

# DIRECTORY

## **Governing Body**

### **Destination Lake Taupō Trust Board**

Ray Salter (Chairman)

Kathy Guy

Andrea Blair

Dennis Christian

## **General Manager**

Vanessa Freeman

## **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

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## STATEMENT OF PERFORMANCE: ANNUAL PERFORMANCE TARGETS AND RESULTS ACHIEVED TO DATE

*For the period ended 31 December 2013*

Objectives	Measures of Success	Results
<p>Building a thriving tourism Economy</p>	<ul style="list-style-type: none"> <li>• 950,000 commercial guest nights as measured by CAM – estimated to be 950,000 YE June 2014</li> <li>• Average Length of Stay as measured by CAM 1.71 – (YE 2014)</li> <li>• 30,000 visits on average per month as measured by Google Analytics</li> <li>• 80% willingness to recommend Taupo region in Annual Visitor Survey</li> <li>• Establish market size for 1 special interest group by YE June 2014</li> </ul>	<ul style="list-style-type: none"> <li>• Annual result to be reported YE June 2014</li> <li>• Tracking to achieve</li> <li>• July – Dec 2013 = <b>43,440</b> visits per month (Final result to be reported at YE June 2014)</li> <li>• Annual Visitor Survey still to be scheduled</li> <li>• Bike on target to report at YE 2014</li> </ul>

<p>Commitment to effective stakeholder engagement and participation</p>	<ul style="list-style-type: none"> <li>• \$150,000 contributed from key visitor industry participants for DGLT JV's (to include both cash and in-kind commentary)</li> <li>• 85% Industry Stakeholders are satisfied with DGLT performance as measured by Annual Visitor Industry Survey</li> <li>• 50 separate stakeholder interactions per month across different mediums</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing promotions partnership income at \$79,550 as at period ending 31 December</li> <li>• Stakeholder survey scheduled for May 2014</li> <li>• Target achieved to date</li> </ul>
<p>Fiscal responsibility in the way we do business</p>	<ul style="list-style-type: none"> <li>• Increase net revenue <ul style="list-style-type: none"> <li>- 2.5% annual growth in net revenue (for commissions, advertising, and retail profit margin )</li> <li>- Completed policies and procedures document - 'The Way we work'</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Result to be reported at financial YE June 2014</li> <li>• Draft completed. Document being reviewed and updated</li> </ul>

## STATEMENT OF COMPREHENSIVE INCOME

*For the period ended 31 December 2013*

	Note	31/12/13 \$	30/06/13 \$
<b>Income</b>			
Revenue from services provided	1	323,314	646,770
Grant received from Taupō District Council	1	875,000	1,750,000
Vested Assets	1	15,982	-
Interest income	1	10,072	16,464
<b>Total Income</b>		<b>1,224,368</b>	<b>2,413,234</b>
<b>Expenditure</b>			
Employee benefit expenses	2	406,582	815,102
Depreciation and amortisation	2	7,107	6,037
Finance costs	2	1,393	2,196
Management and administration expenses	2	125,764	333,689
Other operating expenditure	2	612,968	1,009,455
<b>Total Expenditure</b>		<b>1,153,814</b>	<b>2,166,479</b>
<b>Operating Surplus (Deficit) before taxation</b>		<b>70,554</b>	<b>246,755</b>
Taxation (expense)/credit	3	(23,283)	(75,942)
<b>Net Surplus (Deficit) after taxation</b>		<b>47,271</b>	<b>170,813</b>
<b>Total Comprehensive Income</b>		<b>47,271</b>	<b>170,813</b>

## STATEMENT OF CHANGES IN EQUITY

*For the period ended 31 December 2013*

	Note	31/12/2013 \$	30/06/13 \$
Equity at start of the period		148,485	(22,328)
Net surplus (deficit) for the year	4	47,271	170,813
<b>Equity as at 31 December 2013</b>		<b>195,756</b>	<b>148,485</b>

