics 2023

⁴ MBIE – MRTES October 2023

of each community across the rohe. This will include increasing web content for Mangakino and Tūrangi, the acquisition of web domains for lovemangakino, lovetūrangi and lovekinloch and a redesign of the Love Taupō logo. A young Ngāti Tūwharetoa designer has been appointed to work with the agency on the logo design. The cost for this review and logo redesign was funded by MBIE's Strategic Tourism Assets Funding grant.

REPORT ON TRUST ACTIVITIES

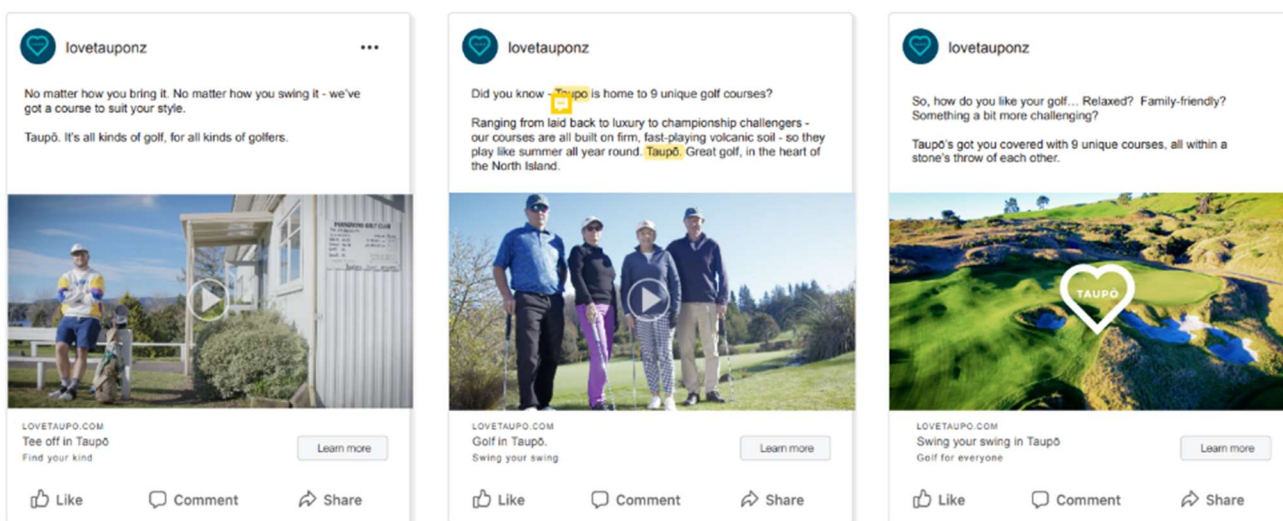
Destination Marketing:

Our marketing activity for the 2023- 2024 financial year continued to focus on 3 core objectives:

- to attract domestic visitors who disperse across the region
- to drive visitor referrals to our tourism operators
- to leverage the rebound in international travel from the key markets of Australia, USA, and UK/Europe

Attracting visitors who travel for their passion remains a key focus. Although resource heavy, due to a constant need for new content, this strategy has contributed to the very strong performance of lovetaupo.com, which now sits third in organic page views across all NZ destination websites (just behind Queenstown and Rotorua).

In July 23 we launched a repositioning golf campaign under the banner 'All types of golf for all types of golfers'. The campaign delivered exceptional response, especially for some of our lesser-known courses in Broadlands, Mangakino and Tūrangi. [Click here to watch the ad.](#)



We are currently working on a similar concept to reposition biking across the region. Close collaboration with Bike Taupō will ensure our positioning statement (the Supervolcanic Trail Network) sets us apart from competing bike regions while delivering a compelling proposition to bikers of all levels of capability.

With a rush of international visitors to Aotearoa for FIFA World Cup, we generated more SEO, search-friendly content geared towards the international visitor. We repurposed this content across social media channels to upsell experiences while in region and to optimize engagement for different audiences.

