

Destination Wairarapa March 2015 General Manager's Report

More Visitors, Staying Longer & Spending More

Overview

Visitor Arrivals

Summer 2014 – 2015 has seen the Wairarapa recover after a disappointing last quarter. A 13% increase in Guest Arrivals in January and 7.7% in February went a long way for an across the board strong performance against the region's feeder set.

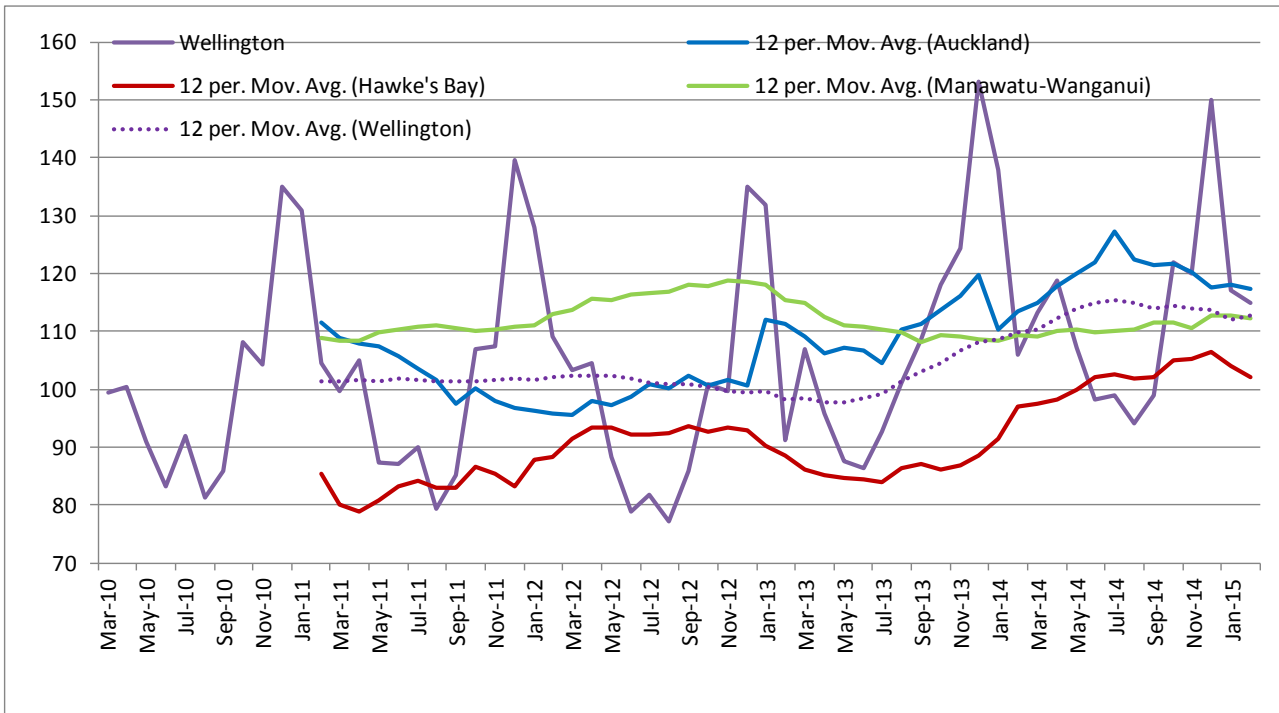
Commercial Accommodation Monitor					
Statistics New Zealand		Summer (Dec-Feb) 2014 v 2015			
	Wairarapa	Greater Wellington	Hawkes Bay	Taupo	National
Guest Arrivals					
2015	38,108	308,770	158,744	175,037	5,766,250
2014	36,691	287,855	155,574	180,901	5,551,711
Variance	3.7%	6.8%	2.0%	-3.4%	3.7%
Guest Nights					
2015	74,129	669,211	361,618	329,716	11,898,824
2014	71,372	634,770	346,704	328,445	11,299,229
Variance	3.7%	5.1%	4.1%	0.4%	5.0%
Occupancy					
2015	32.2%	46.4%	38.7%	49.9%	45.5%
2014	31.1%	41.7%	37.5%	51.3%	43.5%
Variance	1.1	4.7	0.8	-0.4	2.0
Length of Stay					
2015	1.95	2.17	2.28	1.88	2.06
2014	1.95	2.21	2.23	1.82	2.04

Visitor Spend

This data measures indexed spend growth against the average month in 2008 and monthly transaction volumes.