The accompanying accounting policies and notes form part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

as at 31 December 2013

	Note	31/12/13	30/06/13
		\$	\$
<b>Trust Equity</b>			
Equity	4	100	100
Retained earnings	4	195,656	148,385
<b>Total Trust Equity</b>		195,756	148,485
<b>Assets</b>			
<b>Current Assets</b>			
Cash & cash equivalents	5	817,255	422,790
Trade & other receivables	6	65,040	67,900
Inventory	7	56,052	50,173
<b>Total Current Assets</b>		938,347	540,863
<b>Non-Current Assets</b>			
Property, plant and equipment	8	78,924	36,133
<b>Total Non-Current Assets</b>		78,924	36,133
<b>Total Assets</b>		1,017,271	576,996
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & other payables	9	623,738	231,217
Employee entitlements	10	76,820	92,650
Borrowings	11	15,295	14,392
Tax payable		99,225	75,942
<b>Total Current Liabilities</b>		815,078	414,201
<b>Non-Current Liabilities</b>			
Employee entitlements	10	2,331	2,331
Borrowings	11	4,106	11,979
<b>Total Non-Current Liabilities</b>		6,437	14,310
<b>Total Liabilities</b>		821,515	428,511
<b>Total Net Assets</b>		195,756	148,485

The financial statements of The Destination Lake Taupō Trust are for the period ended 31 December 2013. The financial statements were authorised for issue by the Trust Board on 10 February 2014.

Ray Salter  
CHAIRPERSON

Andrea Blair  
DEPUTY CHAIRPERSON

The accompanying accounting policies and notes form part of these financial statements.

# STATEMENT OF CASHFLOWS

*For the period ended 31 December 2013*

<b>Cash flows from operating activities</b>	<b>31/12/13</b>	<b>30/06/13</b>
	\$	
Cash was provided from:		
Receipts from customers	325,506	622,125
Receipts from Taupō District Council operating grant	875,000	1,750,000
Interest Received	10,072	16,464
<b>Cash inflows from operating activities</b>	<b>1,210,578</b>	<b>2,388,589</b>
Cash was applied to:		
Payments to suppliers and employees	670,861	2,073,999
Interest	1,393	2,196
Net GST paid	102,974	191,871
<b>Cash outflows from operating activities</b>	<b>775,228</b>	<b>2,268,066</b>
<b>Net Cash inflow (outflow) from Operating Activities</b>	<b>13</b>	<b>435,350</b>
<b>Cashflows from Investing Activities</b>		
Cash was disbursed to:		
Purchase of Fixed Assets	33,915	19,476
Decrease in Finance Lease	6,969	-
	40,884	19,476
<b>Net Cash inflow (outflow) from Investing Activities</b>	<b>40,884</b>	<b>19,476</b>
Net Increase (decrease) in cash held	394,465	101,047
Add Cash at start of year	422,790	321,743
<b>Cash at end of period</b>	<b>817,255</b>	<b>422,790</b>
Consisting of:		
Cash and bank	25,530	18,135
Call deposits	791,725	404,655
<b>Cash at end of period</b>	<b>817,255</b>	<b>422,790</b>

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.

The accompanying accounting policies and notes form part of these financial statements.

# STATEMENT OF ACCOUNTING POLICIES

*For the period ended 31 December 2013*

## 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.

These Financial Statements have been prepared for the Trust in accordance with the Local Government Act 2002. The financial statements are for the six months ended 31 December 2013, and were approved by the Board of Trustees on 10 February 2014.

## STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and therefore also comply with International Financial Reporting Standards. The primary objective of the Trust is to promote the Taupō District as a leading tourist and visitor destination by marketing the Taupō District and tourist and visitor attractions within the Taupō District. Secondly to support, promote, and assist in activities and projects which will increase the opportunities for employment in the tourism and visitor industries in the Taupō District. Accordingly, the Trust has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The accounting policies set out below have been applied consistently to the period presented in these financial statements.

The financial statements are prepared using the 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.

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.

The Trust is a qualifying entity for differential reporting purposes as it has no public accountability and is not considered large. The financial statements have been prepared so as to take advantage of all available differential reporting concessions, except that a Cash Flow Statement has been prepared. The reporting concession in relation to IAS 12 has also not been applied.

## ACCOUNTING POLICIES

The following accounting policies, which materially affect the measurement of results and financial position, have been applied.

### 1 Income Taxation

The Trust uses the tax payable method to account for income tax.

Under this method income tax expense is recognised in the Statement of Comprehensive Income is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior periods.



## **2 Goods & services tax**

The financial statements have been prepared on a goods and services tax (GST) exclusive basis, except for trade and other receivables and trade and other payables.

## **3 Employee entitlements**

Provision is made in respect of the Trust's liability for annual leave. Annual leave has been calculated on an actual entitlement at current rates of pay.

## **4 Financial liabilities**

Financial liabilities (trade payables, income in advance, loans, bonds and deposits) are initially recognised at fair value. These are subsequently recognised at amortised cost.

