

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF DESTINATION WAIRARAPA INCORPORATED'S
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

The Auditor-General is the auditor of Destination Wairarapa Incorporated (the Society). The Auditor-General has appointed me, Vivien Cotton, using the staff and resources of CKS Audit, to carry out the audit of the financial statements of the Society on his behalf.

Opinion

We have audited the financial statements of the Society on pages 6 to 16, that comprise the statement of financial position as at 30 June 2023, the statement of financial performance, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Society:

- present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) PBE SFR-A (PS) framework.

Our audit was completed on 26 October 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information and we explain our independence.

Basis for opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the financial statements

The Board are responsible on behalf of the Society for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board are responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible on behalf of the Society for assessing the Society's ability to continue as a going concern. The Board are also responsible for disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless the Board intend to wind up the Society or to cease operations, or have no realistic alternative but to do so.

The Boards' responsibilities arise from clause 8.8 of the Rules of the Society.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001 and clause 11 of the Rules of the Society.

Other information

The Board are responsible for the other information. The other information comprises the information included on pages 3 to 5, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Society in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Society.



Vivien Cotton
CKS Audit
On behalf of the Auditor-General
Palmerston North, New Zealand

Performance Report

Destination Wairarapa Inc.
For the year ended 30 June 2023

Prepared by Sellar & Sellar

Contents

3	Entity Information
4	Approval of Performance Report
5	Statement of Service Performance
6	Statement of Financial Performance
7	Statement of Financial Position
8	Statement of Cash Flows
9	Statement of Accounting Policies
12	Notes to the Performance Report

Entity Information

Destination Wairarapa Inc. For the year ended 30 June 2023

Legal Name of Entity

Destination Wairarapa Incorporated

Entity Type and Legal Basis

Destination Wairarapa Inc is an Incorporated society in New Zealand.

Registration Number

Incorporation number: 1978759

Entity's Purpose or Mission

Grow the Wairarapa's Tourism Revenue by attracting More Visitors, who Stay Longer and Spend More.

Entity Structure

The board comprises of six Trustees who oversee the governance of the society, a General Manager who is responsible for the day-to-day operations of the society and reporting to the Trustees, and 10 other full time/part time staff who support the General Manager in delivering against the Society's objectives. Three Trustees are elected from the Incorporated Society's membership. One Trustee is appointed by each of the three District Councils.

Main Sources of Entity's Cash and Resources

The primary sources of funding are grants from the Masterton, Carterton and South Wairarapa District Councils under multi-year funding agreements. The society has also received grants from Trust House Foundation and earns membership subscription income.

Entity's Reliance on Volunteers and Donated Goods or Services

There is no reliance on volunteers or donated goods and services.

Physical Address

10 Dixon Street, MASTERTON 5840

Postal Address

PO Box 674, MASTERTON

Accountant

Sellar & Sellar Chartered Accountants

81 Queen Street, MASTERTON 5840

Auditor

Cotton Kelly Smit Limited

On Behalf of the Auditor General

P O Box 4125 PALMERSTON NORTH

Approval of Performance Report

**Destination Wairarapa Inc.
For the year ended 30 June 2023**

The Trustees are pleased to present the approved performance report including the historical financial statements of Destination Wairarapa Inc. for year ended 30 June 2023.

APPROVED



Robin Dunlop

Chairman

Date 25/10/23


Allan Hogg

Deputy Chairman

Date 25/10/23

Statement of Service Performance

Destination Wairarapa Inc. For the year ended 30 June 2023

'What did we do?', 'When did we do it?'

Destination Wairarapa provides continual promotion and support to market the Wairarapa as a tourist destination. There are multiple projects being run at any one time both event specific (short term) and ongoing (long term).

Description and Quantification of the Entity's Outputs

Grow the Wairarapa's Tourism revenue by attracting more visitors, who stay longer and spend more. This is done by ensuring the Wairarapa has the right tourism offerings, with outstanding delivery, marketed effectively.

