

Destination Wairarapa Board
24 November 2012
General Manager's and Marketing Manager's Reports

More Visitors, Staying Longer & Spending More

Overview

Last month I warned that, "The growth in Wairarapa against some sharp declines in the competitor set needs to be read with some caution as we are now starting to see the effects of Rugby World Cup. Wairarapa saw considerable growth from RWC in October with some growth in September and November through to January, so the same effects for our region are still a month away."

Well, September also bucked the national trend and we were up 21.3% on Guest Nights versus the same month last year. This growth was achieved with a 2.1% increase in Visitor Arrivals and them staying 0.3 of a night longer on average.

Commercial Accommodation Monitor						
Statistics New Zealand				September 2012		
	Wairarapa	Manawatu	Greater Wellington	Hawkes Bay	Taupo	National
Guest Arrivals						
2012	7,096	22,231	93,139	26,989	38,519	1,070,300
2011	6,951	20,125	94,684	37,644	41,501	1,134,763
Variance	2.1%	10.5%	-1.6%	-28.3%	-7.2%	-5.7%
Guest Nights						
2012	13,699	40,487	190,854	54,970	66,464	2,111,027
2011	11,290	32,044	202,938	68,270	71,656	2,189,342
Variance	21.3%	26.3%	-6.0%	-19.5%	-7.2%	-3.6%
Occupancy						
2012	18.2%	35.9%	57.9%	24.0%	31.3%	31.2%
2011	15.3%	29.2%	61.6%	29.2%	32.6%	32.1%
Variance	2.9	6.7	-3.7	-5.2	-1.3	-0.9
Length of Stay						
2012	1.9	1.8	2.1	2.0	1.7	2.0
2011	1.6	1.6	2.1	1.8	1.7	1.9
Note: Greater Wellington excludes Wellington City						
While occupancy shot up 2.9 points we were off a lower inventory (-96) than Sept last year						
Same number of properties though (37)						

As you would expect when measuring against RWC 2011, the Visitor Guest Nights growth has come from a 30.6% (2,900) increase in Domestic and a 27.1% (490) decrease in International.

Having any growth is rare when we see that nationally there was a 3.6% decrease in Guest Nights and a 19.5% and 7.2% decrease in our competitor set from Hawkes Bay and Taupo respectively.

I should again warn that our greatest growth from RWC was in October so we still may yet see a decline when October's results are out.

Marketing to Arriving Travellers

Work was completed on copy/content/images for the 2013 Visitor Guide which went to print in September.

Managed development of the cover for the Visitor Guide which features a selection of local people starring as themselves!

Wine map completed for inclusion in Visitor Guide – Katy Jevons has done a terrific job managing this process. We have a small number of new vineyards listed.

Region features heavily and very positively in latest edition of the Lonely Planet guide.

Winning Conferences

Destination Wairarapa lead a 22 delegate family for Wellington based corporate and government conference organisers. The event was a great success with at least five pieces of business being discussed with operators since the event and two bookings were made before the day was finished.

The Warehouse conference (September 2013) has been to visit various venues in Masterton and a final decision will be made with another visit in November to assess accommodation options. The conference will bring 500 delegates to Masterton and will require most motel accommodation.

Destination Wairarapa now has regular meetings with Sport Wellington to ensure accommodation providers are aware of when large sporting events are on and to ensure no double ups occur with other conference business. This meeting has been effective with The Warehouse and the Douglas Villa tournament potentially overlapping and has now been averted.

Discussions with Manawatu Chamber of Commerce are happening to try and establish a Palmerston North family of Wairarapa venues.

Planning has commenced for a Wellington Convention Bureau lead family of venues in March 2013.

Established Products and Markets

Classic New Zealand Wine Trail (CNZWT) –

Campaign work complete for joint PWT-Tourism NZ Australia campaign (core proposition of the campaign being to come and experience NZ's best food and wine along the Classic NZ Wine Trail, using Wellington as the entry point 'gateway')

<http://www.newzealand.com/au/campaign/classic-wine-trail/>

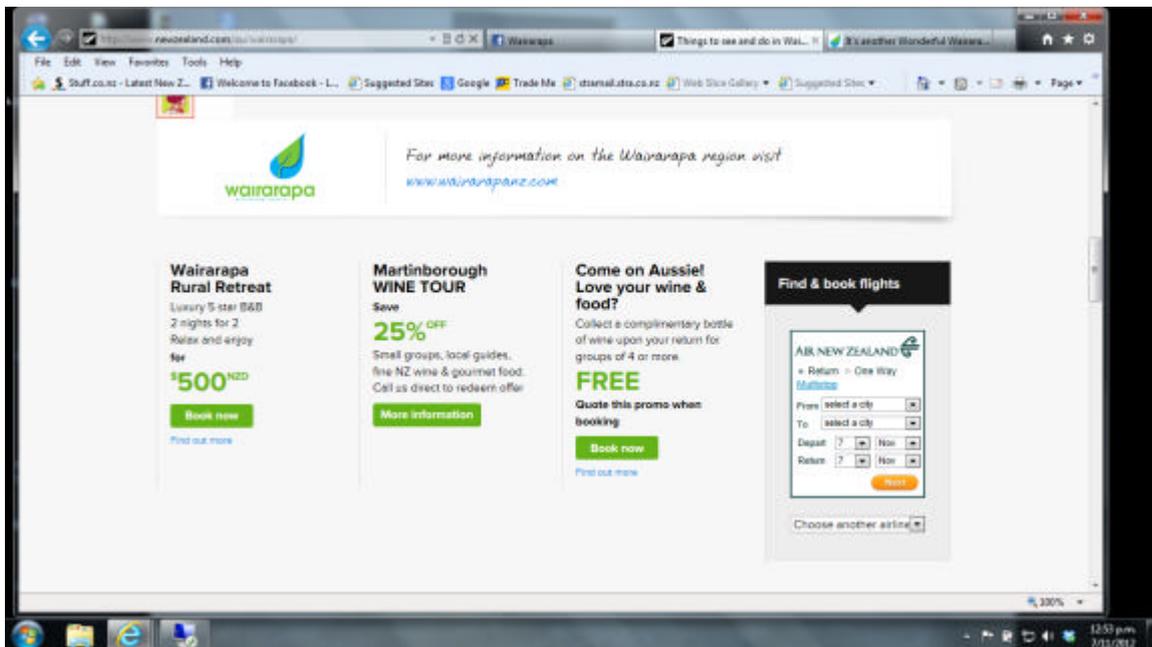
Other campaign elements include tiles online such as below:



