



DESTINATION GREAT LAKE TAUPŌ

INTERIM REPORT

FOR THE SIX MONTHS ENDING 31 DECEMBER 2015



GREAT LAKE TAUPŌ

DIRECTORY

Governing Body

Destination Lake Taupō Trust Board

Ray Salter (Chairman)
Kathy Guy
Andrea Blair
Dennis Christian
Sue Sullivan
Neil Gestro

General Manager

Damian Coutts

Bankers

Bank of New Zealand, Taupō – Transactional Banking

Auditors

Audit New Zealand on behalf
of The Controller & Auditor
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CONTENTS

PERFORMANCE OVERVIEW	4
REPORT ON TRUST ACTIVITIES	5
PERFORMANCE AND OTHER MEASURES ACHIEVED	8
SUMMARY OF FINANCIAL STATEMENTS	10
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE.....	11
STATEMENT OF CHANGES IN EQUITY	11
STATEMENT OF FINANCIAL POSITION	12
NOTES TO FINANCIAL STATEMENTS (unaudited)	14



PERFORMANCE OVERVIEW

This Interim Report consolidates the 6 monthly financial statements for the Destination Great Lake Taupō Trust, an assessment against key performance indicators in the 2015-18 DGLT Statement of Intent, and a report on the Trust's activities (in accordance with Section 13.2(a) of the Trust Deed.

The first half of the 2015/16 year has been busy. Tourism activity across the district is growing, reflecting strong growth in international and good growth in domestic tourism.

The commercial accommodation monitor tracks and records motel, hotel and holiday park bed nights, month-on-month (but not holiday homes). The half yearly data, year ended December 2015, shows that guest nights rose 3.0% to 1,007,909, with 3.6% growth in international guest nights. Domestic nights only rose by 2.8% reflecting growth of domestic visitors in holiday homes (as opposed to commercial accommodation). This data is against the 6 month (1 July 2015 – 31 December 2015) data which shows a total of 482,155 guest nights, 16,478 ahead of this period in 2014. Overall total guest nights (including private accommodation) can be estimated from the QRIOUS (Spark) dataset. In the 6 months (1 July – 31 December) total nights are estimated at 640,389.

Overall, annual tourism expenditure for Taupō District is estimated at \$453 million, and is roughly 23% of local GDP. Tourism remains the largest employment sector in the district, with in excess of 3000 direct full time equivalent employees.

Trends in retail sales provide another useful benchmark (to track overnight and day visitor spend), as spending by non-locals (ie visitors) traditionally accounts for approximately 50% of spending. The Marketview Report for the 2nd Quarter (1 October – 31 December 2015) shows that spending at Taupō District merchants was up 6.2% compared to this period in 2014, with a corresponding increase in the volume of transactions (5.8%).

On top of tourism growth, the region has also been successful in gaining national and international recognition. Great Lake Taupō was voted the 'Best NZ Region' for the second year running in the TNT Downunder Golden Backpack Awards. Bulli point was voted the second best swimming spot in New Zealand by the AA. The region was also got a TripAdvisor travelers choice 'destination award' as we were ranked one of the top 10 destinations in the South Pacific. Taupō District was also a finalist in the TIA awards for the Free Wifi initiative alongside Tuaropaki Trust.

In terms of DGLT activity to support and enable this growth, business as usual marketing activity has been maintained through 2014/15 and DGLT is on track to hit all of the key performance indicators in the Statement of Intent.

The financial position for the trust remains tight in 2015/16. There has been no increase to the DGLT grant for a number of years, so this year the trust has carried out an extensive review of costs to retain current levels of service. Cost increases from suppliers, inflationary pressure which has built up over the last six plus years, wage demands, and growth demands (in the face of strong growth in the industry) mean cost pressures continue to increase year on year. The trust considers that there is no further ability to buffer cost increases and retain current activity levels.

REPORT ON TRUST ACTIVITIES

The primary focus of a Regional Tourism Organisation (RTO) is to deliver more visitors to the district and to increase length of stay and expenditure. DGLT has two main areas of activity, destination marketing and destination management.