## **5 Leases**

Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the Statement of Financial Position at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently, assets leased under a finance lease are depreciated as if the assets are owned.

### *Operating lease payments*

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

### *Finance lease payments*

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term, so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### *Financing costs*

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, foreign exchange losses, and losses on hedging instruments that are recognised in the Statement of Comprehensive Income. The interest expense component of finance lease payments is recognised in the Statement of Comprehensive Income using the effective interest rate method.

## **6 Cash and cash equivalents**

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

## **7 Trade receivables**

Trade receivables are recognised at their cost less impairment losses.

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 the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

## **8 Inventory**

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in, first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

## **9 Financial Assets**

The Trust classifies its investments in the following categories:

### *(a) Financial assets or financial liabilities at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the statement of comprehensive income.

### *(b) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments, which are not quoted in an active market. 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 income.

### *(c) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities, that management has the positive intention and ability to hold to maturity. 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 income.

### *(d) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category, or not classified in any of the other categories.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition, and re-evaluates this designation at every reporting date. After initial recognition these investments are measured at their fair value. Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the statement of comprehensive income. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in the statement of comprehensive income even though the asset has not been derecognised. On derecognition the cumulative gain or loss previously recognised in equity is recognised in the statement of comprehensive income.

## **10 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.

**11 Revenue**

Revenue is measured at the fair value of consideration received.

The main sources of income for the Trust are joint venture income from the industry to support marketing initiatives, funding from Taupō District Council and income derived through the i-sites. Income is recognised in the period in which it becomes receivable. Payment is received by cash, cheque, automatic payment or direct debit.

**12 Advertising costs**

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

# NOTES TO FINANCIAL STATEMENTS

For the period ended 31 December 2013

1	Operating Revenue	31/12/13	30/06/13
		\$	\$
	<b>Revenue from Services Provided</b>		
	Marketing promotions	79,550	145,376
	I-site operations (see analysis below)	241,693	469,845
	Operating grant from Taupō District Council	875,000	1,750,000
	Other income	2,071	31,549
		<b>1,198,314</b>	<b>2,396,770</b>
	<b>Financial Revenue</b>		
	Vested Assets - Other	15,982	-
	Interest income	10,072	16,464
	<b>Total Operating Revenue</b>	<b>1,224,368</b>	<b>2,413,234</b>
	<b>Analysis of I-site Revenue</b>		
	Retail sales	126,906	251,166
	<i>less Cost of Goods sold</i>	<i>(77,285)</i>	<i>(154,895)</i>
	Gross Margin on retail sales	49,621	96,271
	Commissions	113,516	282,940
	Operator advertising income	61,261	86,222
	Other	17,295	4,412
	<b>Total I-site operations revenue</b>	<b>241,693</b>	<b>469,845</b>
2	<b>Expenditure (by nature)</b>	31/12/13	30/06/13
		\$	\$
	<b>Employee Benefit Expenses</b>		
	Salaries and wages	401,798	813,491
	Changes in employee entitlements	(1,548)	(14,369)
	Superannuation	6,332	15,980
	<b>Employee Benefit Expenses</b>	<b>406,582</b>	<b>815,102</b>
	<b>Finance Costs</b>		
	Finance charge on leased assets	1,393	2,196
	<b>Total Finance Costs</b>	<b>1,393</b>	<b>2,196</b>
	<b>Depreciation &amp; Amortisation</b>		
	Depreciation	7,107	6,037
	<b>Total Depreciation &amp; Amortisation</b>	<b>7,107</b>	<b>6,037</b>
	<b>Management and Administration Expenses</b>		
	Audit fees - Audit NZ	8,310	16,620
	Audit fees - Audit NZ (prior year audit disbursements)	313	2,793
	Trustee fees and expenses	19,750	42,187
	Bad and doubtful debts	-	3,972
	Taupō District Council indirect costs	89,500	243,750
	Administration	7,891	24,367
	<b>Total Management &amp; Administration Expenses</b>	<b>125,764</b>	<b>333,689</b>

<b>Other Operating Expenditure</b>		
Advertising	153,911	207,326
Consultants and professional fees	173,176	202,094
Travel and accommodation	25,810	45,798
Printing and stationery	21,133	22,975
Hire	-	6,834
Bank fees	15,141	33,936
Fringe benefit tax	2,113	2,912
Rental expense on operating leases	5,246	3,324
Rental	71,127	156,282
Publicity	55,764	80,409
Staff related expenses	1,563	9,472
Maintenance	7,673	5,651
Conference fees	4,355	20,272
Materials and supplies	3,578	47,590
Vehicle expenses	(4,000)	323
Grants	-	15,000
Rates and insurance	4,093	8,589
All other expenses	72,285	140,668
<b>Total Operating Expenditure</b>	<b>612,968</b>	<b>1,009,455</b>
<b>Total Expenditure</b>	<b>1,153,814</b>	<b>2,166,479</b>