With our strategic shift to support and drive business to operators in response to Covid-19, we have seen strong collaboration from industry across our marketing and campaign initiatives. Many operators are now leveraging our marketing spend with great effect. Our marketing activity has generated over 137,000 operator referrals and over 27,000 'deal clicks' for the 6 months July – December 2023.



We have continued to work closely with Tourism New Zealand and various media outlets to generate some excellent earned media placement across TV, radio, print and digital. We received extensive coverage for the launch of the new Kaimanawa Alpine Adventures heli bike experience and assisted in hosting Rhys Darby and the Hoff for their NZ travel show which included an episode in the Central North Island.

Trade Marketing and Industry Engagement

With international arrivals growing quickly, Tourism NZ re-entered the trade space with roadshows in the USA, Germany, and the UK. Destination Great Lake Taupō worked alongside our Explore Central North Island partners (ECNI) to represent the region at these events, as well as extending the ROI of the trip through additional appointments across the USA and UK. We also hosted several Inbound Tour Operators in region, resulting in increased inclusion of our product in their international itineraries.



In July we hosted 24 Inbound agents across 2 famils. Feedback was exceptional and operators received immediate enquiries post famil.

Industry engagement and building industry capability remain key priorities for the DGLT team. Our monthly social gatherings (started as a morale booster during Covid) have continued to be a great way to bring the industry together to share ideas with other tourism colleagues.

Industry capability workshops have included a digital workshop in partnership with Amplify and a Health and Safety presentation to outline the upcoming changes in the Adventure tourism space. The H&S

workshop also provided the opportunity to share DGLT’s new H&S procedures when hosting famils in region.

Our annual industry survey indicates the DGLT team is meeting expectations with an overall satisfaction rate of 93% (up from 83% in 2022).

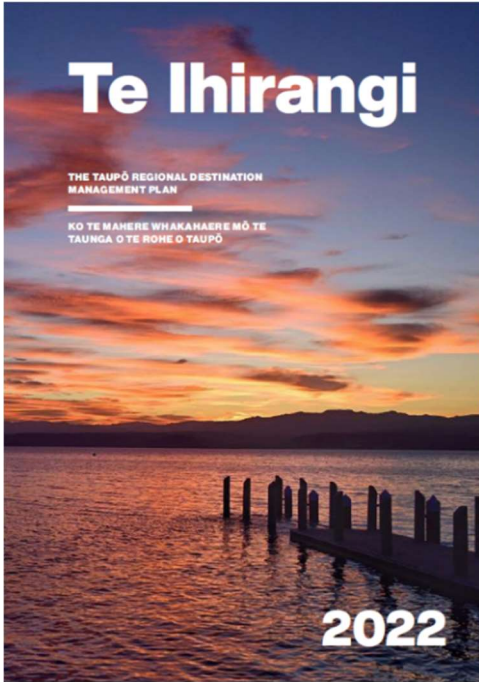
Business Events:

The Business Events (BE) portfolio continues to perform strongly for the region, with many of our BE venues booked to capacity over the last 6 months. We also hosted a group of 6 BE trade in November and new business has been secured because of this famil.

We continued to work closely with our Business Events Partnership Group and have completed production of a new BE video, updated our BE Planner and augmented our BE content on lovetaupo.com.

Other BE activity included attending the annual BEIA Conference, the BE Events Expo and hosting a highly successful BE famil for 5 agents in November.

Destination Management:



The [Destination Management Plan](#) (DMP) was completed following adoption by the members of the Leadership Advisory Group at the end of December 2022.

With no further funding available from MBIE, we have made limited progress within our BAU budgets. In the last 6 months we have implemented a full review of the Love Taupō brand, have assisted in the facilitation of an Iwi led wananga regarding attracting Ngāti Tuwharetoa into the sector, undertaken two capability building workshops for industry and have continued to work and support the Making Trax Foundation to ensure our region is a leader in becoming an inclusive destination for all visitors.