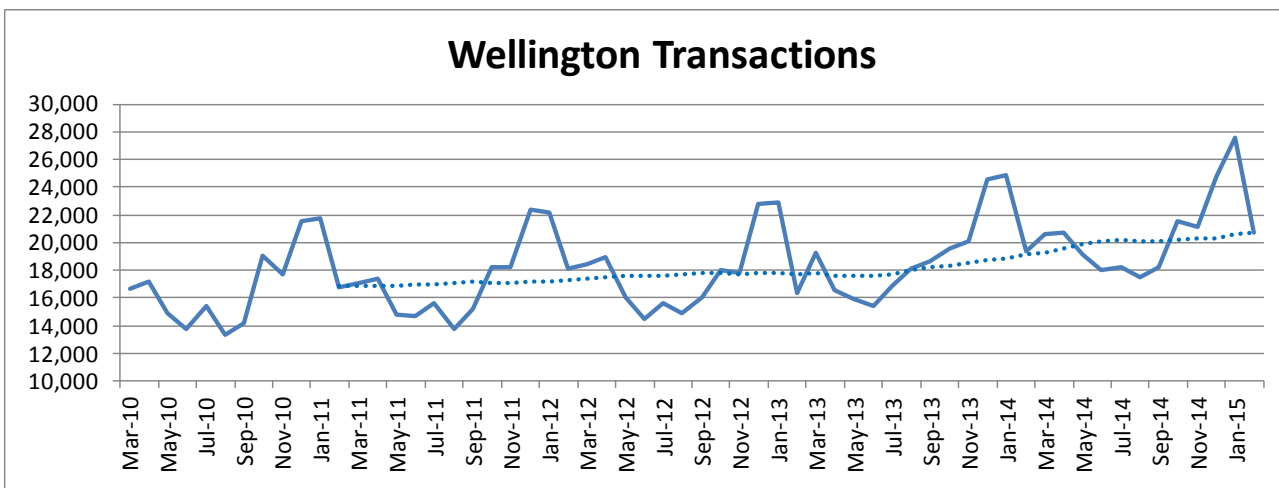
Domestic Level of Spending

- Six of the past 12 months have produced record domestic spend in the Wairarapa.
- Wellington, Auckland and Hawkes Bay continue to be the major contributors with results that closely match total domestic record months.
- Manawatu spend is still very strong and improving but remains a bit off the levels of 2012-13.



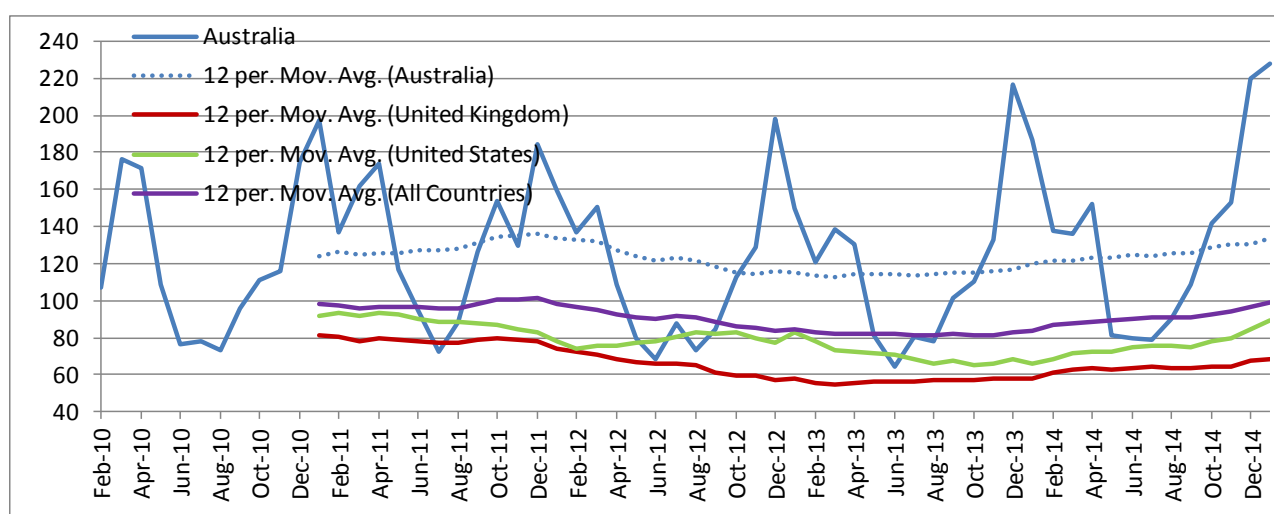
Domestic Volume of Transactions

- Ten of the past 12 months have been record domestic transaction months
- Canterbury has matched those levels with notable transaction volumes although still only 2.8% of the transaction share