Destination Marketing:

Digital/online marketing remains the main channel for destination marketing. DGLT continues to invest in **GreatLakeTaupō.com** as the web platform to capture potential visitors, as well as those looking for events, retail and hospitality options and information about the District. The site performance has been very good, with page views/visits significantly exceeding performance expectations. Page views are up 49% on this period in 2014. The website has strong support from industry and many operators continue to take the opportunity to purchase high profile featured listings on the site. The key focus so far this year has been around translated content, for Chinese, Japanese, Spanish and German visitors. The other big area of work has been addition of a conference venue search function/information. We have also started looking into allowing subsites within the website, so that groups / sites like the Great Lake Trail can be accommodated (but with a separate identity).

To fully make the most of our online platform we have continued running substantial Google **Adwords** campaigns. Our focus is on purchasing placement at the top of the search engine rankings for key search phrases. The idea is to position our destination relative to other competing locations and to ensure that when visitors are searching key attractions (e.g. the Tongariro Crossing) they pick up links to other attractions and accommodation in our district.

Social media is an increasingly important channel for promotion to visitors. The main channels we are currently utilizing are Facebook, Twitter, Instagram, YouTube and Sina Weibo. DGLT currently has 16,376 Facebook followers, 4,851 with Twitter, and 3,415 with Instagram. For Sina Weibo we have 2,111 followers, which is significant as we only established an account mid-late 2015. YouTube views are at 15,005 for the period ending 31 December.

We also achieved exposure in a wide range of domestic and international **print publications** such as TNT Downunder Magazine, Herald Newspapers, Cuisine, Sunday Star Times, Chinese Herald, DesinAsia, Auckland University Magazine, Arrival and AA Travel publications.

The Official Great Lake Taupō **Visitor Guide** was republished in December and continues to have strong support from local operators. 90,000 copies have been produced and are being distributed around New Zealand.

Domestic **consumer marketing** continues to be targeted to key markets of Auckland, Wellington, Bay of Plenty, Manawatu-Whanganui and Waikato. Based on strong feedback from industry, we have moved away from our traditional approach of two seasonal campaigns (summer and winter) and introduced a spring / 'come early for summer' campaign, to try and bolster visitor numbers in the quieter shoulder season. More than 30 operators contributed funding to enable this additional campaign activity.

We held a successful winter debrief at Wairakei Resort in July 2015, and then a planning session around spring/summer at Suncourt Hotel in September. The next industry engagement opportunity is programmed for February 2016.

Outside of our online efforts, which clearly work to target potential visitors both domestically and internationally, in the International space we have hosted a plethora of media famils, and participated in Tourism NZ's 'Tour the North' Australian campaign in September (with digital flow on into October). For our \$50,000 investment in this campaign we received media market value of \$197,125 across a range of digital mediums, print publications and trade partner collateral. We have also achieved exposure in the new Tourism New Zealand global television commercial.

We also worked with MediaWorks to host TV/Radio personalities Jono and Ben, for filming of their TV show (as they cross Lake Taupō by bouncy castle) and a live broadcast of their radio show on Rock FM.

Our focus on **special interest groups** has continued, specifically in 'Bike & Hike', Premium (including Golf) and 'Backpack & Youth'. DGLT has aligned closely with Tourism New Zealand's key focus on special interest marketing (for example, cycling and golf). The primary focus for 2015/16 has been around biking/cycling. We have been major contributors to the Central North Island collective bike marketing network, in order to launch a marketing campaign to promote cycling in the broader region. The first big marketing initiative as a collective is to launch a web platform for the group and that will be RideNZ.co. The site will launch early 2016.

Within the Premium and Golf portfolio, our focus was on exposure and introduction of the region as a premium and in particular Golf destination. We worked closely with Tourism NZ to push the Taupō District as the premium golfing destination within NZ.