The independent review of the existing governance and management of the destination by TDC has been delayed as we await the outcomes of the Section 17 A review of DGLT and Amplify.

DGLT PERFORMANCE MEASURES:

Performance against the principal objectives shall be assessed using the following measures.

Objective 1 – Grow the value of the local tourism economy						
As measured	Data Source	Prior Year Actual YE Jun 2023	Target/Goal YE Jun 2024	Interim result: YE Oct 2023	Status	Comments
Growth in tourism expenditure	MRTE'S	Domestic: \$618M (2019: \$501M) International: \$155M (2019: \$210M)	Domestic: \$630M Grow spend 2% Grow international spend to \$147M (70% of pre-Covid level of \$210M (measured by MRTE's YE Jun 2019)	Domestic: \$592.7M -9% (+18% on 2019) International: \$158.8M + 191% (-26% on 2019)	Not on track On track	Note: Now that the International visitor Survey data has resumed, MBIE have reintroduced the Monthly Regional Tourism Estimates in November 2023. All TECT figures have been recalculated to MRTE's for comparison purposes. For more detail refer to MBIE website here . Domestic spend has fallen from the highs of Covid as more domestic visitors head offshore and/or reduce luxury spending due to the cost of living pressures.
Objective 2 – Sustainably manage and develop the destination to create a 'Destination of Excellence' where tourism enriches our community, culture, environment, and economy						
As measured	Performance Measures	Baseline	Target/Goal YE Jun 2024	Interim Result to 30 Dec '22	Status	Comments
Implement a Destination Management strategy ensuring the balance of economic growth with the social, cultural, and environmental	Quarterly meetings of Te Ihirangi Leadership Advisory Group Grow industry capability.	Commence implementation of Te Ihirangi Destination Management Plan Industry workshops Work with Amplify and Iwi to identify new product	Ongoing Carbon Reduction Te Ao Māori Digital	Commenced H&S workshop Digital workshop	4 actions in progress 2 completed	Governance review by TDC delayed due to Section 17 A Review. Brand review in progress Iwi Tourism Group progressed Inclusive Tourism progressed Building Capability progressed

well-being of the community.	Fill product gaps through new product development	development opportunities.	Ongoing	Lake Rotoaira Forest Trust – Kaimanawa Alpine Adventures	Ongoing	Community Survey to be conducted biannually in April 2024. Brand review to be completed May 2024. Community workshops held in Taupō, Tūrangi and Mangakino.
	Social license - connect with residents.	Biannual community sentiment survey, brand and tourism strategy workshops for Mangakino and Tūrangi.	Ongoing	Ongoing		

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 2023	Target/Goal YE Jun 2024	Interim Result to 30 Dec '23	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.	\$102,312	\$85,000	\$106,995	Achieved	
Stakeholder Satisfaction	Survey of active tourism operators	2019: 67% 2020: 76% 2021: 82% 2022: 83% 2023: 93%	80%	N/A	On track	Survey of industry conducted in June 2024

SUMMARY OF FINANCIAL STATEMENTS

OVERVIEW

Destination Great Lake Taupo is a Council Controlled Organisation of the Taupo District Council. Funding is primarily provided by a grant from the Taupō District Council.

During Covid, DGLT received significant additional funding from Central Government through grants from the Strategic Tourism Assets Protection Programme (STAPP) and the Regional Events post-covid recovery fund, however this funding has not continued into the current financial year.

The industry has continued to support the Business Events Partnership and advertising on lovetaupo.com, contributing revenue of \$32,095 (2022 - \$36,058) for the 6 months year to date.

STATEMENT OF FINANCIAL PERFORMANCE

Revenue for the six months to 31 December was \$1,097,839 (2022 - \$1,248,442) and comprised of TDC funding, the Business Events partnership activity with industry, website advertising, and interest income. Last years Revenues included \$172,604 of Central Government funding.

Operating expenditure for the six month period was \$898,816 (2022 - \$875,198) resulting in an Operating surplus of \$199,023 (2022 - \$373,244). This surplus is due to the timing of marketing spend and the organisation is forecasting to break-even at year end.