International Level of Spending

- Eleven of the past 12 months have produced record international transaction levels:
 - China and the USA have had 9 of the past 12 months as record transactions
 - Australia has hit 11 record transaction months
 - Even the UK has had three record transaction months
- Summer (Dec-Feb) has had every month hitting record credit card spend levels:
 - Australia hit record spend levels on all three months
 - USA hit January with a record spend month



Winning Conferences

In conjunction with the TNZ Business Events Team:

- Taratahi want to look again at an agricultural college conference.
- Tui HQ want to pitch for a brewers conference

Following the success of Meetings NZ last year in a shared stand with Wellington, Destination Wairarapa is leading a Wairarapa stand this year. Tui HQ, Copthorne, Brackenridge, Transit and Destination Wairarapa will present the region in this appointment stream based trade show. The Wairarapa stand will be a host venue for one of the evening events.

Established Products and Markets

Classic New Zealand Wine Trail (CNZWT) & Australia

A page detailing events and things to do aimed at Barmy Army visitors was prepared and that was promoted via a targeted Facebook advert.

Trade

Meeting with an Italian based (with Kiwi owners) travel company looking to host wine tours to Martinborough.

Attended the Tourism NZ annual Market Insights event in Sydney – this is our major trade event for the year and provides one on one meetings with trade.

Domestic Marketing

This was an exceptionally busy period with our campaign activity supporting events including:

- The Masterton A&P Show
- The Martinborough Fair
- Brewday
- The Greytown Arts Festival
- Fernside Garden Tour
- Huri Huri; Wairarapa Bike Festival
- Wings Over Wairarapa was a massive focus for us and saw us leverage our marketing tool kit – a full and detailed campaign report is available but in summary:
 - 25,878 emails were sent in 3 waves
 - Our website had several pages of dedicated Wings content
 - A specially reskinned (i.e. it looked like the WINGS site) web booking page for accommodation was produced. This page received 4,249 page views
 - 2,532 entries were received online for our Wings prize package.
 - Series of Facebook posts achieved excellent reach

Nichola Adams joined the team as Online Marketing Executive.

Co-ordinated a Platinum members Marketing meeting. A number of opportunities to work together were identified. For example:

- We managed and co-funded a 6 week advertising campaign in the Chinese Press – NZ Chinese press newspaper readership is around 30,000/issue. Main distribution area covers the Greater Wellington Region, Palmerston North, New Plymouth, Rotorua and Wairarapa Region. The newspaper is also available online.
- Our ad was 75% content about the region and included a Happy Chinese New Year message – the balance of the ad was a coupon with a different weekly offer from our Platinum partners. Our campaign ran for 6 weeks leading up to include the very important holiday fortnight of Chinese New Year. Thanks to design team at Trust House our ad looked good!

Supported the My Masterton campaign – on our suggestion they took their campaign caravan to the Masterton A&P Show. We joined their stand there and promoted the Balloon festival and signed up locals to our database.

Worked with VISA Wellington on a Plate to encourage involvement in the festival by local restaurants.

Below is an email from someone new to our database – they entered a contest, supplied their details and signed up to hear more from us around things they've advised interest them:

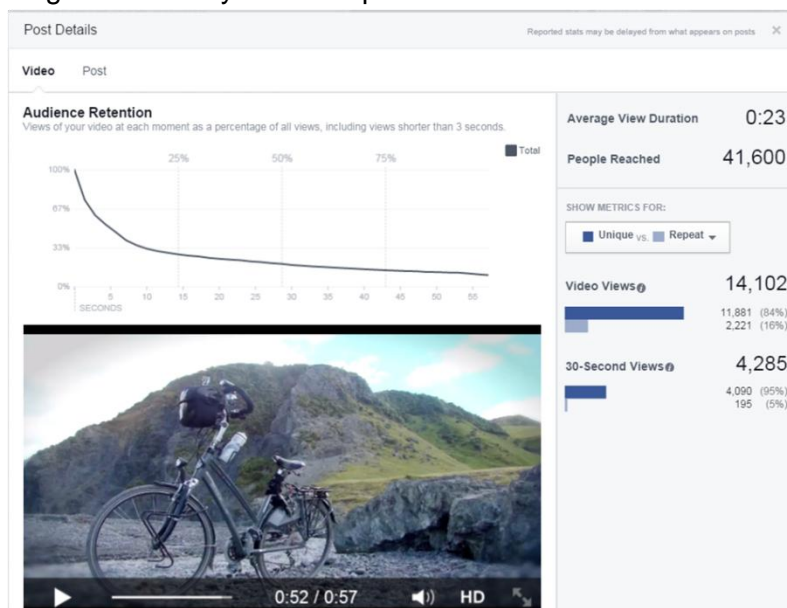
"Thank you for the welcome. I never knew this existed (i.e. our email service), as a little child we use to visit Wairarapa a lot, but stopped as I guess us children got older, now my husband has enjoyed traveling over to Wairarapa, we have made it a tradition to come over regularly. To our surprise we have looked at investigating in a home or holiday batch. Again thank you for the invite and I do hope I win the prize, fingers and toes crossed"