Investment in our **i-SITES** has continued, with facilities maintained in both Taupō and Turangi. However, the i-SITES are experiencing challenges competing for their share of commission sales; advertising dollars and retail spend from various on-line options and other on-sellers. The visitor numbers for Taupō i-SITE were up marginally to 94,355 for the 6 month period (from 93,824 in 2014). By contrast, visitor numbers for the Turangi i-SITE were up 7% to 45,313 (from 42,121 in 2014). This is significant for Turangi, as door count numbers had been consistently declining since 2008.

The regional tourism estimates tell us that Great Lake Taupō's strengths in the international marketplace lie in New Zealand's more traditional markets - Australia, United Kingdom, Europe (with Germany making up the largest proportion), and the United States. International marketing to these and other emerging markets is undertaken in collaboration with partners to leverage investment. This has primarily been within the Central North Island marketing alliance, (Explore Central North Island) or alongside Tourism New Zealand.

We have continued to work with the **trade, key travel agents, inbound operators and wholesale travel agents** to promote our region to the international traveler. The last 6 months has seen us conduct sales calls in Auckland and Wellington as well as hosting a training session with operators for the Wellington i-SITE staff and Tourism NZ. An i-SITE famil was hosted in early December, where the region was showcased to 8 staff from various i-SITES within a 2 hour radius of the Taupō District. In terms of the offshore markets, training sessions and sales calls were held for travel trade within Australia (Sydney, Gold Coast and Brisbane) and we have hosted trade famils from our key markets of Australia, China, Hong Kong and Singapore.

Corporate and business event clients are high value and contribute to the overall economy often in off-peak and shoulder season times. Conference and business event delegates per night spend within the region is approximately \$483 per person per night (CDS Survey – MBIE), this is a significant amount higher than the average domestic holiday visitor. The total number of business events held within the Great Lake Taupō region year to date is currently sitting at 578 events (as collected from our main conference venues). Visits to the conference venue page of the Great Lake Taupō website are currently down by approximately 16% on last years but visits to the Activities & Teambuilding page are up by 35%. Some content changes and a new search functionality on the Conference Venue page is currently being implemented to try and capitalize on those searching for conference venues and to increase the visitor numbers to the Conference Venue Page. Hopefully the next 6 months will see an increase.

The Business Events team showcases the region to potential conference and incentive buyers through a range of channels including sales calls, tradeshows and famils. This has included hosting a total of 13 New Zealand based companies to the region over the past 6 months on famils tailored specifically to suit their event requirements. In addition sales calls have been conducted in both Auckland and Wellington and a networking function was held in Wellington with Taupō C & I Operators where 91 Business Event Buyers and travel trade were hosted to a networking lunch/trade show. The next 6 months will see a continuation of the Famil Programme, and Sales Call Programme as well as a visit to Sydney for Sales Calls with Australian based incentive buyers that have indicated an interest in the region for upcoming events. We will again be exhibiting and coordinating the region stands at the Convene Tradeshow and Meetings Tradeshow in April and June respectively and will be hosting an Australian based Incentive Buyer famil in June.

Destination Management:

Destination management involves two main areas of focus; investing in people, and collaboration / joint venture.

DGLT has begun to build a stronger relationship with **Ngati Tuwharetoa** at various levels. This will be increasingly important given the important role of the tribe, not only as tangata whenua, but as one of the largest landowners and an increasingly important tourism player.

DGLT has continued to support District Events, Towncentre Taupō, Go Tongariro and the business community in Mangakino through the year. This support is a mixture of time and resource. These **partnerships** assist with visitor attraction and provide ongoing capability building. DGLT also informs stakeholders of what is happening within the industry by collecting and sharing useful information/data.

DGLT has been working alongside Bike Taupō and Go Tongariro on the sourcing of funding to enable a feasibility study in to a potential cycleway between Turangi and Taupō. Funding was secured prior to Christmas, and work has begun in earnest to determine a possible route and engage with landowners.

DGLT has also been working closely with the trustees of the various land blocks on Mount Tauhara, to support them in the reopening of the mountain track for public use.

DGLT has used its advocacy powers to support new product development and renewals of consents for existing infrastructure. This has included submissions on the bike kiosk at Kinloch and the renewal of the license for Whakapapa Skifield.