STATEMENT OF FINANCIAL POSITION

Trust equity sits at \$609,289 (2022 - \$656,719) which is mostly represented by net Working capital of \$583,413 (2022 - \$618,811).

COMMENTARY ON FINANCIALS:

TDC Grant income was set at \$2,116,148 for 2023-2024 financial year (2022-23 - \$2,063,896) and is received in quarterly installments.

DGLT remains in a very strong financial position with cash reserves of \$706,131 (2022 - \$901,992) at 31 December 2023.

Report to Taupō District Council for 01 July - 31 December 2023

Prepared by:



Jane Wilson

General Manager

Destination Great Lake Taupō

26 January 2024

**Destination Lake Taupō Trust
Financial Statements
For the Half year ended
31 December 2023**

Statement of Comprehensive Revenue and Expense

For the Half-year ended 31 December 2023



		Unaudited 6 Months to 31 Dec 2023	Unaudited 6 Months to 31 Dec 2022	Audited 12 Months to 30 Jun 2023
	Note	\$	\$	\$
Revenue				
Operating grants	5	1,058,074	1,204,549	2,482,660
Revenue from services provided	4	32,095	36,058	44,555
Finance revenue	6	7,670	7,835	22,963
Total revenue		1,097,839	1,248,442	2,550,178
Expenditure				
Personnel costs	7	381,616	340,088	668,289
Depreciation and amortisation expense	11,12	6,681	14,880	27,083
Finance costs	6	0	-	-
Other expenses	7	510,519	520,230	1,728,013
Total operating expenditure		898,816	875,198	2,423,385
Operating surplus/(deficit) before tax		199,023	373,244	126,793
Income tax (expense)/credit		-	-	-
Total comprehensive revenue and expenses attributable to:				
Destination Lake Taupō Trust		199,023	373,244	126,793

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

Statement of Changes in Equity

For the Half-year ended 31 December 2023

		Unaudited 6 Months to 31 Dec 2023	Unaudited 6 Months to 31 Dec 2022	Audited 12 Months to 30 Jun 2023
	Note	\$	\$	\$
Net Assets/Equity at start of the year	8	410,266	283,475	283,473
Total comprehensive revenue and expenses		199,023	373,244	126,793
Balance at 30 June	8	609,289	656,719	410,266

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

Statement of Financial Position

As at 31 December 2023



		Unaudited As at 31 Dec 2023 \$	Unaudited As at 31 Dec 2022 \$	Audited As at 30 Jun 2023 \$
ASSETS				
Current assets				
Cash and cash equivalents	9	706,131	901,992	604,920
Trade and other receivables	10	9,258	27,771	33,435
Prepayments		39,098	74,887	53,431
Total current assets		754,488	1,004,650	691,786
Non-current assets				
Property, plant and equipment	11	12,891	11,947	10,416
Intangible assets	12	12,985	25,961	16,752
Total non-current assets		25,876	37,908	27,168
Total assets		780,364	1,042,558	718,954
LIABILITIES				
Current liabilities				
Trade and other payables	13	110,437	313,859	237,013
Employee entitlements	14	60,638	71,980	71,675
Total current liabilities		171,075	385,839	308,688
Total liabilities		171,075	385,839	308,688
Net assets (assets minus liabilities)		609,289	656,719	410,266
EQUITY				
Contributed equity	8	100	100	100
Accumulated funds	8	609,189	656,619	410,166
Total equity		609,289	656,719	410,266