Output	2023	2022
Guest Nights Year-on-year increase in Guest Nights (accommodation booked)	Achieved 294,300 Total guest nights	Achieved 253,400 Total guest nights
Revenue from Tourism To assist the Tourism Industry to meet the Wairarapa Tourism 2025 Target of \$212 M pa by having an average growth of 5.3%	Achieved New national measure TECT Data \$173 million (Only physical electronic card transactions recorded)	Achieved New national measure TECT Data \$164 million (Only physical electronic card transactions recorded)
ISite Visitors To encourage people to visit the ISite	Achieved Door count at ISite 20,753	Achieved Door count at ISite 17,963
Facebook Media Interactions To encourage people to use Facebook and grow our digital audience	Achieved 31,289 Likes	Achieved 30,665 Likes

Outcomes - Strategic Tourism Assets Protection Programme

Destination Wairarapa has been a recipient of funding from Strategic Tourism Assets Protection Programme and during the current year has achieved the following:

- Attracted a business development professional for 12 months to manage the delivery of the Wairarapa operator capability building programme and product building opportunities.
- CNZWT joint promotion with Hawkes Bay, Wellington, Marlborough alongside TNZ. Include local wineries and NZ Winegrowers for Australian market.
- Engaged a contractor to provide the Wairarapa region with a foundation for the development of a future Events Strategy by evaluating the Wairarapa's current and future event investment, infrastructure, acquisition, and development opportunities, that showcases the local area, its culture, and which can underpin the sustainable development of the Wairarapa visitor economy.

Statement of Financial Performance

Destination Wairarapa Inc.
 For the year ended 30 June 2023

'How was it funded?' and 'What did it cost?'

	NOTES	2023	2022
Revenue			
Funding from Central and Local Government	1	788,403	699,995
Donations and Grants	1	150,000	150,000
Membership Subscriptions	1	63,789	49,428
Revenue from Providing Goods and Services	1	86,357	82,999
Interest	1	6,463	2,473
Total Revenue		1,095,011	984,896
Expenses			
Personnel Costs	2	624,661	474,998
Operating Expenses	2	429,040	494,769
Total Expenses		1,053,701	969,767
Surplus/(Deficit) for the Year		41,311	15,128

This statement has been audited, and should be read in conjunction with the Notes, Accounting Policies and Audit Report.



Statement of Financial Position

Destination Wairarapa Inc.

As at 30 June 2023

'What the entity owns?' and 'What the entity owes?'

	NOTES	30 JUN 2023	30 JUN 2022
Assets			
Current Assets			
Bank Accounts and Cash	3	384,126	528,842
Inventory	3	2,484	3,201
Debtors and Prepayments	3	51,420	15,739
Investments (current)	3	-	152,282
Total Current Assets		438,029	700,064
Non-Current Assets			
Property, Plant and Equipment	6	20,230	20,239
Total Non-Current Assets		20,230	20,239
Total Assets		458,259	720,304
Liabilities			
Current Liabilities			
Creditors and Accrued Expenses	4	69,659	67,990
Income in Advance	4	-	318,305
Employee Costs Payable	4	59,197	45,316
Other Current Liabilities	4	500	600
Total Current Liabilities		129,355	432,211
Non-Current Liabilities			
Loans	4	-	500
Total Non-Current Liabilities		-	500
Total Liabilities		129,355	432,710
Total Assets less Total Liabilities (Net Assets)		328,904	287,593
Represented By:			
Accumulated surpluses or (deficits)	7	218,904	177,593
Reserves	7	110,000	110,000
Total Equity		328,904	287,593

This statement has been audited, and should be read in conjunction with the Notes, Accounting Policies and Audit Report.



Statement of Cash Flows

Destination Wairarapa Inc.
For the year ended 30 June 2023

'How the entity has received and used cash'

	2023	2022
Cash Flows from Operating Activities		
Cash was received from:		
Central and Local Government Funding	440,245	872,632
Donations and Grants	150,000	150,000
Membership Subscriptions Income	62,452	51,279
Receipts from Providing Goods and Services	85,960	90,002
Interest	6,837	2,218
Net GST	3,827	3,178
Total Cash was received from:	749,320	1,169,309
Cash was applied to:		
Payments to suppliers and employees	(1,036,277)	(943,710)
Total Cash was applied to:	(1,036,277)	(943,710)
Total Cash Flows from Operating Activities	(286,957)	225,599
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Receipts from sale of investments	152,282	-
Proceeds from loans borrowed from other parties	-	1,199
Cash flows from other investing and financing activities	(600)	(4,485)
Total Cash was received from:	151,682	(3,286)
Cash was applied to:		
Payments to acquire property, plant and equipment	(8,842)	(3,444)
Payments to purchase investments	-	(1,652)
Repayments of loans borrowed from other parties	(600)	(8,135)
Total Cash was applied to:	(9,442)	(13,230)
Total Cash Flows from Investing and Financing Activities	142,240	(16,516)
Net Increase/(Decrease) in Cash	(144,717)	209,083
Bank Accounts and Cash		
Opening cash	528,842	319,759
Closing cash	384,126	528,842
Net change in cash for period	(144,717)	209,083

This statement has been audited, and should be read in conjunction with the Notes, Accounting Policies and Audit Report.