PERFORMANCE AND OTHER MEASURES ACHIEVED

Below is a table outlining the half year measures against performance targets set for year end 30 June 2015.

Measures of Success –	Measures of Success/Goals	Results/Actuals
Objective 1 – Build and sustain a thriving tourism economy		
Continue to market the Great Lake Taupō region as a holiday destination both domestically and internationally		
<i>As measured by the CAM (commercial accommodation monitor) statistics produced by MBE. CAM only capture a portion of the overall guest night picture. With a 42% non-resident ratepayer base and holiday homes being a popular choice of accommodation it is estimated that in excess of another 500,000 guest nights are currently un-captured.</i>	Increase commercial visitor nights by 3% to 978,500+	482,155 guest nights first 6 months of financial year, 16,478 ahead of first 6 months 2014 Annual result to be reported YE June 2016
<i>Long term trends consistently report an average length of stay at 1.7. The length of stay target has been set in line with predicted economic recovery and a 3% growth goal has been set as an aspirational target for the upcoming three years</i>	Increase average length of stay between 1.7 - 1.75	Tracking at 1.88 nights for first 6 months of financial year (vs 1.87 in 2014) Annual result to be reported YE June 2016
<i>As measured by visitation in the Taupō and Turangi i-sites</i>	280,000 visits to Taupō and Turangi i-sites based on likely 2014/15 year end data of 192,725 visits to the Taupō i-site and 89,148 to Turangi.	Turangi's door count: 45,313 July – Dec 2015 (42,121 July – Dec 2014) Taupō's door count: 94,355 July – Dec 2015 (93,824 July – Dec 2014) Annual result to be reported YE June 2016
Ensure the destination is delivering value and a quality visitor experience		
<i>Maintaining consistency and retaining high quality visitor experiences to be measured by an annual visitor survey scheduled in August each year)</i>	80% via annual visitor survey	Scheduled for 2016 Source: Annual Visitor Survey
Ensure the destination is responding to changing visitor expectations and executes marketing through most relevant channels		
<i>With increased online marketing activity responding to customer demand targets have been set to grow YOY. Over the upcoming years increased KPIs built around website engagement will be developed. Annual visits to www.greatlaketapu.com as measured by Google Analytics</i>	Increase annual visits to greatlakeTaupō.com to 750,000 (based on a likely actual figure of 700,000 visits in the 2014/15 year)	July – Dec 2015 - : 480,422 total visits Final result to be reported at YE June 2016 Source: Google Analytics

<i>Special Interest marketing research reveals customers travelling for a specific purpose ie biking, hiking, skiing are targeted more easily and often return a higher value. Market size information and insights will make up the upcoming years and assessment will continue to gauge relevance and appropriate return</i>	Establish further insights and market size information for the – Bike and Fishing Special Interest Portfolios. Bike measured by track counters and participation. Fishing measured by licence sales.	On track – Final result to be reported at YE June 2016 Source: Bike Taupō Track Counters and customer survey Source: Department of Conservation Fishing License Sales
Objective 2 - Commitment to effective stakeholder engagement and participation		
Continue to communicate with the industry, show leadership and collaborate effectively		
<i>Measured by key stakeholder investment in marketing promotions activity. The contribution variation reflects the changes to some significant project work and membership structured initiatives being dis-established and bi-annual project income)</i>	Industry contribution to the value of \$170,000 cash and in-kind for key industry initiatives/marketing programmes	\$157,500 in marketing promotions partnership revenue for the period end Dec 2015 \$43,719 in-kind contributions to date based on trade, media, corporate, backpack and i-SITE famils, plus reduced rates for venue hire, and prizes for packages and giveaways at events we have attended and as support for competitions.) Source: Statement of Financial Performance Dec 2015
<i>Industry Stakeholders are satisfied with DGLT performance as measured by Annual Visitor Industry Survey Maintaining consistency is set as the primary performance target</i>	80-85% Industry satisfaction score	Scheduled for June/July 2016 Source: Annual Stakeholder Survey
<i>In demonstration of the commitment to regular engagement with the wider industry a schedule of engagement is set and measured by interactions and forums.</i>	50 separate stakeholder interactions per month and 4 x industry forums per annum	Achieved for first 6 months *(1386 ytd) Source: Annual Outputs Spreadsheet
Objective 3 - Fiscal responsibility in the way we do business		
<i>As measured by annual growth for commissions, advertising and retail profit margin, plus online sales contribution</i>	\$ Annual revenue from commissions, advertising and retail profit plus online sales maintained at \$480,000	\$269,222 ytd. On track – Final result to be reported at YE June 2016
<i>The development of a specific policies and procedures document including relevant custom procedures called – 'The way we work'</i>	DGLT Policies and Procedures Manual – published and reviewed	Document completed. Ongoing document, reviewed and updated each quarter