Online/Social:

Attended an excellent You Tube session in Wellington. Over the Xmas period we invested \$350 into a Facebook page Like campaign and gained 1,151 new likes. As at March 23 we have 12,488 likes.

Nichola hit the ground running creating a quick edit of some video footage of the Rimutaka Cycle Trail when the trail was given a major tick by Lonely Planet as one of the must do new products in 2015.

The video was put on our Facebook page as below - we invested in the placement which resulted in over 14,000 views of the video! Subsequently, short videos have been created and posted for Huri Huri; Wairarapa's Bike Festival and Wairarapa Balloon Festival. A plan for the next 3 months has been developed and will include a range of video styles and topics.



Media

Hosted an Indonesian magazine journalist

Worked with PWT media team who lent us top notch UK journalists (here covering cricket) – David and Katie hosted these chaps from The Guardian, The Daily Mail, The Times etc for a day in Martinborough.

Hosted Sarah Catherall from LIFE section of DomPost for Winery Concert weekend.

Worked with Eye Witness Travel guide to update their bi-annual guide. Also Fodors Guide

Developed new content for the revised Jasons Travel website – this will be an going process and we're lucky to be able to advise and influence the content chosen.

Acknowledgement by Lonely Planet of Rimutaka Cycle Trail created a big response e.g.

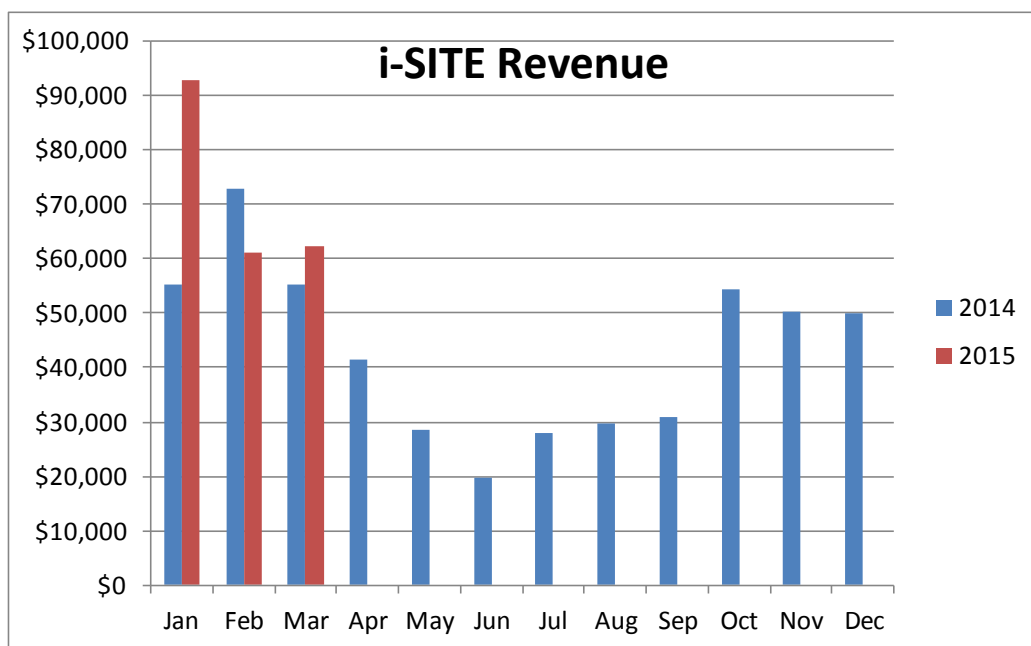
<http://www.radiolive.co.nz/AUDIO-High-praise-for-the-Rimutaka-cycle-trail/tabid/506/articleID/68843/Default.aspx>

<http://www.stuff.co.nz/travel/destinations/nz/64898223/rimutaka-cycle-trail-makes-lonely-planet-list>

i-SITE Visitor Centres

Highlights:

- **i-SITE Total Sales**
- January and February were record revenue months for the i-SITE Visitor Centres.
- January hit the highest revenue level ever with \$92,879 in turnover.
- i-SITE Visitor Centre gross revenue for YE March 2015 (\$549,613) was up 11.9% on the previous 12 months.