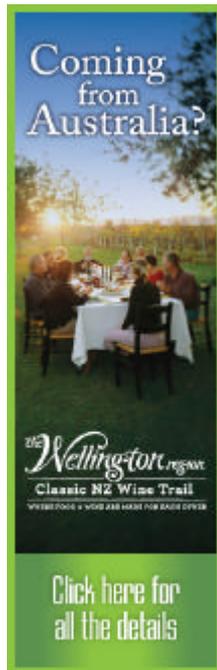
Also on Positively Wellington Tourism's site:

http://www.wellingtonz.com/australian_visitors/surrounding_regions/wairarapa

We co-ordinated these 3 region wine and food deals as seen on this link and on the screen dump below: <http://www.newzealand.com/au/wairarapa/>



Also built our own campaign page to jump people quickly to relevant parts of our site <http://www.wairarapanz.com/australia/> and a tile from our site:



Provided detailed notes for the region and a drivers' guide to Grand Pac for their 2013 season – intended to influence them to take in Tui HQ and The Vintage Aviator

Provided detail for the new CNZWT map/brochure in development

Wellington, Manawatu, Hawkes Bay –

On 15 & 16 October, Helen took a sales trip with Michelle Kirkpatrick, Copthorne Solway Park & Resort and Robin Corbett, Transit Tours to i-SITE Visitor Centres in Woodville, Palmerston North, Turangi, Taupo, Napier & Hastings. The purpose of the trip was to provide i-SITE front line staff with compelling reasons to send their visitors heading south down SH2.

The i-SITE staff were very receptive to face-to-face sales calls. While a few had driven through Wairarapa to Wellington, very few were aware of Wairarapa product. They were excited when given the travel itinerary of Tui Brewery, Pukaha Mount Bruce, overnight at Copthorne Hotel & Resort Solway Park with a Martinborough Gourmet Wine Tour the following day.

Turangi i-SITE has a large number of FIT youth travellers and they showed a great interest in Tui Brewery and Pukaha Mount Bruce.

Taupo i-SITE staff mentioned that although many of their clients were headed to Wellington, they felt that it would be possible to encourage more to go via SH2 now that they were aware of the commissionable product on offer

Going forward:

- Develop a poster with a map showing SH2 and then the key commissionable products available on the way.
- The Wairarapa section in most i-SITE's was tucked away and a large poster on display would provide good visual encouragement for i-SITE staff and visitors.

Display fees could then be split between participating properties for a 6 month trial over summer.

- Joint sales calls be continued at least every 6 months. Most i-SITE teams commented that it was good to see a number of operators working together supporting their region. It is also more cost effective for all involved to travel together.
- Helen advises that as well as Taupo, Turangi and Palmerston North, the i-SITES along the Classic New Zealand Wine Trail should be visited regularly.
- A fluffy white kiwi toy be left on every sales counter. This was a huge source of interest for i-SITE staff – the only white kiwi which could be viewed in captivity was an excellent ‘decision driver’ to take the turn down SH2 on the way south

Development and implementation of campaign for ‘A Wonderful Wairarapa Weekend’; a BIG combo weekend includes on same weekend a two day regional garden tour, an airshow and the first TK Market. A great reason to come and stay for the weekend. Campaign looked like this:



Campaign included us sending over 2,000 emails to our base, segmented based on their indicated interest e.g. flight, gardening, wine and food. We also did a small amount of Facebook advertising to promote our prize draw and this helped get us 150 names in the draw . We also worked with Pukaha Mount Bruce to get them onto Facebook advertising for the tour.

Met with Mark Turnbull from Foley Family Wines (own Wharekauhau and TK) to investigate other ways to work together. Foley bought the strip ad at the base of the wine map.

Developed tiles and article on our site for ‘Toast before Toast’.

Developed web elements for the winery and brewery concerts on over the summer

Also stories re the new market and snippets re the Garden tour in DomPost.

<http://www.stuff.co.nz/dominion-post/capital-life/7960873/Visitors-spread-festival-message>

Erected billboard just off Tory St in Wellington. This placement was given to us free of charge long term by Pip Dalglish of Masterton who owns the building.



Australia –

CNZWT work is Australian related.

Hosted Angus Hughson Wine Editor from The Australian luxury magazine The Wish at Toast Martinborough

Events

Working closely with Wings over Wairarapa – our own campaign is in development and will include investment in the DomPost feature, Facebook advertising, emails and significant web site presence.

Destination Wairarapa continues to facilitate the Shear Fest events collection with additional funding from Masterton District Council. A new logo for the event has given all organisers a more secure name to hang onto.



Website/Online

Migrated our event content on www.wairarapanz.com to Eventfinder. This has been quite a mission but relieves us of the responsibility for listing and maintaining events on our site. We'll do a fair bit of hand holding in coming months to ensure key event managers know how to list their events themselves. Eventfinder has enormous visitation plus a membership of over 250,000 people and is syndicated by Stuff, NZ Herald and Yahoo MSN.