SUMMARY OF FINANCIAL STATEMENTS

DGLT is funded by way of a grant from Taupō District Council of \$1,750,000, paid in quarterly installments. In the first 6 months DGLT has received \$875,000 from TDC. Revenue (sales, commissions and advertising) year to date of \$269,221 is on track to meet the SOI target of \$480,000, although the peak period for i-SITE sales will be January / February 2016, so the peak summer result will be the primary determinant of year end revenue.

Continued work with partnership marketing programmes has resulted in marketing promotions revenue of \$157,500 year to date. This is on track to exceed the target of \$170,000 in the SOI. This is the result of a concerted effort to promote greater investment by industry in the spring/summer campaign. The additional investment by industry is tagged against matching increased advertising expenditure as part of the campaign.

Overall DGLT is underspent – this reflects timing and sequencing issues associated with campaign activity and distribution of the district visitor guide. For example, DGLT is holding funding to allow both autumn and winter campaigns, in response to strong pressure from the industry to try and boost numbers in shoulder/winter months. Visitor guide distribution will occur throughout the next six months as i-SITES around New Zealand request more stock. By year end it is anticipated that DGLT will be on or very close to budget.

There are some expenditure variations in the 6 month interim report relative to the 2015/16 Statement of Intent (which are worth highlighting):

- Employee expenses are up relative to the SOI, however expenses are within budget and are tracking lower than the actuals for the 2014/15 financial year. Actual employee expenses in the 2014/15 year were \$928,000 (as per the 2014/15 Annual Report) – current projections put 2015/16 expenses at or lower than this level. DGLT is managing to an employee expense budget of \$923,000, covering the full set of employee costs across the 6 individuals in the hub, and the 14 employees in the two i-SITES.
- Advertising expenses are below SOI projections, while consultant costs are up. This reflects additional expenditure on contractors (funded by increased revenue) to enable expanded campaign activity (artwork, design, AdWords, web content etc). As noted above, advertising funding is being held to enable autumn and winter campaign activity.

While visitor number are up in the i-SITES, and DGLT is on track to meet KPI targets around revenue, the i-SITES continue to present cost challenges. Costs continue to rise above revenue levels, meaning that the level of loss (or ratepayer subsidy) is increasing year on year. In a fixed financial / funding environment (the TDC grant is fixed at \$1,750,000 for the three years of the LTP), this means that DGLT is having to trim other costs / expenses (advertising) to hold the current level of service in the i-SITES. DGLT has put considerable focus on reducing costs across the organisation to buffer this impact as much as possible.



STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

for the six months ended 31 December 2015

	Note	Unaudited 6 months to 31/12/15 \$	Unaudited 6 months to 31/12/14 \$	Audited Actual 30/06/15 \$
Revenue				
Revenue from services provided	3	494,340	429,804	826,044
Interest revenue	3	6,368	9,402	21,847
Grant received from Taupō District Council	3	875,000	875,000	1,750,000
Total revenue		1,375,708	1,314,206	2,597,891
Expenses				
Employee benefit expenses	4	482,303	460,300	932,050
Depreciation and amortisation	4	15,547	12,868	19,474
Finance costs	4	-	489	565
Management and administration expenses	4	122,215	128,651	267,960
Other operating expenses	4	660,185	623,658	1,353,996
Total expense		1,280,250	1,225,966	2,574,045
Surplus (deficit) before other comprehensive revenue (expense)		95,458	88,240	23,846
Other comprehensive expense				
Taxation		-	-	7,000
Total comprehensive revenue & expense		95,458	88,240	16,846

STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2015

	Unaudited as at 31/12/15 \$	Unaudited as at 31/12/14 \$	Audited as at 30/06/15 \$
Equity at start of the period	63,155	46,309	46,309
Total comprehensive revenue & expense	95,458	88,240	16,846
Equity as at balance date	158,613	134,549	63,155

STATEMENT OF FINANCIAL POSITION

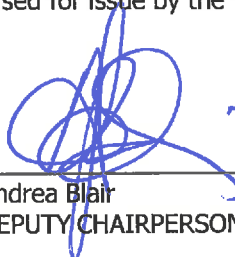
as at 31 December 2015

	Note	Unaudited as at 31/12/15 \$	Unaudited as at 31/12/14 \$	Audited as at 30/06/15 \$
Trust equity				
Equity		100	100	100
Retained earnings		158,513	134,449	63,055
Total trust equity		158,613	134,549	63,155
Assets				
Current assets				
Cash & cash equivalents		708,603	666,608	228,556
Trade & other receivables	5	120,184	111,632	100,643
Inventory		49,294	42,415	40,076
Total current assets		878,081	820,655	369,275
Non-current assets				
Property, plant and equipment		83,155	78,228	98,702
Total non-current assets		83,155	78,228	98,702
Total assets		961,236	898,883	467,977
Liabilities				
Current liabilities				
Trade & other payables	6	626,312	604,409	190,057
Employee entitlements	7	90,297	77,402	128,751
Borrowings		-	4,106	-
Tax payable		82,942	75,942	82,942
Total current liabilities		799,551	761,859	401,750
Non-current liabilities				
Employee entitlements	7	3,072	2,475	3,072
Total non-current liabilities		3,072	2,475	3,072
Total liabilities		802,623	764,334	404,822
Assets minus liabilities		158,613	134,549	63,155

The interim financial statements of The Destination Lake Taupō Trust are for the period ended 31 December 2015. The interim financial statements were authorised for issue by the Trust Board on 12th February 2016.



Ray Salter
CHAIRPERSON



Andrea Blair
DEPUTY CHAIRPERSON

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.



STATEMENT OF CASHFLOWS

for the six months ended 31 December 2015

	Unaudited 6 months to 31/12/15	Unaudited 6 months to 31/12/14	Audited 12 months to 30/06/15
	\$	\$	\$
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers	449,594	340,676	822,479
Receipts from Taupō District Council operating grant	875,000	875,000	1,750,000
Interest received	6,368	9,402	21,847
Payments to suppliers	(303,990)	(153,967)	(1,526,975)
Payments to employees	(520,757)	(475,063)	(907,256)
Interest paid	-	(489)	(565)
Net GST paid	(26,168)	(176,419)	(143,770)
Net cashflow from operating activities	8 480,047	419,140	15,760
Cashflows from investing activities			
Proceeds from sale of property, plant & equipment	-	-	14,072
Purchase of property, plant & equipment	-	(18,666)	(63,304)
Net cashflow from investing activities	-	(18,666)	(49,232)
Cash flows from financing activities			
Net repayment of finance lease liability	-	(7,874)	(11,980)
Net cashflow from financing activities	-	(7,874)	(11,980)
Net increase (decrease) in cash held	480,047	392,600	(45,452)
Add cash at start of year	228,556	274,008	274,008
Cash & cash equivalents at end of period	708,603	666,608	228,556

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 notes form part of, and are to be read in conjunction with, these financial statements.

NOTES TO FINANCIAL STATEMENTS (unaudited)

For the period ended 31 December 2015

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 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 making a financial return. Accordingly, the Trust has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Public Sector Accounting Standards (PBE IPSAS).