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

Statement of Cashflows

For the Half-year ended 31 December 2023



	Unaudited 6 Months to 31 Dec 2023 \$	Unaudited 6 Months to 31 Dec 2022 \$	Audited 12 Months to 30 Jun 2023 \$
Cash flows from operating activities			
Receipts from customers	29,261	18,332	42,436
Receipts from Taupō District Council operating grant	1,058,074	1,031,948	2,063,896
Finance revenue	7,670	7,835	22,963
Other revenue	2,225	-	-
Payments to suppliers	(632,639)	(745,878)	(1,762,886)
Payments to employees	(392,653)	(327,387)	(655,893)
Net GST refunded / (paid)	34,663	24,958	3,685
Net cash flow from operating activities	106,600	9,808	(285,799)
Cash flows from investing activities			
Purchase and development of property, plant and equipment	(5,389)	-	(1,465)
Purchase and development of intangibles	0	(3,160)	(3,160)
Net cash flow from investing activities	(5,389)	(3,160)	(4,625)
Net increase (decrease) in cash held	101,211	6,648	(290,424)
Add cash at start of period	604,920	895,344	895,344
Cash, cash equivalents, and bank overdrafts at the end of the period	706,131	901,992	604,920

Note

9

Reconciliation of Statement of Cashflows operating activities

	Unaudited 6 Months to 31 Dec 2023 \$	Unaudited 6 Months to 31 Dec 2022 \$	Audited 12 Months to 30 Jun 2023 \$
Surplus/(deficit) after tax	199,023	373,245	126,793
Add/(less) non cash items:			
Depreciation and amortisation	6,681	14,880	27,083
Add/(less) movements in working capital items			
(increase)/decrease in accounts receivable	24,177	7,231	1,566
(increase)/decrease in prepayments	14,333	(37,133)	(15,677)
Increase/(decrease) in accounts payable	(126,576)	(361,115)	(437,960)
Increase/(decrease) in employee entitlements	(11,037)	12,700	12,396
Net cash inflow/(outflow) from operating activities	106,600	9,808	(285,799)

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

1.1 Reporting entity

The Destination Lake Taupō Trust ('the Trust') is a Council Controlled Organisation of Taupō 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 Taupō Trust deed. The relevant legislation governing the Trust's operations includes the LGA. The financial statements of the Destination Lake Taupō 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 Taupō 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 period ended 31 December 2023. The financial statements were approved by the Board of Trustees on 7 February 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 Taupō 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 Taupō 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 (SOI) is approved by the Board in the Statement of Intent and in complying with sections 64, 66, and 67 of the Local Government Act 2002.

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

	Unaudited 6 Months to 31 Dec 2023 \$	Unaudited 6 Months to 31 Dec 2022 \$	Audited 12 Months to 30 Jun 2023 \$
Revenue from significant activities			
Other revenue	-	-	5,922
Marketing fees	32,095	36,058	38,633
Total revenue from services provided	32,095	36,058	44,555

05. Revenue from grants

	Unaudited 6 Months to 31 Dec 2023 \$	Unaudited 6 Months to 31 Dec 2022 \$	Audited 12 Months to 30 Jun 2023 \$
Grants			
Other government grants*	-	172,604	418,764
Operating grant from Taupo District Council	1,058,074	1,031,948	2,063,896
Total revenue from government grants	1,058,074	1,204,552	2,482,660

* Other government grants includes the 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

	Unaudited 6 Months to 31 Dec 2023 \$	Unaudited 6 Months to 31 Dec 2022 \$	Audited 12 Months to 30 Jun 2023 \$
Finance revenue			
Interest revenue	7,670	7,835	22,963
Less finance costs			
Interest expense	-	-	-
Net finance costs	7,670	5760	22963