Other

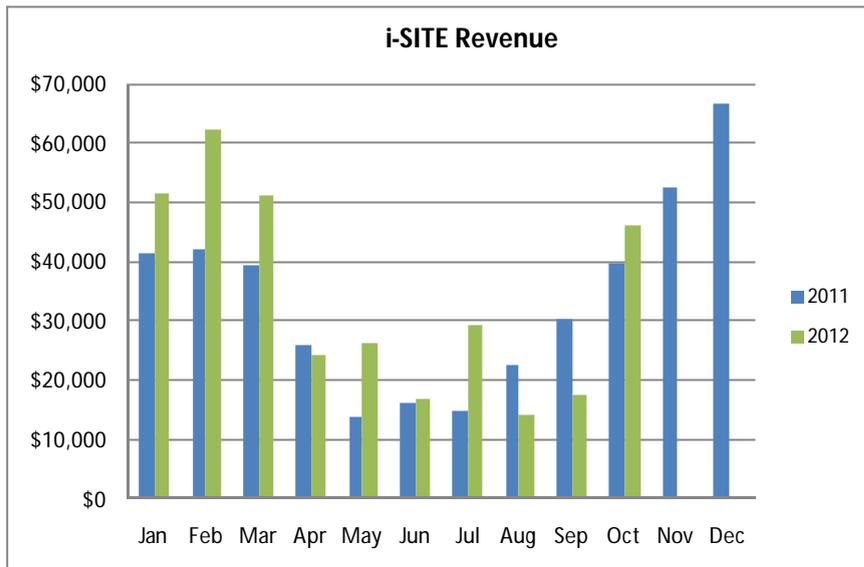
Responded to a brief from a Brazilian travel company looking to bring a wine/food group here in may next year

Instigated a discussion regarding TENZ with PWT and Tranzit Coachlines.

i-SITE Visitor Centres

Highlights:

- Following Pixie Tipoki's (Martinborough i-SITE Visitor Centre) nomination for the A+ Awards, she made the finals and attended the ceremony at Te Papa. Unfortunately she did not receive the gong.
- **i-SITE Total Sales**
i-SITE gross revenue (\$46,345) in October was unexpectedly up on the same month last year which was during RWC. This change could be put down to RWC visitors having largely pre-booked everything including transport, accommodation and activities in 2011.



- **i-SITE Foot Count**

While there have been five consecutive months of visitor decline through the i-SITE doors, the volume YTD (36,638) 2012 is up 8.4% on the same period in 2011.

- August 1,480 – down 34%
- September 2,614 – down 15%
- October 4,123 – down 2%

Product Development

- Visited Rocky Hills with Chris Petersen and others to see tourism potential
- Road the south coast with MoBIE for the New Zealand Cycle Trail. We've been told to expect a letter of endorsement from John Key on 28 November.
- Worked with Tararua District Council on a Norsewood guided tour
- Facilitating a series of garden and heritage attractions for a network promotion similar to wine trail map

Members and stakeholders:

- New Members
 - Dara Cottage, Martinborough
 - 6 Barlow Road, Martinborough
- Renewed members:
 -
- Resigned members:
 - There weren't any resigned members
- Total members:
 - 265

David Hancock
General Manager

DESTINATION WAIRARAPA INC.

INCOME STATEMENT FOR THE PERIOD 31/10/12



	Actual	Budget	Actual	Budget
	31/10/2012	31/10/2012	YTD	YTD
	\$	\$	\$	\$
REVENUE				
Retail Sales & Other Commissions	499	1,650	1,553	5,000
Less Cost of Sales	(490)	(1,100)	(828)	(3,340)
Accommodation Commissions	1,927	2,600	4,679	7,100
Escape Planner - Net Revenue	304	600	26,253	4,600
Wine Map Revenue	-	500	15,939	15,500
Other Revenue	-	-	-	-
Grants - Councils	-	95,771	-	199,949
<i>Grants - MDC</i>	21,250	-	85,000	-
<i>Grants - CDC</i>	4,212	-	16,602	-
<i>Grants - SWDC</i>	9,376	-	36,677	-
Donation - THF	21,105	63,750	83,585	126,422
Donations & Gifts	-	5,000	5,000	5,000
Membership	6,084	5,000	23,866	20,000
Interest Received	257	700	1,255	2,200
Operational Revenue	64,524	174,471	299,582	382,431
EXPENDITURE				
Corporate Support				
Salaries	19,351	18,059	76,943	72,236
Personnel Expenses incl Training	397	-	570	250
Board Fees	538	-	4,828	6,440
Board Members' Expenses	-	-	-	225
Membership Expenses incl TDG	62	500	306	1,500
Subscriptions & Membership	3,700	700	7,436	4,350
Vehicle Operating Costs	886	1,041	2,486	4,164
Rent & Rates	1,112	1,326	4,899	5,302
Electricity	105	83	449	332
Telecoms incl Mobiles	631	958	2,331	3,832
Information Technology	724	1,321	3,584	5,284
Office Supplies incl Furnishings	629	100	1,109	725
Kitchen Supplies	-	38	238	152
Repairs & Maintenance	-	-	-	50
Equipment Rental	101	101	403	404
Bank Fees - National Bank	105	100	225	400
Accounting Fees	2,083	2,083	8,333	8,332
Merchant & Bank Fees - BNZ	197	350	918	800
Insurance	400	619	1,599	2,476
ACC Levies	-	208	1,507	832
Fringe Benefit Tax	1,930	208	1,930	832
Audit Fees	750	9,000	3,000	9,000
Other Fees	-	-	250	-
Depreciation	2,225	2,329	8,922	9,768
Interest Expense	425	667	2,761	2,668
Bad Debts	-	-	-	1,000
Total Corporate Support Expenses	36,351	40,291	135,027	141,854

DESTINATION WAIRARAPA INC.