These Financial Statements have been prepared for the Trust in accordance with the Local Government Act 2002. These interim financial statements are for the six months ended 31 December 2015, and were approved by the Board of Trustees on 12th February 2016.

2. Statement of compliance and basis of preparation

These interim financial statements have been prepared on a going concern basis and in accordance with the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand. These interim financial statements comply with PBE IAS 34 *Interim Financial Reporting*.

The accounting policies used to prepare these interim financial statements are consistent with those used at 30 June 2015.

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.

NOTES TO FINANCIAL STATEMENTS (unaudited)

For the period ended 31 December 2015

	Unaudited 6 months to 31/12/15	Unaudited 6 months to 31/12/14	Audited 12 months to 30/06/15
	\$	\$	\$
3 Operating revenue			
Exchange revenue			
<i>Revenue from services provided</i>			
Marketing promotions	157,498	126,003	163,039
I-site operations	336,842	304,679	661,972
Other revenue	-	(878)	1,033
	494,340	429,804	826,044
<i>Financial revenue</i>			
Interest revenue	6,368	9,402	21,847
Non exchange revenue			
Operating grant from Taupō District Council	875,000	875,000	1,750,000
Total operating revenue	1,375,708	1,314,206	2,597,891
4 Expenditure (by nature)	31/12/15	31/12/14	30/06/15
	\$	\$	\$
Employee benefit expenses			
Salaries and wages	471,861	447,515	893,021
Changes in employee entitlements	(2,221)	858	16,571
Superannuation	12,663	11,927	22,458
Employee benefit expenses	482,303	460,300	932,050
Finance costs			
Finance charge on leased assets	-	489	565
Total finance costs	-	489	565
Depreciation & amortisation			
Depreciation	15,547	12,868	19,474
Total Depreciation & amortisation	15,547	12,868	19,474
Management and administration expenses			
Audit fees - Audit NZ	8,331	8,450	16,662
Audit fees - Audit NZ (prior year audit disbursements)	1,367	1,563	1,563
Trustee fees and expenses	21,000	21,000	42,000
Bad and doubtful debts	-	-	995
Legal fees	-	1,847	2,570
Taupō District Council indirect costs	89,500	89,500	179,000
Administration	2,017	6,291	25,170
Total management & administration expenses	122,215	128,651	267,960

NOTES TO FINANCIAL STATEMENTS (unaudited)

For the period ended 31 December 2015

	Unaudited 6 months to 31/12/15	Unaudited 6 months to 31/12/14	Audited 12 months to 30/06/15
Other operating expenses	\$	\$	\$
Advertising	145,076	97,176	274,738
Cost of sales at i-Sites	67,621	72,457	141,183
i-Site stock write offs	-	-	2,768
Consultants and professional fees	134,546	126,654	276,430
Travel and accommodation	42,801	33,789	80,886
Printing and stationery	43,765	39,859	59,391
Hire	15,496	1,421	6,845
Bank fees	15,002	13,805	33,239
Fringe benefit tax	3,006	2,532	4,934
Rental expense on operating leases	5,828	5,828	5,828
Rental	68,876	69,021	144,113
Publicity	6,440	51,959	63,583
Staff related expenses	3,921	2,943	10,445
Maintenance	10,666	5,888	12,900
Conference fees	19,449	18,196	33,813
Materials and supplies	10,305	8,043	50,346
Vehicle expenses	(3,288)	(1,881)	(3,518)
Grants	-	1,034	18,224
Rates and insurance	6,861	7,768	14,847
Loss on sale of fixed asset	-	-	3,486
Deferred tax	-	-	7,000
All other expenses	63,814	67,166	119,515
Total operating expenses	660,185	623,658	1,360,996
Total Expenditure	1,280,250	1,225,966	2,581,045

NOTES TO FINANCIAL STATEMENTS (unaudited)