Statement of Accounting Policies

Destination Wairarapa Inc. For the year ended 30 June 2023

Basis of Preparation

The entity has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that the Society does not have public accountability and has total annual expenses equal to or less than \$2,000,000.

All transactions in the Performance Report are reported using the accrual basis of accounting.

The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

Destination Wairarapa Inc. is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

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 in 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 of expense.

Significant Accounting Policies

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.

Trade and Other Payables

Trade and other payables are recognised at the amount payable.

Property, Plant and Equipment

Property, Plant, Equipment and Motor Vehicles are recorded at cost and depreciated over their expected useful lives.

Depreciation

Depreciation is calculated on a diminishing value basis on all fixed assets at a rate which will write off the cost (or valuation) of their 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	10% - 60%
Motor Vehicles	30%
Leasehold Improvements	20% - 67%

When 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.



Income Tax

Destination Wairarapa Inc. is exempt from New Zealand income tax as a regional promotional body.

Financial Instruments

Destination Wairarapa Inc. 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.

Finance Leases

Leases which effectively transfer substantially all the risk 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 Statements 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 risk and benefits of ownership of the leased items are classified as operating leases. Operating leases expenses are recognised on a systematic basis over the period of the lease.

Statement of Cash Flows

Cash means cash balances on hand, held on bank accounts, demand deposits and other highly liquid investment 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 leases of vehicle by the society.

Local Government Funding, Donations and Membership Income

Are recognised in the year to which they relate.

Local Government Funding revenue is recognised in the year in which it relates and is directly linked to the Councils Annual Plan

Membership Subscriptions and Revenue for Providing Goods and Services are recognised as income when invoiced. Commission for acting on behalf of others is recognised as income when earned.

Revenue from Donations and Grants without a "use or return" condition is recorded when cash is received.

Other Revenue

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

Tier 2 PBE Accounting Standards applied

The Society has not applied any Tier 2 Accounting Standards in preparing its financial statements.



Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.



Notes to the Performance Report

Destination Wairarapa Inc. For the year ended 30 June 2023

	2023	2022
1. Analysis of Revenue		
Funding from Central and Local Government		
Funding from Local Government	470,832	470,832
Strategic Tourism Assets Protection Programme	315,171	227,363
Covid-19 Wage Subsidy	2,400	1,800
Total Funding from Central and Local Government	788,403	699,995
Donations and Grants		
Donation - Trust House	150,000	150,000
Total Donations and Grants	150,000	150,000
Membership Subscriptions	63,789	49,428
Revenue from providing goods or services		
I-Site Sales	15,889	14,432
Wairarapa Visitor Guide	29,771	30,449
Other Revenue	40,697	38,118
Total Revenue from providing goods or services	86,357	82,999
Interest	6,463	2,473
Total Revenue	1,095,011	984,896
	2023	2022
2. Analysis of Expenses		
Personnel Costs	624,661	474,998
Operating Expenses		
Administration and Financial	49,598	78,273
Advertising and Marketing	228,231	267,840
Audit Fees	8,786	8,400
Cost of Goods Sold	2,115	873
Depreciation	8,852	8,882
Interest	-	31
Property Expenses	36,316	32,600
Other Staff Costs	73,761	74,261
Trustee Fees & Expenses	21,381	23,610
Total Operating Expenses	429,040	494,769
Total Expenses	1,053,701	969,767



	2023	2022
3. Analysis of Current Assets		
Cash and Cash Equivalents		
ANZ - Operational	185,407	407,632
ANZ - Reserves	160,880	101,803
ANZ - Remutaka Cycle Trail	9,802	9,644
I-Site Trust Account	27,068	7,369
Cash Held	970	2,395
Total Cash and Cash Equivalents	384,126	528,842
Inventory	2,484	3,201
Receivables and prepayments		
Accounts Receivable	47,915	13,947
Prepayments	3,505	1,418
Accrued Revenue	-	374
Total Receivables and prepayments	51,420	15,739
Investments		
ANZ Term Deposit	-	152,282
Total Investments	-	152,282
Total Current Assets	438,029	700,064
	2023	2022