INCOME STATEMENT FOR THE PERIOD 31/10/12



	Actual	Budget	Actual	Budget
	31/10/2012	31/10/2012	YTD	YTD
Marketing				
Contract Staff	2,050	1,750	9,225	7,000
CNZWT Marketing	157	100	393	2,600
International Marketing Alliance	10,170	10,000	27,966	24,500
Advertising	-	2,039	401	2,039
Domestic Marketing	2,568	2,335	3,115	7,005
Distribution	621	875	2,923	3,500
Web Site & E-Marketing	350	695	1,547	2,780
Visitor Guide	2,580	-	2,580	2,580
Relationship Marketing	139	208	187	832
CDC Carnival Costs	1,834	-	5,456	-
Wine Map	975	-	975	5,000
Branding & Imagery	350	-	350	2,000
Exhibitions & Events	706	1,800	2,315	3,500
Trade	394	-	773	2,350
Media	49	-	438	1,125
Conferences	-	-	2,104	-
Total Marketing Expenses	22,940	19,802	60,748	66,811
I-Sites				
Wages	16,842	14,798	62,241	59,192
Personnel incl Training & Conferences	541	500	1,767	2,000
Travel & Transport	-	50	116	200
Rent & Rates	1,895	2,149	7,578	8,596
Electricity	708	400	2,518	1,800
Telecoms	485	625	1,891	2,500
Photocopier	35	32	113	128
Office Supplies incl Furnishings	442	100	1,242	1,000
Kitchen Supplies	40	167	426	665
Repairs & Maintenance	-	-	260	50
Total I-Site Expenses	20,987.36	18,821	78,152	76,131
Operating Expenditure	80,278	78,914	273,927	284,796
Operating Surplus (Deficit)	(15,754)	95,557	25,654	97,636
INCOME STATEMENT SUMMARY				
Operating Surplus/(Deficit)	(15,754)	95,557	25,654	97,636
Projects Surplus/(Deficit)	(1,362)	(1,400)	(3,511)	(5,600)
Net Surplus/(Deficit)	(17,116)	94,157	22,143	92,036
PROJECTS				
STAR *				
Opening Balance			47,603	
STAR *				
2012/2013				
Income	-	-	-	-
Expenditure	(1,362)	(1,400)	(3,511)	(5,600)
Projects Surplus/(Deficit)	(1,362)	(1,400)	(3,511)	(5,600)
INCOME STATEMENT SUMMARY				
Operating Surplus/(Deficit)	(15,754)	95,557	25,654	97,636
Projects Surplus/(Deficit)	(1,362)	(1,400)	(3,511)	(5,600)
Net Surplus/(Deficit)	(17,116)	94,157	22,143	92,036
* STAR Total			44,092	

DESTINATION WAIRARAPA INC.

BALANCE SHEET AS AT 31 OCTOBER 2012



CURRENT ASSETS	\$	\$
Cash Float	400	
Bank - National	107,357	
National Bank - Call Account	94,911	
BNZ Trust Account.	24,740	
Inventory I-Sites	2,619	
Receivables	3,882	
Donation Not Yet Received	83,585	
Total Current Assets	317,494	
 NON-CURRENT ASSETS		
Fixed Assets	154,528	
Less Accumulated Depreciation	(69,572)	
Fixed Assets	84,957	
TOTAL ASSETS		402,451
 LIABILITIES		
Accounts Payable	39,258	
Income in Advance	73,419	
BNZ Trust Account (Commission)	24,740	
Payroll Liability	29,072	
Finance Lease	10,302	
Loans - BNZ	7,762	
Toyota Finance	49,852	
TOTAL LIABILITIES		234,406
 EQUITY		
Opening Retained Earnings	35,901	
Contingency Reserve	70,000	
Asset Replacement Reserve	40,000	
Surplus / (Deficit) for the year 2012/13	22,143	
Total Equity		168,045
TOTAL LIABILITIES & EQUITY		402,451

**DESTINATION WAIRARAPA
STATEMENT OF CASH FLOWS
AS AT 31 OCTOBER 2012**



Cash Flows from Operating Activities

<u>Cash was provided from:</u>	\$
Donation - Trust House	-
Donation - Others	5,000
Receipts from Customers	51,675
Grants Received - TLA	199,533
Tax	-
Interest Received	1,255
	<hr/> 257,463
 Cash was applied to:	
Payments to suppliers and employees	266,784
Interest Paid	2,761
	<hr/> 269,545
 Net Cash Inflows / (Outflows) from Operating Activities	 (12,082)
 Cash was applied to:	
Repayment of borrowings	1,264
Finance Lease Repayments	5,995
	<hr/> 7,259
 Net Cash inflows from Financing Activities	 (7,259)
 Net (Decrease) / Increase in Cash Held	 (19,341)
 Opening Cash Balance	 246,749
 Closing Cash Balance	 <hr/> 227,408 <hr/>
 Closing Cash is made up of:	
Cash Floats	400
Funds at Bank	132,097
Short Term Deposits	94,911
	<hr/> 227,408 <hr/>