- **i-SITE Foot Count**

The year ending March 2015 saw the i-SITE Visitor Centres with 48,048 visitors which is 5,646 (10.5%) down on the previous year. This is the quietest year for four years yet revenue continues to climb.

- January 6,120 – down 16%
- February 5,219 – down 14%
- March 4,344 – down 27%

Product Development

- South Coast Transport Operator
 - Operator has purchased a suitable vehicle for the operation to begin in spring 2015
- Amalgamated Helicopters
 - Have started tourist flights with Huri Huri
 - Offered flights during balloons
 - Featuring in our winter campaign
- Cattle Muster
 - Product has been tested and feedback given
 - Soft launch undertaken in March 2015
- Masterton Vineyards, Orchards and Groves Cycling
 - Product has been trialled and feedback given
 - Soft launch undertaken in February 2015

Operator Development

- Post summer accommodation session held
- Post summer NZ Cycle Trail session held

David Hancock
General Manager

Financials 31 March 2015

- The financial statements are attached and summarised below:

Destination Wairarapa Profit & Loss Summary						
	March 2015			YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
Revenue	\$67,626	\$67,097	\$529	\$654,927	\$615,919	\$39,008
Expenditure						
Corporate Support	\$45,617	\$37,353	-\$8,264	\$297,478	\$312,897	\$15,419
Marketing	\$18,561	\$8,095	-\$10,466	\$180,992	\$137,405	-\$43,587
i-SITEs	\$16,663	\$18,450	\$1,787	\$157,495	\$165,251	\$7,756
Total Expenses	\$80,841	\$63,898	-\$16,943	\$635,965	\$615,553	-\$20,412
Net Surplus/Deficit	-\$13,215	\$3,199	-\$16,414	\$18,962	\$366	\$18,596
Retained Earnings Projects in P&L						
Opening Rimutaka Cycle Trail Retained Earnings				\$24,423	\$24,423	\$0
Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Expenses	\$0	\$0	\$0	\$1,745	\$0	-\$1,745
Closing Rimutaka Cycle Trail Retained Earnings				\$22,678	\$0	\$22,678

- Revenue is \$39,000 up on budget and it is expected that by the end of the financial year Revenue will be up by \$45,000 on budget
- Expenses are currently below budget by \$20,000. It's expected that the last quarter will bring considerably more expenses with winter campaigns and conference expos
- Net Surplus of \$18,962 is expected to fall closer to the EOY \$700 budgeted surplus

DESTINATION WAIRARAPA INC.
INCOME STATEMENT FOR THE PERIOD
31/03/2015



	Actual	Budget	Actual	Budget
	31/03/2015	31/03/2015	YTD	YTD
	\$	\$	\$	\$
REVENUE				
Retail Sales & Other Commissions	933	1,050	7,861	6,950
Less Cost of Sales	(782)	(650)	(2,738)	(4,200)
Accommodation Commissions	4,689	3,800	27,636	28,500
Escape Planner - Net Revenue	-	-	17,198	19,000
Wine Map Revenue	-	-	9,943	-
Other Revenue	-	-	23,806	-
Grants - Masterton District Council	22,187	21,667	198,120	195,003
Grants - Carterton District Council	4,417	4,338	39,515	39,038
Grants - South Wairarapa District Council	10,160	9,667	90,960	86,999
Donation - THF	20,833	21,035	187,497	188,911
Membership	5,007	5,916	49,936	53,244
Interest Received	183	275	2,727	2,475
Gain on Sale	-	-	2,467	-
Operational Revenue	67,626	67,097	654,927	615,919
EXPENDITURE				
Corporate Support				
Salaries	23,811	19,849	157,155	178,641
Personnel Expenses incl Training	708	300	3,181	2,450
Board Fees	5,295	5,903	15,885	17,709
Board Members' Expenses	1,755	75	1,870	225
Membership Expenses incl TDG	356	-	2,257	2,850
Training & Recruitment	-	-	43	-
Subscriptions & Membership	518	55	8,796	8,199
Vehicle Leases	1,088	-	5,431	-
Vehicle Operating Costs	836	875	7,146	7,875
Rent & Rates	1,156	1,275	10,889	11,475
Electricity	82	170	949	1,660
Telecoms incl Mobiles	704	760	6,878	6,740
Information Technology	823	810	5,813	7,290
Office Supplies incl Furnishings	802	500	5,915	4,500
Kitchen Supplies	-	35	102	295
Equipment Rental	91	100	726	900
Bank Fees - National Bank	43	60	327	520
Accounting Fees	2,083	2,084	18,750	18,748
Merchant & Bank Fees - BNZ	521	250	3,714	2,250
Insurance	400	410	3,576	3,670
ACC Levies	92	175	946	1,575
Fringe Benefit Tax	696	608	6,619	5,472
Legal Expenses	-	-	100	1,000
Audit Fees	1,259	1,259	11,321	11,328
Depreciation	1,958	1,400	15,557	12,925
Interest Expense	540	400	3,535	3,600
Bad Debts	-	-	-	1,000
Total Corporate Support Expenses	45,617	37,353	297,478	312,897