07. Operating expenditure

	Unaudited 6 Months to 31 Dec 2023 \$	Unaudited 6 Months to 31 Dec 2022 \$	Audited 12 Months to 30 Jun 2023 \$
Employee benefit expenses			
Salaries and wages	384,120	320,520	654,325
Increase/(decrease) in employee entitlements/liabilities	(11,037)	12,700	0
Defined contribution plan employer contributions	8,532	6,868	13,964
Total employee benefit expenses	381,616	340,088	668,289
Depreciation by asset class:			
Office Furniture & Equipment	2,913	2,880	5,875
Amortisation of intangible assets:			
Website	3,767	12,000	21,208
Total depreciation and amortisation	6,681	14,880	27,083
Advertising	236,167	164,542	903,053
Audit fees for financial statements audit	7,194	9,803	12,011
Bad debts written off	-	-	-
Bank fees	120	270	479
Board meeting fees	12,455	21,128	35,860
Building Rental	9,340	9,330	25,488
Conferences & Industry Training	18,152	67,684	108,006
Insurance	1,407	1,340	2,713
Maintenance	4,065	4,686	9,840
Materials and supplies	3,260	2,564	18,114
Memberships and subscriptions	67,578	68,254	125,002
Other expenses	45,458	28,357	49,191
Printing & stationery	289	721	1,307
Professional services fees	30,664	88,244	303,350
Publicity	874	343	381
Taupo District Council administration fee	25,000	25,000	50,000
Travel & accommodation	48,494	27,964	83,218
Total Other expenses	510,519	520,230	1,728,013

08. Net assets/equity

	Unaudited 6 Months to 31 Dec 2023 \$	Unaudited 6 Months to 31 Dec 2022 \$	Audited 12 Months to 30 Jun 2023 \$
Trust Equity			
Accumulated funds	609,189	656,619	410,166
Balance at end of period	609,189	656,619	410,166
Contributed equity			
Equity	100	100	100
Balance at end of period	100	100	100
Total equity	609,289	656,719	410,266
Accumulated funds			
Balance as at 1 July	410,166	283,375	283,373
Surplus for the period	199,023	373,244	126,793
Balance at end of period	609,189	656,619	410,166

09. Cash and cash equivalents

	Unaudited 6 Months to 31 Dec 2023 \$	Unaudited 6 Months to 31 Dec 2022 \$	Audited 12 Months to 30 Jun 2023 \$
Cash at bank	306,131	401,992	404,920
Term deposits with maturities of less than three months	400,000	500,000	200,000
Total cash and cash equivalents used in statement of cashflows	706,131	901,992	604,920

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

10. Trade and other receivables

	Unaudited 6 Months to 31 Dec 2023 \$	Unaudited 6 Months to 31 Dec 2022 \$	Audited 12 Months to 30 Jun 2023 \$
Trade receivables	8,975	15,784	4,402
Net debtors	8,975	15,784	4,402
Receivables from related parties (note 15)	148	1,452	480
Other	136	4,797	1,542
GST refund	-	5,738	27,011
	284	11,987	29,033
Total current net trade and other receivables	9,258	27,771	33,435
Total debtors and other receivables from exchange transactions	8,975	15,784	4,402
Total current net trade and other receivables from non-exchange transactions	284	11,987	29,033
Total current net trade and other receivables	9,258	27,771	33,435

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 31 December 2023 are detailed below:

	Unaudited 6 Months to 31 Dec 2023 \$	Unaudited 6 Months to 31 Dec 2022 \$	Audited 12 Months to 30 Jun 2023 \$
Current	3,858	14,404	3,741
Past due 1-30 days	4,600	-	661
Past due 31-60 days	517	1,380	-
Past due 61+ days	-	-	-
Total Net receivables	8,975	15,784	4,402

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 31 December 2023			
Cost			
Opening cost	27,824	40,808	68,632
Additions	1,188	4,201	5,389
Closing cost	29,012	45,009	74,021
Accumulated depreciation			
Opening accumulated depreciation	(23,614)	(34,603)	(58,217)
Depreciation expense	(525)	(2,388)	(2,913)
Closing accumulated depreciation	(24,139)	(36,991)	(61,130)
Total carrying amount at 31 December 2023	4,873	8,018	12,891
As at 31 December 2022			
Cost			
Opening cost	27,824	39,344	67,168
Closing cost	27,824	39,344	67,168
Accumulated depreciation			
Opening accumulated depreciation	(22,121)	(30,221)	(52,342)
Depreciation expense	(746)	(2,133)	(2,879)
Closing accumulated depreciation	(22,867)	(32,354)	(55,221)
Total carrying amount at 31 December 2022	4,957	6,990	11,947
As at 30 June 2023			
Cost			
Opening cost	27,824	39,344	67,168
Additions	-	1,465	1,465
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)
Closing accumulated depreciation	(23,614)	(34,603)	(58,217)
Total carrying amount at 30 June 2023	4,210	6,206	10,416