4. Analysis of Liabilities

Creditors and accrued expenses		
Accounts Payable	31,467	45,425
Credit Cards Payable	4,344	2,704
GST	17,680	5,838
Held in Trust	6,064	4,362
Audit Provision	10,104	9,660
Total Creditors and accrued expenses	69,659	67,990
Income In Advance		
Income in Advance	-	318,305
Total Income In Advance	-	318,305
Employee costs payable		
Holiday Pay Liability	40,428	31,293
Accrued Payroll	18,769	14,023
Total Employee costs payable	59,197	45,316
Loans		
Spark Interest Free Loan		
Term Portion	-	500



Current Portion	500	600
Total Spark Interest Free Loan	500	1,099
Total Liabilities	129,355	432,710
	2023	2022

5. Analysis of Remutaka Cycle Trail Project Accounts

Remutaka Cycle Trail Project Bank Account		
ANZ - Remutaka Cycle Trail	9,802	9,644
Total Remutaka Cycle Trail Project Bank Account	9,802	9,644
	2023	2022

6. Property, Plant and Equipment

Furniture and Fittings	5,229	6,740
Computer Equipment	3,988	1,112
Leased Assets	5,492	7,846
Leasehold Improvements	5,521	4,541
Total Property, Plant and Equipment	20,230	20,239

Fixed Asset Reconciliation

For the year ended 30 June 2023:

Asset Type	Opening Value	Purchases	Sales	Gain / Loss on Sale	Depreciation	Closing Value
Furniture & Fittings	6,740				1,511	5,229
Motor Vehicle	7,846				2,354	5,492
Computer Equipment	1,112	4,845			1,969	3,988
Leasehold Improvements	4,541	3,997			3,018	5,521
Total	20,239	8,842			8,852	20,230

For the year ended 30 June 2022:

Asset Type	Opening Value	Purchases	Sales	Gain / Loss on Sale	Depreciation	Closing Value
Furniture & Fittings	6,945	1,043			1,247	6,740
Motor Vehicle	11,209				3,363	7,846
Computer Equipment	862	1,258			1,008	1,112
Leasehold Improvements	6,662	1,143			3,264	4,541
Total	25,678	3,444			8,882	20,239



	2023	2022
7. Equity		
Accumulated Funds		
Opening Balance	287,593	272,465
Accumulated surpluses or (deficits)	41,311	15,128
Total Accumulated Funds	328,904	287,593
Total Equity	328,904	287,593
	2023	2022

8. Breakdown of Reserves

Reserves		
Asset Replacement Reserve	40,000	40,000
Contingency Reserve	50,000	50,000
Remutaka Cycle Trail - Reserve	20,000	20,000
Total Reserves	110,000	110,000

Asset Replacement Reserve - A reserve held for the future replacement of an asset with a useful life greater than one reporting period.

Contingency Reserve - A reserve held to guard against any possible future losses.

Remutaka Cycle Trail - Reserve - A reserve held to cover specific expenditure on the Remutaka Cycle Trail.

9. Commitments and Contingencies

The Society had the following operating lease commitments as at 30 June 2023.

	2023	2022
Non-Cancellable Operating Lease Commitments		
Commitments to lease or rent assets		
Less than 12 months	31,260	28,532
Between 1 and 2 Years	29,052	26,844
Between 2 and 5 years	19,615	41,115
More than 5 years	56,112	61,456
Total Commitments to lease or rent assets	136,039	157,947

Destination Wairarapa has no other commitment or contingencies as at 30 June 2023. (Last year - TRC Tourism Limited \$12,558).

10. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2023. (Last year - Nil).



11. Related Party Transaction

Masterton District Council

Masterton District Council has appointed one Trustee to the governing board of Destination Wairarapa. The Council has provided funding of \$282,914 for the year ending 2023 (Prior Year: \$282,914). 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 \$55,968 for the year ending 2023 (Prior Year: \$55,968). Destination Wairarapa transacts with Carterton District Council in respect of services provided in the normal course of Council activities.

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 \$131,950 for the year ending 2023 (Prior Year: \$131,950). Destination Wairarapa transacts with South Wairarapa District Council in respect of services provided in the normal course of Council activities.

Transactions with Trustees

A number of the Trustees own or manage tourism related businesses in the Wairarapa and transact with Destination Wairarapa as a result. All of these transactions are completed on normal commercial terms. The White Swan was used for meetings, media famils and contractor accommodation and catering services to Destination Wairarapa \$958. (Last year \$2,073).

12. Significant Events

There are no significant events after balance date as at 30 June 2023.

13. Events After the Balance Date

There are no events after balance date as at 30 June 2023.

14. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