<b>3</b>	<b>Income Tax Expense</b>	<b>31/12/13</b>	<b>30/06/13</b>
		<b>\$</b>	<b>\$</b>
	Profit before tax	70,554	246,755
	<b>Tax at 33%</b>	<b>23,283</b>	<b>81,429</b>
	Plus (less) tax effect of:		
	Non-deductible expenditure	-	577,500
	Non-taxable income	-	(577,500)
	Unrecognised temporary differences	-	(5,487)
	<b>Tax expense (credit)</b>	<b>23,283</b>	<b>75,942</b>
	Comprising:		
	Current tax	23,283	75,942
	Deferred tax	-	-
	<b>Taxation Expense</b>	<b>23,283</b>	<b>75,942</b>
<b>4</b>	<b>Trust Equity</b>	<b>31/12/13</b>	<b>30/06/13</b>
		<b>\$</b>	<b>\$</b>
	<b>Retained surpluses</b>		
	Opening balance	148,485	(22,328)
	Net surplus (Deficit)	47,271	170,813
	<b>Closing Balance</b>	<b>195,756</b>	<b>148,485</b>
<b>5</b>	<b>Cash &amp; Cash Equivalents</b>	<b>31/12/13</b>	<b>30/06/13</b>
		<b>\$</b>	<b>\$</b>
	Cash at bank and in hand	25,530	18,135
	Call deposits	791,725	404,655
	<b>Cash equivalents for the purpose of the statement of cashflows</b>	<b>817,255</b>	<b>422,790</b>

The carrying value of cash and short-term deposits with maturity dates of three months or less approximates their fair value.

<b>6 Trade &amp; Other Receivables</b>	<b>31/12/13</b>	<b>30/06/13</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	50,317	26,812
Related parties receivables	4,609	16,620
Prepaid insurance	-	272
Sundry accruals and prepayments	1,331	1,081
GST refund	8,783	23,115
<b>Total Net Trade and Other Receivables</b>	<b>65,040</b>	<b>67,900</b>

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 2013 are as follows:

	<b>31/12/13</b>	<b>30/06/13</b>
	<b>\$</b>	<b>\$</b>
Not past due	17,499	35,112
Past due 1-30 days	9,023	2,969
Past due 31-60 days	21,960	4,774
Past due >60 days	5,059	1,455
<b>Total</b>	<b>53,541</b>	<b>44,310</b>

Destination Lake Taupō Trust holds no collateral as security or other credit enhancements over receivables that are either past due or impaired

<b>7 Inventory</b>	<b>31/12/13</b>	<b>30/06/13</b>
<b>Commercial inventories</b>		
- held for use in the provision of services	56,052	50,173
<b>Total Inventory</b>	<b>56,052</b>	<b>50,173</b>

## 8 Property, Plant and Equipment

December 2013	Cost/	Accum	Carrying	Cost/	Accum	Carrying
	Valuation	Depn	Amount	Valuation	Depn	Amount
	31/12/13	31/12/13	31/12/13	30/06/13	30/06/13	30/06/13
	\$	\$	\$	\$	\$	\$
Motor vehicles	29,568	8,344	21,224	29,568	4,618	24,950
Furniture & fittings	18,092	2,064	16,028	3,335	315	3,020
Office equipment	9,389	1,631	7,758	9,407	1,244	8,163
WIP (Motor vehicle purchased in Dec but pickup in Jan)	33,913	-	33,913	-	-	-
<b>Total</b>	<b>90,962</b>	<b>12,039</b>	<b>78,924</b>	<b>42,310</b>	<b>6,177</b>	<b>36,133</b>

### Movements for the six months ending 31/12/13

	Carrying	Additions	Revaluations	Disposal	Depn	Carrying
	Amount				Expense	Amount
	01/07/13					31/12/13
	\$	\$	\$	\$	\$	\$
Motor Vehicles	24,950	-	-	-	3,726	21,224
Furniture & Fittings	3,020	14,757	-	-	1,749	16,028
Office Equipment	8,163	1,225	-	-	1,631	7,758
WIP (Motor vehicle purchased in Dec but pickup in Jan)	-	33,913	-	-	-	33,914
<b>Total</b>	<b>36,133</b>	<b>49,895</b>	<b>-</b>	<b>-</b>	<b>7,106</b>	<b>78,924</b>