DESTINATION WAIRARAPA INC.
INCOME STATEMENT FOR THE PERIOD
31/03/2015



	Actual	Budget	Actual	Budget
	31/03/2015	31/03/2015	YTD	YTD
Marketing				
Contract Staff	3,555	2,250	36,699	20,250
CNZWT Marketing	759	-	3,279	2,900
International Marketing Alliance	243	900	50,423	48,050
Advertising	1,320	-	2,452	2,500
Domestic Marketing	5,875	2,000	25,057	12,000
Distribution	1,247	1,000	8,246	9,000
Web Site & E-Marketing	797	795	6,877	7,155
Visitor Guide	-	-	18,079	15,000
Relationship Marketing	1,027	100	2,421	1,200
Branding & Imagery	-	-	788	2,500
Exhibitions & Events	935	1,050	8,801	7,350
Trade	260	-	2,363	2,000
Media	135	-	1,999	2,000
Conferences	2,408	-	8,011	5,500
Rimutaka Cycle Trail	-	-	5,496	-
Total Marketing Expenses	18,561	8,095	180,992	137,405
I-Sites				
Wages	13,752	15,000	129,678	132,000
Personnel incl Training & Conferences	-	-	1,836	1,500
Travel & Transport	-	-	-	200
Rent & Rates	1,895	2,150	17,051	19,346
Electricity	131	300	2,156	3,100
Telecom	524	650	3,685	5,400
Photocopier	230	150	1,563	1,350
Office Supplies incl Furnishings	71	100	781	1,200
Kitchen Supplies	14	100	700	955
Repairs & Maintenance	45	-	45	200
Total I-Site Expenses	16,663	18,450	157,495	165,251
Operating Expenditure	80,841	63,898	635,965	615,553
Operating Surplus (Deficit)	(13,215)	3,199	18,961	366

* Rimutaka Cycle Trail Total \$22,678

DESTINATION WAIRARAPA INC.

BALANCE SHEET AS AT 31 MARCH 2015



CURRENT ASSETS	\$	\$
Cash Float	400	
Bank - National	26,755	
National Bank - Call Account	69,692	
BNZ Trust Account.	18,436	
Inventory I-Sites	2,038	
Receivables - Trade	5,566	
Donation Not Yet Received	187,497	
Prepayments	275	
Total Current Assets		310,659
NON-CURRENT ASSETS		
Fixed Assets	135,147	
Less Accumulated Depreciation	(64,992)	
Fixed Assets		70,155
TOTAL ASSETS		380,814
LIABILITIES		
Accounts Payable	37,963	
Income in Advance	45,063	
BNZ Trust Account (Commission)	18,436	
Payroll Liability	25,174	
Toyota Finance	49,967	
TOTAL LIABILITIES		176,603
EQUITY		
Opening Retained Earnings	82,550	
Contingency Reserve	70,000	
Asset Replacement Reserve	32,700	
Surplus / (Deficit) for the year 2014/15	18,961	
Total Equity		204,211
TOTAL LIABILITIES & EQUITY		380,814

**DESTINATION WAIRARAPA
STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2015**



Cash Flows from Operating Activities

<u>Cash was provided from:</u>	\$
Donation - Trust House	-
Donation - Others	-
Receipts from Customers	148,151
Grants Received - TLA	328,595
Gain on Sale	2,467
Interest Received	2,727
	<u>481,940</u>