For the period ended 31 December 2015

5 Trade & other receivables	Unaudited 6 months to 31/12/15	Unaudited 6 months to 31/12/14	Audited 12 months to 30/06/15
	\$	\$	\$
Trade receivables	87,418	88,579	39,039
Prepaid insurance	2,285	2,890	1,972
Sundry accruals and prepayments	7,249	12,468	10,231
GST refund	23,232	7,695	49,401
Total net trade and other receivables	120,184	111,632	100,643

Total receivables comprise:

Receivables from non-exchange transactions	25,517	10,585	52,063
Receivables from exchange transactions	94,667	101,047	48,580

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 2015 are as follows:

Not past due	31,146	76,931	24,558
Past due 1-30 days	38,155	732	1,334
Past due 31-60 days	11,914	1,191	9,325
Past due >60 days	6,203	9,725	3,822
	87,418	88,579	39,039
Impairment	-	-	-
Total	87,418	88,579	39,039

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

NOTES TO FINANCIAL STATEMENTS (unaudited)

For the period ended 31 December 2015

6 Trade & other payables	Unaudited 6 months to 31/12/15	Unaudited 6 months to 31/12/14	Audited 12 months to 30/06/15
	\$	\$	\$
Trade payables	490,447	386,581	84,789
Income in advance	774	1,295	4,407
Provision for ACC	1,623	1,463	2,750
Provision for audit fee	8,331	8,450	16,662
Other payables	125,137	206,620	81,449
Total trade & other payables	626,312	604,409	190,057

Total payables comprise:

Payables for non-exchange transactions	3,924	2,758	30,769
Payables for exchange transactions	622,388	601,651	159,288

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.

7 Employee benefit liabilities	31/12/15	31/12/14	30/06/15
	\$	\$	\$
Accrued pay	-	-	36,233
Annual leave	90,297	77,402	92,518
Long service leave	3,072	2,475	3,072
Total employee benefit liabilities	93,369	79,877	131,823
Made up of:			
Current	90,297	77,402	128,751
Non-current	3,072	2,475	3,072
Total employee benefit liabilities	93,369	79,877	131,823

NOTES TO FINANCIAL STATEMENTS (unaudited)

For the period ended 31 December 2015

	Unaudited 6 months to 31/12/15	Unaudited 6 months to 31/12/14	Audited 12 months to 30/06/15
8 Reconciliation of net surplus after tax to net cash flows from operating activities	\$	\$	\$
Net surplus after tax	95,458	88,240	16,846
<i>Adjustment for non-cash items</i>			
Bad debts	-	-	995
Loss on disposal of fixed asset	-	-	3,486
Depreciation & amortisation	15,547	12,868	19,474
<i>Changes in working capital</i>			
(Increase) / decrease in trade & other receivables	(19,541)	(16,312)	(6,318)
(Increase) / decrease in inventory	(9,218)	338	2,677
Increase / (decrease) in trade & other payables *	436,255	353,284	(65,174)
Increase / (decrease) in employee entitlements	(38,454)	(27,152)	24,794
Increase / (decrease) in deferred taxation	-	-	7,000
<i>Non-operating changes in working capital</i>			
(Increase) / decrease in capital creditors *	-	7,874	11,980
Net cash flow from operating activities	480,047	419,140	15,760

* These figures combined equal the movement in "Trade and other payables" in the Statement of Financial Position.



NOTES TO FINANCIAL STATEMENTS (unaudited)

For the period ended 31 December 2015

9 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:

	Unaudited 6 months to 31/12/15	Unaudited 6 months to 31/12/14	Audited 12 months to 30/06/15
Non cancellable operating lease commitments			
	\$	\$	\$
Payable no later than one year	138,350	132,398	132,398
Later than one, not later than two years	426	1,706	1,706
Later than two, not later than five years	-	-	-
Total lease commitments	138,776	134,104	134,104

Leases relate to a phone system for the Taupō i-site & office equipment for The Hub as well as one years rental for 1/32 Roberts Street, Taupō I-Site, and Turangi I-Site.

10 Contingent liabilities

There are no contingent liabilities at 31 December 2015.

11 Contingent assets

There are no contingent assets at 31 December 2015.

12 Events after reporting period

There are no significant events after the reporting period.