### Movements for the year ending 30/06/13

2013	Carrying	Additions	Revaluations	Disposal	Depn	Carrying
	Amount				Expense	Amount
	1/7/12					30/06/13
	\$	\$	\$	\$	\$	\$
Motor vehicles	-	29,568	-	-	4,618	24,950
Furniture & fittings	-	3,335	-	-	315	3,020
Office equipment	685	8,582	-	-	1,104	8,163
<b>Total</b>	<b>685</b>	<b>41,485</b>	<b>-</b>	<b>-</b>	<b>6,037</b>	<b>36,133</b>



<b>9 Trade &amp; Other Payables</b>	<b>31/12/13</b>	<b>30/06/13</b>
	\$	\$
Trade payables	343,439	78,172
Amounts owing to related parties	68,654	5,145
Income in advance	-	668
Provision for ACC	1,777	3,336
Provision for audit fee	8,310	16,620
Other payables	201,558	127,276
<b>Total Trade &amp; Other Payables</b>	<b>623,738</b>	<b>231,217</b>

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

<b>10 Employee Benefit Liabilities</b>	<b>31/12/13</b>	<b>30/06/13</b>
	\$	\$
Accrued pay	14,763	29,045
Annual leave	62,057	63,605
Long service leave	2,331	2,331
<b>Total Employee Benefit Liabilities</b>	<b>79,151</b>	<b>94,981</b>
Made up of:		
Current	76,820	92,650
Non-current	2,331	2,331
<b>Total Employee Benefit Liabilities</b>	<b>79,151</b>	<b>94,981</b>
Opening Balance	94,981	140,758
Additional provisions made during period	35,646	90,036
Amounts used during year	(51,476)	(135,813)
<b>Balance at end of period</b>	<b>79,151</b>	<b>94,981</b>

## 11 Borrowings

31/12/13 30/06/13

### Analysis of Finance Lease Liabilities

Payable no later than one year	16,726	16,726
Later than one, not later than two years	4,181	12,544
Later than two, not later than five years	-	-
	<b>20,907</b>	<b>29,270</b>
Future finance charges	(1,506)	(2,899)
Recognised as a liability	19,401	26,371
<b>Representing Lease Liabilities</b>		
Current	15,295	14,392
Non current	4,106	11,979
	<b>19,401</b>	<b>26,371</b>

## 12 Related Party Disclosure

The Destination Lake Taupō Trust (the Trust) is a Council Controlled Organisation of Taupō District Council and received a significant amount of operating grants from the Council to deliver its objectives as specified in the Trust Deed.

### *Taupō District Council*

The Trust received \$875,000 in operating grants from Taupō District Council year to date. (June 2013 \$1,750,000) It has also received \$5,729 (June 2013 \$12,208) in payment for reimbursement of Hub costs.

Fees of \$89,500 have been charged by Taupō District Council for administration and management (June 2013 \$243,750). Building rentals of \$67,041 have been paid to Taupō District Council (June 2013 \$195,347). Taupō District Council has on charged the Trust \$30,504 relating to charges Council have paid on behalf of the Trust (June 2013 \$98,041).

The Trust has amounts payable to Taupō District Council of \$62,772 (June 2013 \$4,156) and amounts receivable of \$1,013 (June 2013 \$8,891) as at 31 December 2013.

### *Trustees & Key Personnel*

A board member is the General Manager of Bayview Chateau Tongariro and Bayview Wairakei Hotels. Bayview Chateau Tongariro has made purchases of \$2,080 (June 2013 \$1,750), and Bayview Wairakei has made purchases of \$4,330 (June 2013 \$2,729), from The Trust on normal commercial terms mainly for Joint Venture Marketing

The Trust has also collected \$688 (June 2013 \$1,062) from Bayview Chateau Tongariro, and \$228 (June 2013 \$756) from Bayview Wairakei, in commission sales at the I-Sites.

A board member of the Trust is a shareholder of Mountain Air. Mountain Air has made purchases from the Trust of \$530 (June 2013 \$505) on normal commercial terms for advertising of which \$0 was outstanding as at 31 December (June 2013 \$0). The Trust also collected \$775 in commission sales at the I-Sites (June 2013 \$1,667).