Cash was applied to:

Payments to suppliers and employees	612,088
Interest Paid	3,535
	<u>615,623</u>

Net Cash Inflows / (Outflows) from Operating Activities (133,683)

Cash Flows from Investing Activities

Cash was applied to:	
Purchase of Fixed Assets	<u>52,342</u>
	52,342
Cash was provided from	
Sale of Fixed Assets	<u>19,174</u>
	19,174

Net Cash Outflows from Investing Activities (33,168)

Cash Flows from Financing Activities

Cash was provided from:	
Proceeds from Finance leases	<u>52,653</u>
	52,653
Cash was applied to:	
Repayment of borrowings	766
Finance Lease Repayments	<u>26,050</u>
	26,816

Net Cash Inflows/ (Outflows) from Financing Activities 25,837

Net (Decrease) / Increase in Cash Held (141,014)

Opening Cash Balance 256,297

Closing Cash Balance 115,283

Closing Cash is made up of:

Cash Floats	400
Funds at Bank	45,191
Short Term Deposits	<u>69,692</u>
	<u><u>115,283</u></u>

DESTINATION WAIRARAPA - FIXED ASSET DEPRECIATION SCHEDULE

As at 31 MARCH 2015



ASSETS	DATE	COST	ACCUM	OPENING	ASSET		Disposal	DEPN	DEPN	DEPN	CLOSING	CLOSING	CLOSING	SALE	GAIN
		PRICE	DEPN	BOOK VALUE	Additions	Disposal Cost	Acum Depn	RATE % DV	Opening Assets	Additions Disposals	COST PRICE	ACCUM DEPN	BOOK VALUE	PRICE	(LOSS) on Sale
Furniture & Equipment															
Coffee Table	Oct-07	234	140	94				12.50 DV	9		234	149	85		
Display Stand & Panels	Oct-07	309	183	126				12.50 DV	12		309	195	114		
Wairarapa Banners	Oct-07	312	185	127				12.50 DV	12		312	197	115		
Wall Display Unit	Oct-07	322	190	132				12.50 DV	12		322	202	120		
Marketing Panel	Oct-07	338	201	137				12.50 DV	13		338	214	124		
Chairs	Oct-07	388	230	158				12.50 DV	15		388	245	143		
Blinds	Oct-07	459	357	102				20.00 DV	15		459	372	87		
Brochure Stand	Oct-07	646	383	263				12.50 DV	25		646	408	238		
Signage	Oct-07	1,294	767	527				12.50 DV	49		1,294	816	478		
Wairarapa Display Panels	Oct-07	1,870	1,110	760				12.50 DV	71		1,870	1,181	689		
Joinery - Display Stands	Oct-07	6,536	3,877	2,659				12.50 DV	249		6,536	4,126	2,410		
PABX System	Oct-08	5,133	4,634	499				36.00 DV	135		5,133	4,769	364		
Midback Chairs (4)	Feb-09	859	587	272				19.20 DV	39		859	626	233		
2 Drawer Filing Cabinet Black	Feb-09	496	338	158				19.20 DV	23		496	361	135		
Form Midback Chair (2)	Feb-09	656	448	208				19.20 DV	30		656	478	178		
Vortex Sofa & Chairs	Feb-09	512	350	162				19.20 DV	23		512	373	139		
Vortex Tub Chair	Feb-09	296	202	94				19.20 DV	13		296	215	81		
Desk - Light Maple	Feb-09	346	236	110				19.20 DV	16		346	252	94		
Chair - Hero Black Knight	Feb-09	99	68	31				19.20 DV	5		99	73	26		
Coffee Table	Feb-09	230	157	73				19.20 DV	11		230	168	62		
Counter	Feb-09	7,960	3,969	3,991				12.00 DV	359		7,960	4,328	3,632		
Signage	Jun-09	880	736	144				30.00 DV	32		880	768	112		
Hero Chair Black Knight	Jun-09	119	78	40				19.20 DV	6		119	84	34		
Essence Guest Chairs (2)	Jun-09	283	187	96				19.20 DV	14		283	201	82		
Desks Tawa (3)	Jun-09	824	475	349				15.60 DV	41		824	516	308		
Work Station Tawa (1)	Jun-09	399	230	169				15.60 DV	20		399	250	149		
4 Drawer Mobiles (5)	Jun-09	969	640	328				19.20 DV	47		969	687	281		