DESTINATION WAIRARAPA - FIXED ASSET DEPRECIATION SCHEDULE

As at 31 OCTOBER 2012



ASSETS	PURCHASE DATE	COST PRICE	ACCUM DEPN	OPENING BOOK VALUE	SALES ADDITIONS	PROFIT (LOSS)	DEPN RATE % DV	YTD DEPN	CLOSING BOOK VALUE
Furniture & Equipment									
Martinborough Sign	Oct-07	209	98	111			12.50 DV	5	106
Coffee Table	Oct-07	234	110	124			12.50 DV	5	119
Display Stand & Panels	Oct-07	309	144	165			12.50 DV	7	158
Wairarapa Banners	Oct-07	312	146	166			12.50 DV	7	159
Wall Display Unit	Oct-07	322	150	172			12.50 DV	7	165
Marketing Panel	Oct-07	338	159	179			12.50 DV	7	172
Chairs	Oct-07	388	181	207			12.50 DV	9	198
Blinds	Oct-07	459	299	160			20.00 DV	11	149
Brochure Stand	Oct-07	646	302	344			12.50 DV	14	330
Signage	Oct-07	1,294	606	688			12.50 DV	29	659
Wairarapa Display Panels	Oct-07	1,870	877	993			12.50 DV	41	952
Joinery - Display Stands	Oct-07	6,536	3,063	3,473			12.50 DV	145	3,328
PABX System	Oct-08	5,133	3,914	1,219			36.00 DV	146	1,073
Midback Chairs (4)	Feb-09	859	442	417			19.20 DV	27	390
2 Drawer Filing Cabinet Black	Feb-09	496	255	241			19.20 DV	15	226
Form Midback Chair (2)	Feb-09	656	338	318			19.20 DV	20	298
Vortex Sofa & Chairs	Feb-09	512	264	248			19.20 DV	16	232
Vortex Tub Chair	Feb-09	296	152	144			19.20 DV	9	135
Desk - Light Maple	Feb-09	346	178	168			19.20 DV	11	157
Chair - Hero Black Knight	Feb-09	99	51	48			19.20 DV	3	45
Coffee Table	Feb-09	230	119	111			19.20 DV	7	104
Counter	Feb-09	7,960	2,807	5,153			12.00 DV	206	4,947
Signage	Jun-09	880	586	294			30.00 DV	29	265
Hero Chair Black Knight	Jun-09	119	57	61			19.20 DV	4	57
Essence Guest Chairs (2)	Jun-09	283	136	147			19.20 DV	9	138
Desks Tawa (3)	Jun-09	824	335	489			15.60 DV	25	464
Work Station Tawa (1)	Jun-09	399	162	237			15.60 DV	12	225
4 Drawer Mobiles (5)	Jun-09	969	466	502			19.20 DV	32	470
Bookcases Tawa (2)	Jun-09	532	256	276			19.20 DV	18	258
Cupboard Tawa	Jun-09	426	205	221			19.20 DV	14	207
Cubit Coffee Table	Jun-09	230	110	120			19.20 DV	8	112
Laptop	Jun-09	2,280	2,141	139			60.00 DV	28	111
IBM Equipment (2nd Hand)	Jun-09	3,470	2,694	776			40.00 DV	157	619
Work Station Tawa (1)	Jun-09	399	162	237			15.60 DV	12	225
PABX System 2	Jul-09	2,990	2,206	784			36.00 DV	94	690
Prints (3)	Aug-09	1,813	919	894			21.60 DV	64	830
Brochure Stand	Sep-09	1,019	320	698			12.50 DV	29	669
15" Monitor & Wall Bracket	Dec-09	1,219	1,092	127			60.00 DV	25	102
IBM Equipment (2nd Hand)	Feb-10	2,124	1,487	637			40.00 DV	85	552
Mobile Phones (2)	Feb-10	2,665	2,345	320			60.00 DV	64	256
Vortex 2 Seater Sofa	May-10	589	219	369			19.50 DV	24	345
Banner	Jun-10	1,964	728	1,236			20.00 DV	82	1,154
Banner Stand	Jun-10	1,690	627	1,063			20.00 DV	71	992
Ricoh Copier (Leased)	Feb-10	20,129	9,729	10,400			20.00 SL	1,342	9,058
Display Units	Oct-10	1,430	296	1,134			12.50 DV	47	1,087
Signage (Sign Factory)	Nov-10	1,184	521	663			30.00 DV	66	597
Computer Toshiba Tecra	Dec-10	1,715	1,107	608			50.00 DV	101	507
Printer Canon Laser	Dec-10	867	468	399			40.00 DV	53	346
Phillips LCD 22"	Dec-10	304	164	140			40.00 DV	19	121
Computer Toshiba Tecra A11	Feb-11	1,475	891	584			50.00 DV	97	487
Disk Drive 500GB HDD's (2)	Jun-11	995	518	477			50.00 DV	79	398
Server & Equipment	Jun-11	12,768	3,392	9,376			25.00 DV	781	8,595
Camera - Canon EOS1100	Dec-11	999	233	766			40.00 DV	102	664
Acer LCD 22" (4)	Jan-12	936	187	749			40.00 DV	100	649
Computer - 15.6" Samsung	Jun-12	1,440	58	1,382			50.00 DV	230	1,152
Total Furniture & Equipment		100,628	49,478	51,150	-	-	-	4,650	46,500
Vehicles									
Toyota Corolla ETU339	Oct-11	17,387	3,912	13,475			30.00 DV	1,347	12,128
Toyota Corolla EJM659	Oct-11	17,387	3,912	13,475			30.00 DV	1,347	12,128
Toyota Camry ESF771	Dec-11	19,126	3,347	15,779			30.00 DV	1,578	14,201
Total Vehicles		53,900	11,171	42,729	-	-	-	4,272	38,457
Total for : Destination Wairarapa		154,528	60,650	93,879	-	-	-	8,922	84,957

Destination Wairarapa Board 24 November 2012 General Manager's Financial Report

Financials YTD 31 October 2012

- The YTD financial statements are attached and summarised below:

Destination Wairarapa						
Profit & Loss Summary						
	October 2012			YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
Revenue	\$64,524	\$174,471	-\$109,947	\$299,582	\$382,431	-\$82,849
Expenditure						
Corporate Support	\$36,351	\$40,291	\$3,940	\$135,027	\$141,854	\$6,827
Marketing	\$22,940	\$19,802	-\$3,138	\$60,748	\$66,811	\$6,063
i-SITEs	\$20,987	\$18,821	-\$2,166	\$78,152	\$76,131	-\$2,021
Total Expenses	\$80,278	\$78,914	-\$1,364	\$273,927	\$284,796	\$10,869
Net Surplus/Deficit	-\$15,754	\$95,557	-\$111,311	\$25,655	\$97,635	-\$71,980
PROJECTS						
Opening STAR Funds in Retained Earnings				\$47,603	\$47,603	\$0
Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Expenses	\$1,362	\$1,400	\$38	\$3,511	\$5,600	\$2,089
Closing STAR Funds in Retained Earnings				\$44,092	\$42,003	\$2,089
Total Net Surplus/Deficit	-\$15,754	\$95,557	-\$111,311	\$22,144	\$92,035	-\$69,891

- Revenue YTD is down \$82,849 and is due to the unsynchronised Council funding payments and Budget spread. This is being adjusted with Trust House accounts for future reports.
- 'Escape Planner – Net Revenue' includes the revenue relating to the visitor guide and a marketing expense will appear in November accounts for the related costs. The large variance between YTD revenue and Budget is due to the way the planner used to be managed with a simple payment from a third party.
 - YTD Revenue \$26,253
 - Expense \$30,586
 - **YTD Loss -\$4,333**
 - Forecast Revenue \$28,397
 - **Forecast Loss -\$2,189**
 - Budget Profit \$5,000
 - **Accounts Loss -\$7,189**

The loss has occurred in attempting to produce a 36 page visitor guide with advertising costs calculated to cover this size publication. Only 24 pages of advertising could be sold at 36 page rates, resulting in the loss.