A board member of the Trust is a director of YHA New Zealand. The Trust has collected \$98 to November 2013 (June 2013 \$370) from YHA New Zealand in commissions from sales at the I-Sites.

A board member of the Trust is a director of Flying Kiwi Adventures. Flying Kiwi Adventures has made purchases of \$0 (June 2013 \$174) from the Trust for advertising on normal commercial terms.

A board member of the Trust is a Trustee of Enterprise Great Lake Taupo. The Trust has made purchases of \$1,790 (June 2013 \$990) from Enterprise Great Lake Taupo, of which \$0 is outstanding as at 31 December, for training on normal commercial terms.

Enterprise Great Lake Taupo has paid the Trust \$2,169 for reimbursement of Hub costs (June 2013 \$7,166), of which \$458 is outstanding as at 31 December (June 2013 \$6,358), on normal commercial terms.

The General Manager of the Trust is the shareholder / director of Big Inc Limited. The Trust paid Big Inc Limited \$1,277 (June 2013 \$608) for reimbursements of costs of which \$0 was outstanding as at 31 December

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

<b>13 Reconciliation of Net Surplus After Tax to Net Cash Flows from Operating Activities</b>	<b>31/12/13</b>	<b>30/06/13</b>
	<b>\$</b>	<b>\$</b>
Net surplus after tax	47,271	170,813
<i>Adjustment for non-cash items</i>		
Bad debts	-	3,972
Vested assets	(15,982)	-
Depreciation & amortisation	7,106	6,037
<i>Changes in working capital</i>		
(Increase)/Decrease in trade & other receivables	2,860	(29,676)
(Increase)/Decrease in inventory	(5,879)	21,720
Increase/(Decrease) in trade & other payables	405,150	(60,498)
Increase/(Decrease) in employee entitlements	(15,830)	(45,777)
Increase/(Decrease) in tax payable	23,283	75,942
<i>Non-operating changes in working capital</i>		
(Increase) / Decrease in capital creditors	(12,629)	(22,010)
<b>Net cash Flow from Operating Activities</b>	<b>435,350</b>	<b>120,523</b>

## 14 Comparison of actual to forecast budget

	<b>Actual</b>	<b>Budget</b>	<b>% Bud</b>
	<b>31/12/13</b>	<b>31/12/13</b>	
Income			
Council grant	875,000	875,000	100%
Marketing promotions	79,550	111,339	71%
I-Sites	241,693	244,316	99%
Other income	28,125	7,779	362%
<b>Total Income</b>	<b>1,224,368</b>	<b>1,238,434</b>	99%
Expenditure			
Marketing promotions	799,339	896,944	89%
I-Sites	347,368	364,574	95%
Depreciation	7,107	3,760	189%
<b>Total Expenditure</b>	<b>1,153,814</b>	<b>1,265,278</b>	91%
Net Surplus(deficit) before tax	<b>70,554</b>	<b>(26,844)</b>	-263%

### *Main variances in income against budget*

Marketing productions	79,550	111,339	71%
Other income	28,125	7,779	362%
Taupo I-Site	172,580	165,474	104%
Turangi I-Site	69,113	78,842	88%

### *Main variances in expenditure against budget*

Advertising / consultant fees	327,087	366,000	89%
Travel & accommodation	25,810	51,753	50%
Publicity	55,764	66,342	84%
Printing & stationery	21,133	17,524	121%
Materials & supplies	3,578	15,227	23%
Grants	-	21,000	0%
Vehicle expenses	(4,000)	3,856	-104%
Depreciation	7,107	5,640	126%
Conference fees	4,355	6,020	72%
Staff benefits	1,563	8,321	19%
Other expenses	711,417	703,595	101%

## 15 Commitments

The Destination Lake Taupō Trust leases property, plant, and equipment in the normal course of its business. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows

<b>Non cancellable operating lease commitments</b>	<b>31/12/13</b>	<b>30/06/13</b>
	<b>\$</b>	<b>\$</b>
Payable no later than one year	10,492	10,492
Later than one, not later than two years	7,848	10,492
Later than two, not later than five years	1,706	12,485
<b>Total lease commitments</b>	<b>20,046</b>	<b>33,469</b>

This lease relates to a phone system for the Taupō i-site & office equipment for The Hub.

## 16 Contingent Liabilities

There are no contingent liabilities at 31 December 2013

## 17 Contingent Assets

There are no contingent assets at 31 December 2013

## 18 Events after Balance Date

There are no significant events after balance date