Bookcases Tawa (2)	Jun-09	532	352	180				19.20 DV	26		532	378	154		
Cupboard Tawa	Jun-09	426	281	145				19.20 DV	21		426	302	124		
Cubit Coffee Table	Jun-09	230	152	78				19.20 DV	11		230	163	67		
Laptop	Jun-09	2,280	2,257	23				60.00 DV	10		2,280	2,267	13		
Work Station Tawa (1)	Jun-09	399	230	169				15.60 DV	20		399	250	149		
PABX System 2	Jul-09	2,990	2,669	321				36.00 DV	87		2,990	2,756	234		
Prints (3)	Aug-09	1,813	1,263	550				21.60 DV	89		1,813	1,352	461		
Brochure Stand	Sep-09	1,019	483	535				12.50 DV	50		1,019	533	485		
15" Monitor & Wall Bracket	Dec-09	1,219	1,199	20				60.00 DV	9		1,219	1,208	11		
Mobile Phones (2)	Feb-10	2,665	2,614	51				60.00 DV	23		2,665	2,637	28		
Vortex 2 Seater Sofa	May-10	589	349	239				19.50 DV	35		589	384	204		
Banner	Jun-10	1,964	1,173	791				20.00 DV	119		1,964	1,292	672		
Banner Stand	Jun-10	1,690	1,010	680				20.00 DV	102		1,690	1,112	578		
Display Units	Oct-10	1,430	562	868				12.50 DV	81		1,430	643	787		
Signage (Sign Factory)	Nov-10	1,184	859	325				30.00 DV	73		1,184	932	252		
Computer Toshiba Tecra	Dec-10	1,715	1,563	152				50.00 DV	57		1,715	1,620	95		
Phillips LCD 22"	Dec-10	304	254	50				40.00 DV	15		304	269	35		
Computer Toshiba Tecra A11	Feb-11	1,475	1,329	146				50.00 DV	55		1,475	1,384	91		
Disk Drive 500GB HDD's (2)	Jun-11	995	875	120				50.00 DV	45		995	920	75		
Server & Equipment	Jun-11	12,768	7,494	5,274				25.00 DV	989		12,768	8,483	4,285		
Camera - Canon EOS1100	Dec-11	999	723	276				40.00 DV	83		999	806	193		
Acer LCD 22" (4)	Jan-12	936	666	270				40.00 DV	81		936	747	189		
Computer - 15.6" Samsung	Jun-12	1,440	1,094	346				50.00 DV	130		1,440	1,224	216		
Signage (Sign Factory)	Sep-13	920	230	690				30.00 DV	155		920	385	535		
Signage (Sign Factory)	Apr-14	1,372	103	1,269				30.00 DV	286		1,372	389	983		
Dell Optiplex PC'S (2)	May-14	1,285	107	1,178				50.00 DV	442		1,285	549	736		
Camcorder & Accessories	May-14	4,738	316	4,422				40.00 DV	1327		4,738	1,643	3,095		
Samsung GalaxyTablet 23.6	Jun-14	661	28	633				50.00 DV	238		661	266	395		
Signage 3 Banners	Aug-14	-	-	-	1,960			20.00 DV	0	261	1,960	261	1,699		
Samsung GalaxyTablet 23.6	Aug-14	-	-	-	511			20.00 DV	0	68	511	68	443		
2 Traperformer Basic Screens	Nov-14	-	-	-	520			50.00 DV	0	108	520	108	412		
Total Furniture & Equipment		82,805	51,198	31,607	2,991	-	-		5,955	437	85,796	57,590	28,206		
Vehicles															
Toyota Corolla ETU339	Oct-11	17,387	10,784	6,603		17,387	11,279	30.00 DV	-	495	-	-	-	7,391	1,283
Toyota Corolla EJM659	Oct-11	17,387	10,784	6,603		17,387	11,279	30.00 DV	-	495	-	-	-	7,261	1,153
Toyota Camry ESF771	Dec-11	19,126	11,395	7,731		19,126	12,168	30.00 DV	-	773	-	-	-	6,988	30
Toyota Corolla HQU231	Oct-14	-	-	-	24,715			30.00 DV	-	3707	24,715	3,707	21,008		
Toyota Corolla HQU232	Oct-14	-	-	-	24,637			30.00 DV	-	3695	24,637	3,695	20,942		
Total Vehicles		53,900	32,963	20,937	49,351	53,900	34,726		-	9,165	49,351	7,402	41,949	21,641	2,467
Total: Destination Wairarapa		136,705	84,161	52,543	52,343	53,900	34,726		5,955	9,602	135,147	64,992	70,155	21,641	2,467