The Budget had allowed for a \$5,000 profit which leaves us \$7,189 to recover.

- CDC Carnival Costs will have a corresponding credit once all invoices have been paid.

Destination Wairarapa Incorporated
Chairman's Annual Report
Year Ending 30 June 2012



It is with pleasure that I provide my fifth annual report for Destination Wairarapa, our Regional Tourism Organisation.

David Hancock our second General Manager took up the reins in December, bringing with him new energy and approaches. The position was strongly contended and it was pleasing to be able to make a competitive appointment.

David's first task was to review the organisation's focus and direction, leading to the adoption by the Board of a two year Strategic Plan. The input of major funders and members into this plan was much appreciated.

The strategic plan recognises that Destination Wairarapa exists to add value to its members' businesses and that the organisation is an important part of the economic and social growth of the Wairarapa. Our clear goal remains to secure more visitors, who stay longer and spend more.

Our key tourism products are segmented as:

- Wine and food
- Towns and villages
- The coast
- Outdoors

Our strategy seeks to:

- market the Wairarapa to travelers arriving in the wider Wellington Wairarapa region
- win more conferences and weddings
- work collaboratively to market established products
- upgrade the Destination Wairarapa website
- operate successful i-SITE Visitor Centres with increasing sales revenue

i-SITE Visitor Centres

An internal restructure saw Helen Tickner move from a position of i-SITE Manager, to a more marketing focused role. This change resulted in the appointment of two i-SITE Team Leaders, Pixie Tipoki in Martinborough and Anna Campbell in Masterton. It was pleasing to see existing staff step up to these positions and take on wider responsibilities.

The two i-SITE Visitor Centres have continued to operate well and ended the year on budget. They have received very good assessments from the national body and the emphasis continues to be on training and increasing sales revenue.

Membership

Membership has again increased to 263, up from 251 last year. This is seen as a real positive under the current economic climate. Under the Strategic Plan, an increased focus has been given to assisting members and providing benefits to their businesses. Regular informative newsletters are distributed, two well attended workshops held and one on one member assistance and advice continues to be provided.

Marketing

\$150,000 was spent on domestic and international marketing during the year.

We continued our participation in Australian joint marketing with Positively Wellington Tourism, contributing \$20,000 to this very focused campaign. Our contribution to the Classic NZ Wine Trail was \$27,600 and we contributed \$25,000 to our ongoing international marketing alliance with Positively Wellington Tourism.

The visit by the Society of American Travel Writers in November gave the unique opportunity to show case the Wairarapa to dozens of influential journalists.

We have maintained our presence at key shows, tourism industry trade days and provided familiarisation tours to operators.

Our domestic marketing includes the Visitor Guide, wine map, events and attendance at trade shows in surrounding regions. These have included Women's Expos in Wellington and Palmerston North, the Manawatu Wine and Food Show, Wairarapa Wedding Expo and Show Me Wellington.

Attendance at events invariably enjoys the collaborative support of members which is greatly appreciated. Such an approach was taken recently with Destination Wairarapa supporting a member's bid to secure the 2013 Tourism Export Council New Zealand conference. Conferences are important to the Wairarapa economy, particularly in winter and a cooperative emphasis is being given to increasing this trade.

The i-SITE Visitor Centre restructure has enabled Helen Tickner to take on the new position of Member Services Manager and increase our work in domestic marketing.

Web Site

Wairarapanz.com is our key marketing tool, nationally and globally. It is more often than not, the only contact visitors have with our organisation and is increasingly being used in conjunction with Facebook and Flickr to market our region and communicate with potential and repeat visitors.

The site is over 4 years old and has fallen behind the appeal and functionality offered by other tourism offices. A rebuild of the site is a top priority and quotations have been obtained from companies to undertake this rebuild.

Funding

Joint funding from the three District Councils and Trust House Charitable Trust is covered by agreement until 30 September 2013. Although the agreement was established to give certainty of future three year funding by 30 June this year, this has not fully occurred. We will now take the initiative of calling a meeting to endeavor to resolve this issue which is becoming increasingly concerning and unsettling.

Whilst under our funding agreement, grants and donations have kept pace with inflation, no increase in funding in real terms has been sought or received over the past five years.

Finance

It is pleasing to report that we have again received a clear audit from Audit NZ.

Although we report an end of year loss of \$40, 572 which results in an equivalent reduction in retained earnings from the previous year. Apart from the continuing challenging economic climate, this loss is attributed to a combination of items, a number of which were "one off".

These include:

- General Manager recruitment costs
- Provision of a third vehicle and associated increased depreciation
- Rugby World Cup expenses
- The Society of American Travel Writers tour
- Reduced budgeted income on the Wine Map
- Reduced advertising revenue from the Wairarapa Guide

Our overall equity is \$145,902 which includes reserves of \$110,000, set aside to cover Contingencies - \$70,000 and Asset Replacement \$40,000.

Acknowledgements

I wish to thank our stakeholders and principal funders Masterton, Carterton, and South Wairarapa District Councils and Trust House Charitable Trust for their ongoing support and encouragement.