12. Intangible assets

As at 31 December 2023	Website	in progress	Total
Cost			
Opening cost	174,201	-	174,201
Closing cost	174,201	-	174,201
Accumulated amortisation			
Opening accumulated amortisation	(157,449)	-	(157,449)
Amortisation expense	(3,767)	-	(3,767)
Closing accumulated amortisation	(161,216)	-	(161,216)
Total carrying amount at 31 December 2023	12,985	-	12,985
As at 31 December 2022			
Cost			
Opening cost	169,583	1,457	171,040
Additions	4,617	3,160	7,777
Disposals		(4,617)	(4,617)
Closing cost	174,201	-	174,201
Accumulated amortisation			
Opening accumulated amortisation	(136,240)	-	(136,240)
Amortisation expense	(12,000)	-	(12,000)
Closing accumulated amortisation	(148,240)	-	(148,240)
Total carrying amount at 31 December 2022	25,961	-	25,961
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)
Closing cost	174,200	-	174,200
Accumulated amortisation			
Opening accumulated amortisation	(136,240)	-	(136,240)
Amortisation expense	(21,208)	-	(21,208)
Closing accumulated amortisation	(157,448)	-	(157,448)
Total carrying amount at 30 June 2023	16,752	-	16,752

13. Trade and other payables

	Unaudited 6 Months to 31 Dec 2023 \$	Unaudited 6 Months to 31 Dec 2022 \$	Audited 12 Months to 30 Jun 2023 \$
Trade payables	39,258	7,263	77,811
Accrued expenses	60,921	60,150	150,177
Provision for ACC	380	283	865
Revenue in advance	2,225	246,163	0
GST payable	7,652	0	0
Payables to controlled entities (note 15)	0	0	8,160
Total creditors and other payables	110,437	313,859	237,013
Total creditors and other payables from exchange transactions	100,179	56,744	236,148
Total creditors and other payables from non-exchange transactions	10,257	257,115	865
Total current creditors and other payables from exchange and non-exchange transactions	110,437	313,859	237,013

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

	Unaudited 6 Months to 31 Dec 2023 \$	Unaudited 6 Months to 31 Dec 2022 \$	Audited 12 Months to 30 Jun 2023 \$
Current portion			
Accrued pay	19,492	24,325	35,526
Annual leave	41,146	47,655	36,149
Alternative leave	-	-	-
Total current portion	60,638	71,980	71,675
Total employee entitlements	60,638	71,980	71,675

15. Related party transactions

The Destination Lake Taupō Trust (the Trust) is a Council Controlled Organisation of Taupō District Council and received a significant operating grant of \$1,058,074 (31 Dec 2022: \$1,031,948) 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

	Unaudited 6 Months to 31 Dec 2023 \$	Unaudited 6 Months to 31 Dec 2022 \$	Audited 12 Months to 30 Jun 2023 \$
Remuneration (Trustees and Senior Management Personnel)	176,648	21,128	320,042
Total key management personnel compensation	176,648	21,128	320,042
Total full-time equivalent personnel	7	7	7

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 Taupō Trust sub-leases a building from the Taupō District Council in the normal course of the Trust's business. The building is situated at 32 Roberts Street Taupō. 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:

	Unaudited 6 Months to 31 Dec 2023 \$	Unaudited 6 Months to 31 Dec 2022 \$	Audited 12 Months to 30 Jun 2023 \$
Payable no later than one year	-	3,808	-
Later than one, not later than two years	-	-	-
Total non-cancellable operating leases	0	3,808	0

17. Events after balance date

There were no significant events after balance date.