For the past year the Board comprised:

Robin Dunlop	MDC Appointee	(Deputy Chairman)
Lisa Cornelissen	Members Appointee	
Nick Rogers	Members Appointee	
Christine Kernohan	CDC Appointee	
John Bell	SWDC Appointee	
Jerry Crump	Trust House Appointee	
Steve Blakemore	Trust House Appointee	(Chairman)

I wish to acknowledge the work put in by the Board over the past year with a particular thanks to the Employment and Rugby World Cup Committees. Thank you also to the number of members who have attended and contributed to our workshops during the year.

Once again I would like to acknowledge and thank our staff for their dedicated work. To our Masterton and Martinborough i-SITE Visitor Centre staff and to the volunteers at the three community information centres: well done – you are the public face of our organisation. How you are received is often how people come to view the Wairarapa.

To our management team, David, Barbara and Helen, thank you for another very good year and the outcomes that have been achieved. Appointment of a new General Manager invariably brings a period of adjustment and refocus for both the appointee and existing staff. Thank you all for what has been a positive transition.

Lastly, I would like to thank our journalist, Katie Farman for her first class work, and the local media for getting behind the work we are doing and publicising our activities. It is much appreciated.

I move the adoption of my report.

Steve Blakemore

25 October 2012

Destination Wairarapa Incorporated

Financial Statements 2012

DESTINATION WAIRARAPA INCORPORATED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2012

	<i>Note</i>	2012 \$	2011 \$
INCOME			
Grants		408,811	398,403
Donations		254,923	250,344
Membership Income		57,561	52,857
Other revenue		93,621	136,809
Interest received		6,220	5,584
Total Revenue		821,136	843,997
Cost of Sales		(8,401)	(6,047)
Gross Profit		812,735	837,950
Operating Expenses	<i>1</i>	(853,307)	(795,460)
NET SURPLUS/(DEFICIT)		(40,572)	42,490

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

DESTINATION WAIRARAPA INCORPORATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

<i>Note</i>	2012 \$	2011 \$
Net Surplus/(Deficit) for Year	(40,572)	42,490
Other comprehensive income	-	-
Total comprehensive income for the period	(40,572)	42,490

DESTINATION WAIRARAPA INCORPORATED
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

<i>Note</i>	2012 \$	2011 \$
Equity at start of the year	186,474	143,984
Total comprehensive income	(40,572)	42,490
Equity at end of the year	145,902	186,474

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

DESTINATION WAIRARAPA INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	<i>Note</i>	2012 \$	2011 \$
<u>Current Assets</u>			
Funds at Bank		233,566	157,331
Accommodation Trust Account		12,783	6,395
Cash Floats		400	400
Inventories		2,827	2,823
Receivables & Prepayments	2	5,248	64,319
Taxation paid		-	-
Total Current Assets		254,824	231,268
<u>Non-Current Assets</u>			
Property, Plant & Equipment	3	93,879	73,390
Total Non-Current Assets		93,879	73,390
TOTAL ASSETS		348,703	304,658
<u>Current Liabilities</u>			
Payables and Accruals	4	64,930	32,390
Income in Advance		34,147	31,347
Finance Leases		18,736	3,761
Loans		3,748	-
Employee Entitlements	5	28,549	39,044
Total Current Liabilities		150,110	106,542
<u>Non-Current Liabilities</u>			
Finance Leases		47,413	11,642
Loans		5,278	-
Total Non-Current Liabilities		52,691	11,642
<u>Equity</u>			
Retained Earnings	6	35,902	186,474
Contingency Reserve		70,000	-
Asset Replacement Reserve		40,000	-
Total Equity		145,902	186,474
TOTAL LIABILITIES & EQUITY		348,703	304,658

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

DESTINATION WAIRARAPA INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	<i>Note</i>	2012	2011
		\$	\$
Cash Flows from Operating Activities			
Cash was provided from:			
Donations		254,923	237,344
Grants Received		408,811	367,943
Receipts from Customers		213,053	203,912
Interest Received		6,220	5,584
Tax refund		-	6,545
		<hr/>	<hr/>
		883,007	821,328
Cash was applied to:			
Payments to Suppliers and Employees		792,398	806,865
Interest Paid		7,109	1,728
Tax Paid		-	-
		<hr/>	<hr/>
		799,507	808,593
 Net Cash Flows from Operating Activities	 7	 83,500	 12,735
Cash Flows from Investing Activities			
Cash was applied to:			
Purchase of Plant, Property and Equipment		67,345	22,696
		<hr/>	<hr/>
		67,345	22,696
Cash was provided from:			
Sale of Plant, Property and Equipment		6,696	-
		<hr/>	<hr/>
		6,696	-
 Net Cash Flows From Investing Activities		 (60,649)	 (22,696)
Cash Flows from Financing Activities			
Cash was provided from:			
Finance Lease Loans		62,853	-
		12,000	-
		<hr/>	<hr/>
		74,853	-
Cash was applied to:			
Finance Lease repayments		12,107	3,405
Loan repayments		2,974	-
		<hr/>	<hr/>
		15,081	3,405
 Net Cash Flows from Financing Activities		 59,772	 (3,405)
 Net (Decrease) / Increase in Cash Held		 82,623	 13,366
 Opening Cash Balance		 164,126	 177,492
		<hr/>	<hr/>
 Closing Cash Balance		 246,749	 164,126

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

This Balance is made up as follows:

Cash Floats	400	400
Funds at Bank	246,349	163,726
	<u>246,749</u>	<u>164,126</u>

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

DESTINATION WAIRARAPA INCORPORATED

Statement of Accounting Policies

Reporting Entity

The Destination Wairarapa Incorporated is an incorporated society established to promote inbound tourism to the Wairarapa region.

Measurement Base

The measurement base adopted is that of historical cost.

Accounting Policies

The following particular accounting policies which materially affect the measurement of financial results and financial position have been applied. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP).

Changes in Accounting Policy

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

Receivables

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

Inventories

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

Plant, Property and Equipment

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

Depreciation

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

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

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

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

Tax

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

Goods and Services Tax

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

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

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

Financial Instruments

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

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

Leases

Finance Leases

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

Operating Leases

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

Statement of Cash Flows

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

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

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

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

Charitable Donations, Grants and Membership Income

Are recognised over the year to which they relate.

Other Revenue

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

DESTINATION WAIRARAPA INCORPORATED

Notes to the Financial Statements

For the year ended 30 June 2012

1 Operating Expenses

Details of operating expenses are:

	<i>Note</i>	<u>2012</u>	<u>2011</u>
		\$	\$
Administration & Financial		76,799	59,844
Advertising & Marketing		211,517	204,928
Audit Fees (for annual audit)		8,350	11,960
Bad Debts		-	968
Depreciation	3	27,899	18,425
Interest		7,109	1,728
Property Expenses		46,596	46,128
Personnel Costs		409,691	401,472
Other Staff Costs		41,016	29,648
Trustee Fees & Expenses		24,330	20,359
Other expenses		-	-
		<u>853,307</u>	<u>795,460</u>

2 Receivables and Prepayments

	<u>2012</u>	<u>2011</u>
	\$	\$
Trade Debtors	288	59,573
Provision for Doubtful Debts	-	-
	<u>288</u>	<u>59,573</u>
Prepayments	-	-
GST Receivable	2,577	3,651
Sundry	2,383	1,095
	<u>5,248</u>	<u>64,319</u>

3 Property, Plant and Equipment

	<u>2012</u>	<u>2011</u>
	\$	\$
Furniture, Equipment & Plant		
At Cost	100,628	98,336
Accumulated Depreciation	(49,478)	(33,176)
Furniture, Equipment and Plant – Net Carrying Value	<u>51,150</u>	<u>65,160</u>
Motor vehicles		
At Cost	53,900	16,178
Accumulated Depreciation	(11,171)	(7,948)
Motor Vehicles – Net Carrying Value	<u>42,729</u>	<u>8,230</u>
Total Net Carrying Amount	<u>93,879</u>	<u>73,390</u>

Depreciation by Asset Class

	<u>2012</u>	<u>2011</u>
	\$	\$
Furniture, Equipment & Plant	16,728	16,367
Motor Vehicles	11,171	2,058
	<u>27,899</u>	<u>18,425</u>

4 Payables and Accruals

	<u>2012</u>	<u>2011</u>
	\$	\$
Accrued Expenses	50,707	13,227
Capital Payables	1,440	12,768
Accommodation Deposits	12,783	6,395
	<u>64,930</u>	<u>32,390</u>

5 Employee Entitlements

	<u>2012</u>	<u>2011</u>
	\$	\$
Accrued Pay	2,500	18,663
Annual Leave	26,049	20,381
	<u>28,549</u>	<u>39,044</u>

6 Retained Earnings

Retained Earnings

	<u>2012</u>	<u>2011</u>
	\$	\$
Retained Earnings at 1 July	186,474	143,984
Total comprehensive income	(40,572)	42,490
Retained Earnings at 30 June	<u>145,902</u>	<u>186,474</u>

7 Reconciliation of Net Surplus to Net Cash Flow from Operating Activities for the year ended 30 June 2012

The reconciliation of Net Surplus to net cash inflows from Operating Activities is as follows:

	<u>2012</u>	<u>2011</u>
	\$	\$
Net Surplus/(Deficit) for Year	(40,572)	42,490
Add/(Less) non-cash items:		
Depreciation	27,899	18,425
Loss on disposal of asset	2,192	1,386
	<u>30,091</u>	<u>19,811</u>
Add (less) Movements in Working Capital Items:		
(Increase)/Decrease in Inventories	(4)	943
(Increase)/Decrease in Receivables & Prepayments	59,071	(47,209)
Increase/(Decrease) in Employee Entitlements	(10,495)	(7,922)
Increase/(Decrease) in Payables and Accruals	42,609	(23,892)
Increase/(Decrease) in Income in advance	2,800	28,514
	<u>93,981</u>	<u>(49,566)</u>
Net Cash Flow from Operating Activities	<u>83,500</u>	<u>12,735</u>

8 Commitments and Contingencies

The Society had the following operating lease commitments as at 30 June 2012.

Non-Cancellable Operating Lease Commitments	<u>2012</u>	<u>2011</u>
	\$	\$
Less than 12 months	2,736	30,524
Between 1 year and 2 years	2,736	2,736
Between 2 years and 5 years	-	2,736
More than 5 years	-	-
Total	<u>5,472</u>	<u>35,996</u>

The Society had no Capital Commitments as at 30 June 2012 (2011: Nil).

The Society had no Contingent Liabilities as at 30 June 2012 (2011: Nil)

9 Related Party Transactions

Masterton District Council

Masterton District Council has appointed one Trustee to the governing board of Destination Wairarapa. The council has provided funding of \$238,900 for the year ending 30 June 2012 (2011: \$242,739). Destination Wairarapa transacts with Masterton District Council in respect of services provided in the normal course of council activities.

Carterton District Council

Carterton District Council has appointed one Trustee to the governing board of Destination Wairarapa. The council has provided funding of \$49,738 for the year ending 30 June 2012 (2011: \$48,257).

South Wairarapa District Council

South Wairarapa District Council has appointed one Trustee to the governing board of Destination Wairarapa. The council has provided funding of \$120,173 for the year ending 30 June 2012 (2011: \$107,407). Destination Wairarapa transacts with South Wairarapa District council in respect of services provided in the normal course of council activities.

Trust House Limited

Trust House Limited has appointed two Trustees to the governing board of Destination Wairarapa. The company has, through Trust House Foundation provided funding of \$249,923 for the year ending 30 June 2012 (2011: from Trust House Charitable Trust \$245,344). Destination Wairarapa paid Trust House Limited \$25,000 for accounting services for the year ending 30 June 2012 (2011: \$20,000).

Transactions with Trustees

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